



**CITY AND COUNTY OF SAN FRANCISCO**  
**OFFICE OF THE CONTROLLER**

**Ben Rosenfield**  
**Controller**

**Monique Zmuda**  
**Deputy Controller**

June 16, 2010

Ms. Angela Calvillo  
Clerk of the Board of Supervisors  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

RE: File Number 100621: Amendment to the Memorandum of Understanding (MOU)  
with Municipal Executives Association

Dear Ms. Calvillo,

In accordance with Ordinance 92-94, I am submitting a cost analysis of Amendment #4 (amendment) to the MOU between the City and County of San Francisco and the Municipal Executives Association (MEA). The amendment applies to the period commencing July 1, 2010 through June 30, 2012, affecting 1,107 authorized positions with a salary base of approximately \$131 million and an overall pay and benefits base of approximately \$158 million. MEA is a member of the Public Employees Committee of the San Francisco Labor Council (PEC) and agreed many terms in the summary letter. They did not accept the cap on payments of health benefits.

The existing contract ends FY 2010-2011, but the amendment extends through FY 2011-2012 and includes a total savings of approximately \$1 million as compared to the FY2010-11 base budget. MEA agreed to concessions for both FY2009-10 and FY2010-11 in the two previous bargaining years. The approximate savings from these previous concessions for FY2010-11 is \$5.3 million.

Under the current amendment, the Pay for Performance program is extended – previously set to expire at the end of FY2009-10. The payments will be foregone by members until the end of the agreement, at which time the program will expire. In addition, 0.5% of wages, as set aside to pay for Management Classification/Compensation Plan Range B & C wages, were not provided to MEA in FY2010-11. Under this amendment, MEA will forego 1% of the wages set aside, for an additional savings of approximately \$600,000.

Previously, MEA had also agreed to a furlough of five days for FY2010-11, smoothed to 1.5 hours per pay period. To bring MEA's total concession for FY2010-11 to the equivalent of 12 furlough days in conjunction with the provisions listed above, they agreed to give an additional .25 hours per pay period, resulting in approximately \$300,000 in additional savings.

The amendment provides that employees who retire during the term of the agreement whose compensation is impacted by the furlough will receive a payment equaling the pensionable value of the unpaid days that impact the retirement benefit. This will result in a cost to the City that will be determined by San Francisco Employees' Retirement System and is dependent on each retiree's circumstances.

The cost of continuing existing health and dental benefits provided in the amended MOU will increase by approximately \$365,000 in FY 2010-2011. If you have additional questions or concerns please contact me at 554-7500 or Peg Stevenson of my staff at 554-7522.

Sincerely,

*Ben Rosenfield*  
Ben Rosenfield  
Controller

cc: Martin Gran, ERD  
Harvey Rose, Budget Analyst

Amendment extending Memo of Understanding through June 30, 2012  
Municipal Executives Association  
Estimated Costs/(Savings) FY 2010-2013  
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2010-2011</u>	<u>FY 2011-2012</u>
<b>Wages and Premiums</b>		
Contributing equivalent of 4.62% by:		
Foregoing 1.5% Pay for Performance (savings represented below)	-	-
Contributing Range B&C Allocation (1% each year)	(\$608,956)	-
Remaining value of 12 furlough days through 2.12% wage smoothing	(\$298,388)	-
2% Deferred Wage Increase Beginning June 30, 2012	-	-
<b>Wage-Related Fringe Increases/(Decreases)</b>	<u>(\$139,075)</u>	<u>\$0</u>
<b>Total Estimated Incremental Costs/(Savings)</b>	<u>(\$1,046,419)</u>	<u>\$0</u>
Budgeted Estimates for Cost Increase in Existing Benefits	\$364,939	\$390,577
Previously negotiated saving in addition to above	(\$5,328,363)	