



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 100610: Memorandum of Understanding (MOU) with the San Francisco Deputy Probation Officers Association

Dear Ms. Calvillo,

In accordance with Ordinance 92-94, I am submitting a cost analysis of the MOU between the City and County of San Francisco and the San Francisco Deputy Probation Officers Association (DPOA). The MOU applies to the period commencing July 1, 2010 through June 30, 2012, affecting 148 authorized positions with a salary base of approximately \$10.5 million and an overall pay and benefits base of approximately \$13.8 million. As members of the Public Employees Committee of the San Francisco Labor Council (PEC), DPOA has agreed to the terms outlined in the summary letter.

Based on our analysis, the MOU will result in a \$618,000 savings in FY 2010-11 as compared to base budget. During the term of the agreement, represented employees shall observe 12 unpaid furlough days in FY 2010-11 and an additional 12 days in FY 2011-12. Wages will be reduced by 4.5% during FY2010-11, increasing to 5% on July 9, 2011, resulting in an additional \$28,000 in savings in FY2011-12. These reductions end on June 8, 2012. The MOU 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.

In the event that the any legislation is passed affecting the prohibiting the City from paying the mandatory 9% employee contribution to retirement contribution to PERS, the MOU provides for a cost neutral wage increase to represented employees, as determined by the Controller's Office at that time.

Should the PEC and City be unable to find \$3 million in health care savings next year, the PEC health benefits provision applies and could result in \$17,000 in savings in FY2011-12 under this bargaining unit.

The cost of continuing existing health and dental benefits provided in the MOU will increase by approximately \$50,000 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,

for 
Ben Rosenfield
Controller

cc: Martin Gran, ERD
Harvey Rose, Budget Analyst

Memo of Understanding, July 1, 2010 - June 30, 2012
San Francisco Deputy Probation Officers
Estimated Costs/(Savings) FY 2010-2012
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2010-2011</u>	<u>FY 2011-2012</u>
12 furlough days smoothed:		
July 1, 2010 - July 8, 2011 wage reduced by 4.5%	(\$480,813)	(\$21,575)
July 9, 2011 - June 8, 2012 wage reduced by 5%		
Wage-Related Fringe Increases/(Decreases)	<u>(\$137,367)</u>	<u>(\$6,164)</u>
Benefits		
Cap on City contribution for medically single City Plan employees if \$3 million in savings can't be found	-	(\$17,125)
Total Estimated Incremental Costs/(Savings)	<u>(\$618,180)</u>	<u>(\$44,864)</u>
Budgeted Estimates for Cost Increase in Existing Benefits	\$50,469	\$54,091