



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

**Ben Rosenfield
Controller**

BY Monique Zmuda
Deputy Controller
RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
JUL - 2 PM 4:05

July 2, 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 No. 100867: Amendment to Memorandum of Understanding (MOU) with the Municipals Executives Association Fire

Dear Ms. Calvillo,

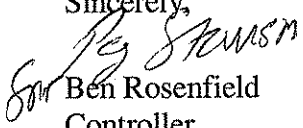
In accordance with Ordinance 92-94, I am submitting a cost analysis of the Amendment (amendment) to the MOU between the City and County of San Francisco and the Municipals Executives Association Fire (MEA Fire). The amendment applies to the period commencing July 1, 2010 through June 30, 2013, affecting 10 authorized positions with a salary base of approximately \$2 million and an overall pay and benefits base of approximately \$2.5 million. As members of the Public Employees Committee of the San Francisco Labor Council (PEC), MEA Fire have agreed to the provisions outlined in the PEC agreement, with the exception of furlough days and a cap on City payments of health benefits.

The amendment extends the existing MOU through FY2012-13. Based on our analysis, the amendment will result in an \$82,000 savings in FY2010-11. The amendment provides 4% in wage savings in FY2010-11 by members either deferring a 4% wage increase or deferring a 2% wage increase and taking an additional 2% pay cut. During the term of the amendment, half of a previously deferred 4% wage increase scheduled for July 1, 2009 will take effect on January 8, 2011. Finally, any wage increases for reasons of parity (between 3% and 5%) will be deferred until July 1, 2012.

Additionally, the amendment provides for two months' severance to employees who are involuntarily removed or released from employment or who choose to separate instead of an involuntary return to a lower rank.

The agreement provides that employees who retire during the term of the amended MOU whose compensation is impacted by wage deferrals or salary parity deferrals will receive a payment equaling the pensionable value of the wage reductions 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 agreement will increase by approximately \$7,000 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
Controller

cc: Martin Gran, ERD
Harvey Rose, Budget Analyst

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

<u>Annual Costs/(Savings)</u>	<u>FY 2010-2011</u>	<u>FY 2011-2012</u>	<u>FY 2012-2013</u>
4% reduction in FY2010-11 wages by:			
-Chief and Deputy Chiefs deferring a 2% wage increase and taking a 2% wage cut	(\$82,239)	\$82,239	
-Assistant Deputy Chiefs and EMS Chief deferring a 4% wage increase			
Parity increase - estimated at 3%			\$61,679
Total Estimated Incremental Costs/(Savings)	<u>(\$82,239)</u>	<u>\$82,239</u>	<u>\$61,679</u>
Budgeted Estimates for Cost Increase in Existing Benefits	\$7,004	\$8,120	\$9,414