

File No. 130762

Committee Item No. 1

Board Item No. \_\_\_\_\_

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date September 12, 2013

Board of Supervisors Meeting

Date \_\_\_\_\_

### Cmte Board

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- Cost Analysis Report \_\_\_\_\_
- \_\_\_\_\_
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Completed by: Erica Dayrit Date September 6, 2013

Completed by: \_\_\_\_\_ Date \_\_\_\_\_

[Memorandum of Understanding, Amendment No. 5 - San Francisco Police Officers' Association (Units P-1 & P-2A)]

**Ordinance adopting and implementing Amendment No. 5 to the 2007-2015**

**Memorandum of Understanding between the City and County of San Francisco and the San Francisco Police Officers' Association (Units P-1 & P-2A) by implementing specified terms and conditions of employment for FYs 2013-2014, 2014-2015, 2015-2016, 2016-2017, and 2017-2018.**

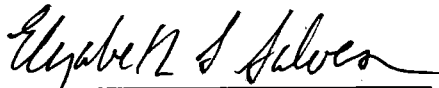
NOTE: Additions are single-underline italics Times New Roman;  
deletions are ~~strike-through italics Times New Roman~~.  
Board amendment additions are double-underlined;  
Board amendment deletions are ~~strikethrough-normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The Board of Supervisors hereby adopts and implements Amendment No. 5 to the 2007-2015 Memorandum of Understanding between the City and County of San Francisco and the San Francisco Police Officers' Association (Units P-1 & P-2A), by implementing specified terms and conditions of employment for fiscal years 2013-2014, 2014-2015, 2015-2016, 2016-2017, and 2017-2018.

Amendment No. 5 to the Memorandum of Understanding so implemented is on file in the office of the Board of Supervisors in Board File No. 130762.

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By:   
ELIZABETH S. SALVESON  
Chief Labor Attorney

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

**Ben Rosenfield**  
**Controller**  
**Monique Zmuda**  
**Deputy Controller**

August 26, 2013

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 Numbers 130762 and 130763: Amendments to the Memorandum of Understanding (MOU) with the San Francisco Police Officers Association

Dear Ms. Calvillo,

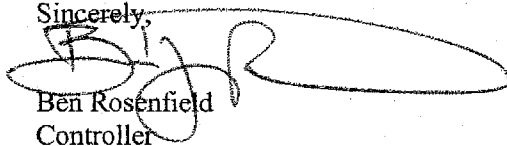
In accordance with Ordinance 92-94, I am submitting a cost analysis of the MOU between the City and County of San Francisco and the San Francisco Police Officers Association. The amendments apply to the period commencing July 1, 2013 through June 30, 2018, affecting 2,502 authorized positions with a salary base of approximately \$310.8 million and an overall pay and benefits base of approximately \$415.1 million.

Our analysis finds that from FY 2013-14 through FY 2017-18 the amendments to the MOU achieve savings of approximately \$22.0 million for the term of the MOU as a result of reducing entry pay levels by 10%. These savings are offset by increased costs of approximately \$32.4 million for the term of the MOU primarily as a result of three annual wage increases of 1%, 2%, and 2% in FY 2015-16 through FY 2017-18, respectively. Together these provisions result in a net cost increase of \$12.4 million during the term of the MOU. On an annual basis, our analysis concludes that the ordinance will result in savings of approximately \$0.7 million in FY 2013-14, \$2.0 million in FY 2014-15, and \$0.4 million in 2015-16, and cost increases of \$4.8 million in FY 2016-17, and \$8.8 million in FY 2017-18.

Our analysis does not include costs related to the continuation of the wellness incentive program for the term of the agreement which is projected to cost \$3.8 million annually. An end date for the program was not included in the agreements prior to the current extension which explicitly ends the program on June 30, 2018. Our projections of costs related to wage increases in FY 2015-16 through FY 2017-18 are dependent on the number of officer retirements during those years, if fewer officers than expected retire costs associated with wage increases during those years will rise.

If you have additional questions or concerns please contact me at 554-7500 or Drew Murrell of my staff at 554-7647.

Sincerely,

  
Ben Rosenfield  
Controller

cc: Martin Gran, ERD  
Harvey Rose, Budget Analyst

Attachment A

Amendment No. 5 to the Memorandum of Understanding from July 1, 2007- June 30, 2018  
 San Francisco Police Officers' Association; Units P-1 and P-2A  
 Controller's Office Estimate of Costs/(Savings) FY 2014 - FY 2018

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>	<u>FY 2015-2016</u>	<u>FY 2016-2017</u>	<u>FY 2017-2018</u>
<b>Annual Costs/(Savings)</b>					
<b>Wages &amp; Wage-Related Fringe Benefits</b>					
Effective July 1, 2013 for Police Officer I (Q2, Q3, and Q4), for employees hired on or after July 1, 2013 there shall be two new steps, at 5% below and 10% below the current entry step that is applicable, and the current entry step shall become step 3 in the step plan.	\$ (727,000)	\$ (2,037,000)	\$ (3,978,000)	\$ (6,015,000)	\$ (9,233,000)
1% Wage increase effective July 1, 2015, followed by 2% wage increases on July 1, 2016, and July 1, 2017 for all employees.	\$ -	\$ -	\$ 3,604,000	\$ 10,811,000	\$ 18,019,000
<b>Other</b>					
Effective June 30, 2013, officers will no longer receive bonuses for recruiting candidates who successfully complete the Police Academy	\$ (7,000)	\$ (7,000)	\$ (7,000)	\$ (7,000)	\$ (7,000)
<b>Annual Amount Increase/(Decrease)</b>	<u>\$ (734,000)</u>	<u>\$ (2,044,000)</u>	<u>\$ (381,000)</u>	<u>\$ 4,789,000</u>	<u>\$ 8,779,000</u>

**Amendment No. 5  
TO THE 2007-2015 MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE CITY AND COUNTY OF SAN FRANCISCO  
AND  
SAN FRANCISCO POLICE OFFICERS' ASSOCIATION  
UNITS P-1 AND P-2A**

The parties hereby amend the Memorandum of Understanding as follows:

**ARTICLE II. EMPLOYMENT CONDITIONS**

Section 9. Seniority List.

98. Traffic Company Seniority. Notwithstanding the preceding paragraph, seniority within the Traffic Company shall first be based upon the date of assignment to the Traffic Company. Should officers be assigned on the same date, their seniority on the Department's DGO 11.06 list will be determinative. Unit seniority will be utilized ~~for the term of this MOU~~ **through June 30, 2015** only.

Section 11. Watch Sign-Up.

- G. Solo Motorcycle Officers.
125. 7. Consistent with past practice, any Solo Motorcycle Officers assigned in the future to either Co. K or the Airport Bureau will commence their unit seniority on the first day of their assignment. Unit seniority will be utilized ~~for the term of this MOU~~ **through June 30, 2015** only.

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Section 21. Recruitment.

- A. Referral bonus
150. An officer who refers a new applicant to the department shall receive a referral bonus of \$1,000 (\$500 upon that candidate's successful completion of the Police Academy and an additional \$500 upon that candidate's successful completion of field training). To qualify, the referring officer must verify that he/she has made at least three contacts with the applicant prior to the start

Amendment #5 to San Francisco Police Officers' Association, Units P-1 And P-2a  
Memorandum of Understanding  
July 1, 2007 – June 30, 2015

date of the Academy. Officers assigned to recruitment on a full or part-time basis will not be eligible for the referral bonus. For purposes of this provision, a "new applicant" is an individual who has not previously applied to be a Cadet or a Police Officer in San Francisco. **This provision shall sunset on June 30, 2013 and no new referrals thereafter shall qualify for the bonus.**

151. This bonus is not considered "salary attached to the rank" and shall not be included for purposes of retirement benefit calculations and contributions in accordance with those Sections.

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Section 23. Substance Abuse Testing.

157. It is the policy of the City and County of San Francisco to maintain a safe, healthful and productive work environment for all employees. To that end, the City will act to eliminate any substance abuse. Substance abuse may include abuse of alcohol, illegal drugs, prescription drugs or any other substance which could impair an employee's ability to safely and effectively perform the functions of the particular job.
158. This provision will be administered consistent with any General Orders regarding substance abuse. Nothing in this provision is intended to make discipline related to substance abuse subject to the grievance procedure.
- A. Mandatory Testing
159. Mandatory physical examinations for sworn employees shall include the submission of a urine specimen for routine analysis and screening for the presence of drugs or alcohol. Analysis and screening for drugs and alcohol is required for sworn employees in the following circumstances:
160. 1. Prior to the expiration of a newly hired employee's twelve (12) month probationary period.
161. 2. For employees being promoted to a higher rank, prior to the effective date of promotion.
162. 3. Prior to return from:
163. a.) medical leaves of absence in excess of thirty (30) calendar days, and
164. b.) unpaid leaves of absence in excess of ninety (90) calendar days.

165. 4. When a pattern of sick leave develops which indicates a reasonable suspicion of substance abuse.
166. 5. When there is reasonable suspicion that an employee is under the influence of drugs or alcohol while on duty.
167. 6. In the event an employee is involved in an on-duty vehicular accident resulting in death or an injury requiring transport for medical treatment. In such cases the employee will have the option for either a blood or urine analysis and screening. **An "injury requiring transport for medical treatment" is an injury that results in the medical transport by ambulance of any person involved in the accident from the accident scene; or an injury to any person involved in the accident where that person declines transport by ambulance from the accident scene against medical advice (also known as "AMA"). If testing is required under this section, the SFPD shall direct the involved SFPD vehicle operator to undergo testing within twelve (12) hours of the time of the accident, and shall conduct testing of the involved SFPD vehicle operator within twenty four (24) hours of the time of the accident. If testing is not directed and conducted within these time periods (assuming no interference by the SFPD vehicle operator that delays the SFPD's directive or testing), testing of the involved SFPD operator is not required or permitted under this paragraph.**

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### ARTICLE III. PAY, HOURS AND BENEFITS

#### Section 1. Wages.

##### A. General Wage Increases:

188. Employees shall receive the following base wage increases:

July 1, 2015 - 1%

July 1, 2016 - 2%

July 1, 2017 - 2%

**188.e. Effective July 1, 2013 for Police Officer I (Q2, Q3, and Q4), for employees hired on or after July 1, 2013 there shall be two new steps, at 5% below and 10% below each current entry step, and the current entry step for each of these classifications shall become step 3 in the step plan.**

Section 8. Health and Dental Coverage.

A. Employee Health Coverage.

286. Except as provided below, the The City shall contribute annually for employee health benefits, the contribution required under the Charter.

287. Except as provided below, in ~~In addition, except as otherwise provided in this section,~~ the City shall contribute the full premium for the employee's own health care benefit coverage for "medically single" employees (i.e., employees not receiving a City contribution for dependent health care benefits).

B. Dependent Health Coverage.

288. Except as provided below, the The City shall contribute the greater amount of \$225 per month or 75% of the dependent rate charged by the City to employees for Kaiser coverage at the dependent plus two or more level.

C. Health Coverage Effective January 1, 2015

288.a. 1. If, by July 1, 2014, the Public Employee Committee of the San Francisco Labor Council (PEC) and the City agree to a contribution model for employee health insurance premiums based on the City's contribution of a percentage of those premiums and the employee's payment of the balance (Percentage-Based Contribution Model), to be effective January 1, 2015 (for calendar year 2015 and thereafter), then effective January 1, 2015, the City shall contribute toward the health premiums for enrolled POA members the same percentage described in the PEC Percentage-Based Contribution Model, for the applicable health insurance plan, unless the City and the POA mutually agree to a different Percentage-Based Contribution Model. If the PEC and the City do not agree by July 1, 2014 to a new Percentage-Based Contribution Model to be effective January 1, 2015, then the City and the POA will reopen the MOU on health insurance premium contributions only, with any resulting impasse being subject to interest arbitration under Charter section A8.590-5. Reopener negotiations and impasse procedures, including, but not limited to, the 10-day period under Charter section A8.590-5(e), will be completed by no later than August 15, 2014.

288.b. 2. To ensure that all employees enrolled in health insurance through the City's Health Service System (HSS) are making premium contributions under a Percentage-Based Contribution Model and therefore have a stake in controlling the long term growth



in health insurance costs, it is agreed that, to the extent the City's health insurance premium contribution under a Percentage-Based Contribution Model is less than the "average contribution" for the City's HSS members, as established under Charter section A8.428(b) (Average Contribution), then, in addition to the City's contribution, the employee's health insurance premium contribution shall be deemed to apply to the annual Average Contribution. The parties intend that the City's contribution toward premiums for members' health care should not exceed the amount established under the Percentage-Based Contribution Model.

288.c. 3. Upon implementation of new contribution rates effective on January 1, 2015, Article III., section 8.C shall supersede Article III., sections 8.A and 8.B, and those sections will no longer be effective.

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Section 10. Wellness Programs.

B. Pilot "wellness incentive program" to promote workforce attendance:

312. The Pilot "wellness incentive program" to promote workforce attendance shall be in effect for the term of this Agreement sunset on June 30, 2018.

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## ARTICLE IV. SCOPE

Section 2. Duration.

323. This Agreement shall be effective upon ratification and shall be effective from July 1, 2007 through June 30, 20152018.

FOR THE CITY

FOR THE UNION

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Micki Callahan                                      Date  
Human Resources Director

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Martin D. Halloran                                      Date  
San Francisco Police Officers'  
Association

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Martin R. Gran                                      Date  
Employee Relations Director

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

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                                      7/23/13  
Elizabeth Salvesson                                      Date  
Chief Labor Attorney,  
Office of the City Attorney



Edwin M. Lee  
Mayor

Micki Callahan  
Human Resources Director

July 23, 2013

TO: Angela Calvillo, Clerk  
Board of Supervisors

FROM: Martin Gran, Employee Relations Director  
Department of Human Resources

RE: **Memoranda of Understanding**

Enclosed are the redline and two (2) copies of the following Amendments, along with implementing legislation:

**Amendments**

- ✓ 1. Police Officers' Association, Units P-1 & P-2A (July 1, 2007 through June 30, 2015)
2. Police Officers' Association, Unit P-2B (July 1, 2007 through June 30, 2015)

Electronic copies of the Amendments, Unrepresented Employees' Ordinance and implementing legislation have also been sent to the Board. Please refer to the appropriate committee at your earliest convenience.

Copies of the Amendments have been sent to the Controller and by copy hereof, I request that costing information be submitted directly to the Board with copies to the Employee Relations Division.

Thank you.

Enclosures

cc: Ben Rosenfield, Controller  
Kate Howard, Mayor's Budget Director  
Jason Elliot, Mayor's Liaison to the Board of Supervisors  
Members, Government, Audit and Oversight Committee  
File

OFFICE OF THE MAYOR  
SAN FRANCISCO



EDWIN M. LEE  
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: *Ed* Mayor Edwin M. Lee  
RE: Memorandum of Understanding, Amendment No. 5 – San Francisco  
Police Officers' Association (Units P-1 & P-2A)  
DATE: July 23, 2013

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Attached for introduction to the Board of Supervisors is the Ordinance adopting and implementing Amendment No. 5 to the 2007-2015 Memorandum of Understanding between the City and County of San Francisco and the San Francisco Police Officers' Association (Units P-1 & P-2A), by implementing specified terms and conditions of employment for fiscal years 2013-2014, 2014-2015, 2015-2016, 2016-2017, and 2017-2018.

I request that this item be calendared in Budget and Finance Committee on September 4, 2013.

Should you have any questions, please contact Jason Elliott (415) 554-5105.

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
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*[Signature]*