

File No. 110847

Committee Item No. 4

Board Item No. 24

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: September 7, 2011

Board of Supervisors Meeting

Date 9/13/11

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget & Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Ethics Form 126 |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
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OTHER

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Completed by: Victor Young

Date: Sept 2, 2011

Completed by: Victor Young

Date: 9-8-11

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [Memorandum of Understanding, Amendment No. 5 - San Francisco Firefighters, Local 798,
2 (Unit 2)]

3 Ordinance adopting and implementing Amendment No. 5 to the 2007-2013
4 Memorandum of Understanding between the City and County of San Francisco and the
5 San Francisco Firefighters, Local 798, Unit 2, by extending the term of the MOU to June
6 30, 2015, and by implementing specified terms and conditions of employment for FYs
7 2011-2012, 2012-2013, 2013-2014 and 2014-2015.

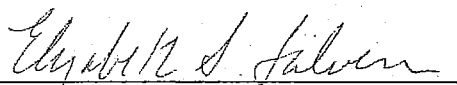
8
9 NOTE: Additions are *single-underline italics Times New Roman*;
10 deletions are *strike through italics Times New Roman*.
11 Board amendment additions are double-underlined;
Board amendment deletions are ~~strikethrough normal~~.

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

13 Section 1. The Board of Supervisors hereby adopts and implements Amendment No. 5
14 to the 2007-2013 Memorandum of Understanding between the City and County of San
15 Francisco and the San Francisco Firefighters, Local 798, Unit 2 by extending the term of the
16 MOU to June 30, 2015, and by implementing specified terms and conditions of employment
17 for fiscal years 2011-2012, 2012-2013, 2013-2014 and 2014-2015.

18
19 Amendment No. 5 to the Memorandum of Understanding so implemented is on file in
20 the office of the Board of Supervisors in Board File No. 110847

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

23 By: 
24 ELIZABETH S. SALVESON
25 Chief Labor Attorney



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

GAD comm
GAD clerk
page

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2011 AUG -4 AM 9:30
RSC

August 2, 2011

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 110847 and 110848: Amendment to the Memorandum of Understanding (MOU) with the San Francisco Firefighters Union Locals 798 and 799

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 Firefighters Union Locals 798 and 799. The amendment applies to the period commencing July 1, 2011 through June 30, 2015; affecting 1,729 authorized positions with a salary base of approximately \$199.2 million and an overall pay and benefits base of approximately \$262.3 million.

Based on our analysis, the ordinance will result in a \$6,255,929 cost savings in FY 2011-12, \$5,157,852 in FY 2012-13, and a cost increase of \$264,544 in both FY 2013-14 and FY 2014-15. The savings will be realized through increased pension contributions.

If you have additional questions or concerns please contact me at 554-7500 or Michelle Allersma of my staff at 554-4792.

Sincerely,

Ben Rosenfield
Ben Rosenfield
Controller

cc: Martin Gran, ERD
Harvey Rose, Budget Analyst

Attachment A
 San Francisco Firefighters Union Locals 798 and 799
 Estimated Costs/(Savings) FY 2011-12 through FY 2014-15
 Controller's Office

| | <u>FY 2011-2012</u> | <u>FY 2012-13</u> | <u>FY 2013-14</u> | <u>FY 2014-15</u> |
|--|-----------------------|-----------------------|-------------------|-------------------|
| <u>Annual Costs/(Savings)</u> | | | | |
| Wages | | | | |
| increased pension contributions | \$ (747,608) | \$ 76,372 | \$ 76,372 | \$ 76,372 |
| Wage-Related Fringe Increases/(Decreases) | (4,935,252) | (4,938,568) | 21,155 | 21,155 |
| Overtime | (13,602) | 152,728 | 152,728 | 152,728 |
| Overtime-Related Fringe Increases/(Decreases) | (197) | 2,215 | 2,215 | 2,215 |
| Premium Pay | (98,667) | 10,079 | 10,079 | 10,079 |
| Premium Pay-Related Fringe Increases/(Decreases) | (460,602) | (460,679) | 1,995 | 1,995 |
| Total Estimated Incremental Costs/(Savings) | \$ (6,255,929) | \$ (5,157,852) | \$ 264,544 | \$ 264,544 |

**Amendment No. 5
TO THE 2007-2013 MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY AND COUNTY OF SAN FRANCISCO
AND
SAN FRANCISCO FIRE FIGHTERS UNION, LOCAL 798, IAFF, AFL-CIO (UNIT 2)**

The parties hereby amend the Memorandum of Understanding as follows:

SECTION 9. SALARY

9.1 Employees shall receive the following base wage increases:

July 1, 2011 – ~~4%~~3% January 7, 2012 – 1%

9.2 The parties acknowledge that covered employees previously deferred to January 8, 2011 a 2% wage increase that was originally scheduled to be effective on July 1, 2009.

9.3 Employees shall ~~defer~~have deferred to July 1, 2011 the 4% wage increase which ~~is~~was scheduled to be effective on July 1, 2010. Such deferral ~~is~~was subject to the terms set forth in sections 9.4 and 9.5.

9.4 Employees shall defer to January 7, 2012, 1% of the 4% wage increase which was scheduled to be effective on July 1, 2011. Such deferral is subject to the terms set forth in section 9.5. In the event that there is a violation of Administrative Code section 2A.97 (Proposition F, which requires the Fire Department to fully maintain, staff and operate neighborhood firehouses and emergency apparatus) as adopted on November 8, 2005, during any of the wage deferral periods set forth in section 9.6, the deferrals described in sections 9.3 and 10.2 shall terminate at the close of business on the last day of the wage deferral period during which the violation occurs, and no subsequent wage deferrals shall become effective during the term of this Agreement. If the event described in this section occurs before September 1, 2010, the deferral described in section 9.3 shall terminate immediately and no subsequent wage deferrals shall become effective during the term of this Agreement.

9.5 In the event that a City Charter amendment (other than an amendment adopted in the June 2010 election) or State ballot measure or State legislation is implemented during any wage deferral period set forth in section 9.6, resulting in any reduction in represented employee wages or fringe benefits, or an increase in the average

San Francisco Fire Fighters Union, Local 798, IAFF, AFL-CIO (Unit 2)
Memorandum of Understanding
July 1, 2007 – June 30, 2013

employee work week set forth in Charter section A8.452, the deferrals described in sections 9.3 and 10.2 shall terminate at the close of business on the last day of the wage deferral period during which the Charter amendment, State ballot measure or State legislation is implemented by the City, and no subsequent wage deferrals shall become effective during the term of this Agreement. The parties will thereafter meet and confer in good faith regarding the impact of any such Charter amendment, State ballot measure or State legislation, pursuant to Government Code section 3505 and Charter section A8.590 et seq. In the event that any of the circumstances set forth below in subsection (1) or (2) occurs during any of the economic concession periods set forth in section 9.6, the wage deferrals and increased pension contributions described in sections 9.4, 10.2 and 11.1a shall terminate at the close of business on the last day of the applicable economic concession period during which said circumstance occurs, and no subsequent wage deferrals or increased pension contributions shall become effective during the term of this Agreement;

- 1) a violation of Administrative Code section 2A.97 (Proposition F, which requires the Fire Department to fully maintain, staff and operate neighborhood firehouses and emergency apparatus) as adopted on November 8, 2005;
- 2) a City Charter amendment (other than a retirement benefits ballot measure adopted by the voters in the November 2011 election) or a State ballot measure or State legislation is implemented by the City during any economic concession period set forth in section 9.6, resulting in any reduction in represented employee wages or fringe benefits, or an increase in the average employee work week set forth in Charter section A8.452; In such event, the parties will thereafter meet and confer in good faith regarding the impact of any such Charter amendment, State ballot measure or State legislation, pursuant to Government Code section 3505 and Charter section A8.590 et seq.

9.6 Wage deferral Economic concession periods are as follows:

- (1) July 1, 2010 to December 24, 2010.
- (2) December 25, 2010 to June 30, 2011.
- (3) July 1, 2011 to December 23, 2011.
- (4) December 24, 2011 to June 30, 2012.
- (5) July 1, 2012 to December 21, 2012.
- (6) December 22, 2012 to June 30, 2013.

9.7 The wage deferrals set forth in section 9.3 and 9.4 shall be restored on July 1, 2011, and January 7, 2012, respectively. The wage deferral set forth in section 10.2 shall be restored on July 1, 2012. ~~The wage deferral for Fiscal Year 2011-12 shall be restored on July 1, 2012.~~

9.8 In the event that the City's FY 2011-2012 Joint Report, issued on or about March 30, 2011, projects the General Fund deficit in FY 2011-2012 to be less than anticipated, then the wage deferrals set forth in section 10.21-a. shall be adjusted to reflect the adjustments described in Section II.2 of the agreement between the City and the San Francisco Labor Council, Public Employee Committee ("PEC").

Example: If the parity salary increase is 3%, the wage deferral shall be adjusted as follows:

- (1) If the projected deficit is \$150 to \$261 million, then the wage deferral set forth in section 10.2 shall be 1.25%.
- (2) If the projected deficit is \$100 to \$150 million, then the wage deferral set forth in section 10.2 shall be 0.75%.
- (3) If the projected deficit is less than \$100 million, then the wage deferral set forth in section 10.2 shall be null and void.

SECTION 10. PARITY

10.1 The parties agree that in the event a salary (general base wage) increase is hereafter agreed to, granted or awarded to the members of the San Francisco Police Officers' Association which results in a disparity between the general base wage increase agreed to, granted or awarded to members of the San Francisco Police Officers' Association and the general base wage increase of members of this bargaining unit, a salary (general base wage) increase shall be automatically implemented for the members of this bargaining unit in the amount necessary to maintain parity between the general base wage increases of members of the San Francisco Police Officers' Association and the general base wage increases of members of this bargaining unit.

10.2 Employees shall defer to July 1, 2012 the entire parity salary increase amounting to ~~between 3% and 5%~~, which ~~is~~was scheduled to be effective on July 1, 2011. Such deferral is subject to the terms set forth in sections ~~9.4 and 9.5.~~

SECTION 11. RETIREMENT

11.1 Employees shall pay their own employee retirement contributions in an amount equal to 7.0% (old plan) or 7.5% (new plan) of covered gross salary. The parties

acknowledge that said contributions satisfy the requirements of Charter Sections A8.596-11(e) and A8.598-11(d).

11.1a Notwithstanding paragraph 11.1 above, the parties agree to further extend employee cost sharing by increasing the retirement contribution for all employees by three percent (3%) for the two-year period beginning July 1, 2011 and ending June 30, 2013. As of July 1, 2013, the parties agree to effectuate any applicable cost sharing provisions of a Charter amendment initiated by the Mayor, approved by the Board of Supervisors, and approved by the voters in the November 2011 election.

11.2 If the majority of City and County of San Francisco employees agree to an employee contribution to fund retiree health benefits, the parties agree to reopen the MOU on the subject of an employee contribution to fund retiree health benefits. This reopener is subject to the impasse resolution procedures as set forth in Charter Section A8.590-1 et seq.

11.3 Pre-Retirement Planning Seminar:
The City shall offer a Pre-Retirement Planning Seminar for bargaining unit members on an as-needed basis by mutual agreement but no less than once a year. Bargaining unit members shall be offered the opportunity to attend this seminar in the order of the number of years of service credit they have towards retirement. The Fire Department may offer to schedule other bargaining unit members to attend the seminar when special circumstances warrant such selection. The seminars will be administered by the San Francisco Fire Department Division of Training in consultation with the Union at a location to be mutually agreed to by the parties. Unused carry forward monies from the Tuition Reimbursement Program as provided in this Agreement will be used to cover the cost of these seminars.

11.4 Payments Upon Retirement. The City shall include Training and Education Achievement Pay in vacation, compensatory time off and pilot wellness lump sum payouts due after retirement. With regard to vested sick leave, to the extent that Civil Service Commission Rules now or in the future do not include Training and Education Achievement Pay in the calculation of post-retirement vested sick leave payouts, members shall receive a supplemental payment, which, when combined with their vested sick leave payment, will be equivalent to the amount they would have received if Training and Education Achievement Pay had been included in the calculation of vested sick leave.

11.5 The City shall make its best efforts to pay all accrued vested sick leave, pilot wellness pay, compensatory time (time coming) and vacation within thirty (30) days of the effective date of the employee's retirement.

- 11.6 Effective July 1, 2010, for Tier I employees who retire prior to July 1, 2013 and whose final compensation for retirement purposes is impacted by the wage increase deferrals or the parity salary deferrals described in sections 9.2, 9.3, 9.4 and 10.2, said employees' final compensation for retirement purposes shall be calculated at the rate of remuneration that would have been attached to the rank or position held by the employee, at the time of retirement, had there been no wage increase deferral or parity salary deferral for Fiscal Years 2010-2011 and 2011-2012.
- 11.7 Effective July 1, 2010, for Tier II employees who retire prior to July 1, 2013, and whose final compensation for retirement purposes is impacted by the wage increase deferrals or the parity salary deferrals described in sections 9.2, 9.3, 9.4 and 10.2 for the period from July 1, 2010 through June 30, 2012, the City will make available restoration pay in a lump sum equivalent to the pensionable wage increase deferrals and the pensionable parity salary deferrals for the period used by the San Francisco Employees Retirement System to determine the employee's final compensation for retirement purposes (Final Compensation Period). Only wages deferred from July 1, 2010 through June 30, 2012 are eligible for restoration.
- 11.8 For Tier I and Tier II employees who retire prior to July 1, 2013, payouts of vacation, vested sick leave, compensatory time and wellness pay shall be at the employee's normal (non-deferred) hourly wage rate, although nothing herein requires the San Francisco Employees Retirement System to include payouts of vacation, vested sick leave, compensatory time or wellness pay in retirement calculations.

SECTION 52. TERM

- 52.1 This Agreement shall remain in full force and effect from July 1, 2007, to and including June 30, ~~2013~~2015.
- 52.2 The provisions of this Agreement shall be effective on the effective date stated above except as otherwise specifically provided.
- 52.3 The parties agree to establish a negotiation schedule for a new agreement 180 days prior to the termination of this Agreement.



DEPARTMENT OF HUMAN RESOURCES
EMPLOYEE RELATIONS

CCSF NEGOTIATIONS 2011

**Fire – Units 1 & 2
MOU Amendment
Highlights/Summary**

MOU Amendment – Changes to Existing Provisions

Economic Terms:

- a. Delay for six months 1% of the 4% wage increase previously scheduled to be effective on 7/1/11. (Value of wage deferral equals 0.5%.)
- b. Effective 7/1/12, employees will pay an additional 3% employee retirement contribution for 2011-12 and 2012-13. Thereafter, employees will pay additional retirement contributions (or receive relief) according to the Consensus Pension Charter Amendment, assuming voters approved the measure in November.
- c. Other wage increases will occur as scheduled.

Contingencies:

- a. Neither the passage of Proposition C (Consensus Measure) or Proposition D (Adachi Measure) in November will disturb the economic concessions (i.e., the 3% additional retirement contributions for two years and the 1% wage deferral).
- b. The economic concessions listed above will end early if the City “browns-out” fire stations or otherwise violates Proposition F (2005) or if the City or State implements a pension measure other than Propositions C or D. In such an event, the parties will return to the bargaining table.
- c. If Proposition C (Consensus Measure) is approved by the voters and is implemented, employees will begin paying additional retirement contributions per the Charter in 2013-14 and thereafter.
- d. If Proposition D (Adachi Measure) is approved by the voters, the existing terms of the MOU will continue to be a contract bar for that measure.

Term: MOU will expires 6/30/2015

