

File No. 100622

Committee Item No. 16

Board Item No. 19

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date June 18, 2010

Board of Supervisors Meeting Date 06/29/10

#### Cmte Board

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| <input type="checkbox"/>              | <input type="checkbox"/>              | Legislative Digest                           |
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| <input type="checkbox"/>              | <input type="checkbox"/>              | Grant Information Form                       |
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#### OTHER

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Amendment No. 3 to MOU, IFPTE - Local 21</u> |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <u>Controller's Report</u>                      |
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Completed by: Alisa Somera Date June 11, 2010

Completed by: Alisa Somera Date June 21, 2010

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



1 [Memorandum of Understanding, Amendment No. 3 – International Federation of Professional  
2 and Technical Engineers, Local 21]

3  
4 **Ordinance adopting and implementing the Amendment No. 3 to the 2006-2011**  
5 **Memorandum of Understanding between the City and County of San Francisco and the**  
6 **International Federation of Professional and Technical Engineers, AFL-CIO, Local 21,**  
7 **by extending the term of the parties' Agreement through June 30, 2012, and by**  
8 **implementing specified terms and conditions of employment for FYs 2010-2011 and**  
9 **2011-2012.**

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

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

15 Section 1. The Board of Supervisors hereby adopts and implements the Amendment  
16 No. 3 to the 2006-2011 Memorandum of Understanding between the City and County of San  
17 Francisco and the International Federation of Professional and Technical Engineers, AFL-  
18 CIO, Local 21, by extending the term of the parties' Agreement through June 30, 2012, and by  
19 implementing specified terms and conditions of employment for fiscal years 2010-2011 and  
20 2011-2012.

21 Amendment No. 3 to the Memorandum of Understanding so implemented is on file in  
22 the office of the Board of Supervisors in Board File No. 100622.

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

25 By:

  
ELIZABETH S. SALVESON  
Chief Labor Attorney

**AGREEMENT**

**Between and For**

**THE CITY AND COUNTY OF SAN FRANCISCO**

**And**

**THE INTERNATIONAL FEDERATION OF PROFESSIONAL  
AND TECHNICAL ENGINEERS, LOCAL 21, AFL-CIO**

**FOR FISCAL YEARS**

**2006-2007, 2007-2008, 2008-2009, 2009-2010, 2010-2011 and 2011-2012**

**Revised Per Amendment #3**

**Amendment No. 3**  
**TO THE 2006-2011 MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**  
**THE CITY AND COUNTY OF SAN FRANCISCO**  
**AND**  
**INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS,**  
**LOCAL 21**

The City and County of San Francisco and the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO (the "Parties") hereby amend and extend the 2006-2011 Memorandum of Understanding between the Parties, as revised through Amendment No. 2, as follows:

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**I.D. UNION/CITY COMMITTEES**

1. Union/City Relations Committee

6. The parties have established a Union/City Relations Committee with equal representation from both the City and the Union.
7. The Union/City Relations Committee shall meet at a minimum on a quarterly basis, and in addition, as needed to address matters the parties agree are of mutual concern which arise during the course of this Agreement. By mutual agreement, the Committee may discuss grievance matters subject to arbitration.
8. The Committee is specifically empowered to establish such sub-committees as may be needed to consider and recommend solutions to workplace issues and concerns.

**10a. The parties will devote quarterly meetings of the Union/City Relations Committee ("U/CRC") to continue discussions on the City's fiscal health and its relationship to the City's workforce, and to report on discussions by the parties on options for application of enterprise department funds saved as a result of the PEC agreement. Representatives of the Controller's Office, Mayor's Budget Office, and other departments will participate as necessary.**

4. Union/City Partnership

17. The UCP shall continue to retain a third party with expertise in labor management partnerships and initiatives to assist the parties to forge their partnership and for any other purposes as determined by the UCP. The City shall make every effort to expedite the contract process. The City agrees to fund \$50,000 per fiscal year in costs for the third party expert services for fiscal years 2006-07, 2007-08, 2008-09 and 2009-10. The City will also fund at least a half-time jointly-designated City staff person for the support and development of the UCP for fiscal years 2006-07, 2007-08, 2008-09 and 2009-10.

17a. **For Fiscal Years 2010-2011 and 2011-2012, the funds previously allocated for services to the Union/City Partnership in paragraph 17 will be made available to support the work of the Public Employees' Committee Joint Labor Management**

Committee on Personal Services Contracts ("PSC"). The Committee will jointly administer said funds.

II.E. SUBCONTRACTING OF WORK

2. Personal Services Contracts

102. ~~Departments shall notify the Union of proposed personal services contracts where such services could potentially be performed by represented classifications. Such notification shall occur no later than the date a department sends out requests for proposals. At the time the City issues a Request for Proposals ("RFP")/Request for Qualifications ("RFQ"), or thirty (30) days prior to the submission of a personal services contract ("PSC") request to the Department of Human Resources and/or the Civil Service Commission, whichever occurs first, the City shall notify the Union of any PSC(s), including a copy of the draft PSC summary form, where such services could potentially be performed by represented classifications.~~
103. If the Union wishes to meet with a department over a proposed personal services contract, the request must be made by the Union to the Human Resources Director with a copy forwarded to the appropriate department within two weeks after the receipt of notice by the Department. Discussions shall include, but not be limited to, possible alternatives to contracting or subcontracting and whether the department staff has the expertise and/or facilities to perform the work. Upon request by the Union, the City shall make available for inspection any and all pertinent background and/or documentation relating to the service contemplated to be contracted out.
- ~~104. The City agrees that it will take all appropriate steps to ensure the presence at said meetings of those officers and employees (excluding elected officials or members of the Civil Service Commission) of the City which the parties agree may ensure that the decision to contract out is fully explored by the Union and the City. In order to ensure that the parties are fully able to discuss their concerns regarding particular proposed contracts, the City agrees that it will take all appropriate steps to ensure that parties (excluding the Board of Supervisors and other boards and commissions) who are responsible for the contracting-out decision(s) are present at the meeting(s) referenced in paragraph 102.~~
- ~~104a. The City agrees to provide the Union with notice(s) of departmental commissions and Civil Service Commission meetings during which proposed PSCs are calendared for consideration, where such services could potentially be performed by represented classifications.~~
105. The parties acknowledge existing policies and procedures which place restrictions on the use of personal services contracts for work that could potentially be performed by represented classifications.
106. The City and Local 21 expressly reserve their rights with regard to the parties' contentions over whether such polices and procedures are or are not within the scope of bargaining under Charter Section A8.409. Nothing in this or the preceding paragraph shall be deemed a waiver by either party of its position on those contentions.

## II.G. WORKFORCE REDUCTION

### 4. Layoff Limitations

115.a. A. Spring 2010: Between the date of this Agreement and June 30, 2010, inclusive, layoffs of employees represented by member unions of the Public Employees Committee of the San Francisco Labor Council (PEC) that result in complete loss of City employment will be limited to four hundred and twenty-five (425) positions, including notices already issued. The member unions of the PEC are as follows: Bricklayers and Allied Crafts, Local 3; Hod Carriers, Local 166; Building Inspectors' Association; Northern California Carpenters Regional Council, Local 22; Carpet, Linoleum and Soft Tile Workers, Local 12; Plasterers and Cement Masons, Local 300; Glaziers, Architectural Metal and Glass Workers, Local Union No. 718; International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artist and Allied Crafts of the United States, Its Territories, and Canada, Local 16; International Association of Bridge, Structural Ornamental, Reinforcing Iron Workers, Riggers and Machinery Movers, Local 377; Auto, Marine and Specialty Painters, Local Union No. 1176; Pile Drivers, Carpenters, Bridge, Wharf and Dock Builders, Local Union No. 34; Plasterers and Shophands, Local 66; United Union of Roofers, Waterproofers and Allied Workers, Local 40; Sheet Metal Workers International Union, Local 104; Teamsters, Local 853; San Francisco Fire Fighters Union, Local 798, IAFF, AFL-CIO; International Federation of Professional and Technical Employees, AFL-CIO, Local 21; Municipal Executives' Association; Operating Engineers Local Union No. 3 of the International Union of Operating Engineers, AFL-CIO; United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry, Local 38; Service Employees International Union, Local 1021; San Francisco Deputy Probation Officers' Association; Operating Engineers Local Union No. 3 of the International Union of Operating Engineers, AFL-CIO, Supervising Probation Officers; Teamsters, Local 856; Transport Workers' Union, AFL-CIO, Local 200(Non-MTA); San Francisco Institutional Police Officers' Association; and Transport Workers' Union, Local 250-A (Non-MTA 7410 and Multi-Unit).

115b. B. Fall 2010: Between July 1, 2010 and December 31, 2010, inclusive, there will be no layoffs or layoff notices issued for represented employees unless the City does not receive the revenue projected in the Fiscal Year 2010-11 Joint Report for SB 188 (\$30 million) or does not receive the projected FMAP extension (an additional \$22.5 million), and except as provided in Section C.(3) below.

115c. In such event, the City will provide the PEC with complete and current Budget Information (as defined in Section E below) supporting the need for additional layoffs. Immediately after issuing any such layoff notices, the City will schedule a meeting with the PEC. At least one week prior to the scheduled meeting, the City will provide the required Budget information. This meeting will be in addition to meet and confer sessions required by the

Meyers-Milias-Brown Act (MMBA) and/or this Agreement. The purpose of the PEC meeting will be to identify alternatives to additional job loss (including, but not limited to, reductions in City contracts and measures to increase City revenue) and to minimize the number and impact of any necessary additional layoffs. In the event the City receives additional General Fund revenue for Fiscal Year 2010-11 that was not contemplated in the adopted budget for the year, and which is not offset by losses in other General Fund categories as of fiscal year end, the parties will identify how those funds may be used to mitigate the effect of past layoffs and minimize any additional layoffs.

115d. C. Spring 2011: Between January 1, 2011 and June 30, 2011, the City may layoff represented employees only if:

115e. (1) The Three-Month Budget Status Report, Six-Month Budget Status Report, and Nine-Month Budget Status Report show a cumulative Fiscal Year 2010-11 General Fund deficit of greater than \$25 million. Credit towards the \$25 million cumulative deficit will be given for solving any mid-year deficit without layoffs. Such credit will be in the amount of the deficit reduction achieved without layoffs. Mid-year layoffs may be used to reduce the deficit above \$25 million, but may not account for more than sixty (60) percent of the solutions used to balance the deficit above \$25 million. In the event of layoffs, the City will provide the PEC with complete and current Budget Information supporting the need for the additional layoffs. Immediately after issuing any such layoff notices, the City will schedule a meeting with the PEC. At least one week prior to the scheduled meeting, the City will provide the required Budget information. This meeting will be in addition to meet and confer sessions required by MMBA and/or this Agreement. The purpose of the PEC meeting will be to identify alternatives to additional job loss (including, but not limited to, reductions in City contracts, potential incentives for voluntary departure and measures to increase City revenue), and to minimize the number and impact of any necessary additional layoffs. In the event the City receives additional General Fund revenue for Fiscal Year 2010-11 that was not contemplated in the adopted budget for the year, and which is not offset by losses in other General Fund categories as of fiscal year end, the parties will identify how those funds may be used to mitigate the effect of past layoffs and minimize any additional layoffs; or

115f. (2) The projected deficit in the Fiscal Year 2011-12 Joint Report published on or around March 30, 2011 exceeds \$300 million. In that event, the City will provide the PEC with complete and current Budget Information supporting the need for Fiscal Year 2010-11 layoffs in addition to any layoffs under Section C.(1) above. Immediately after issuing any layoff notices to reduce the projected Fiscal Year 2011-12 General Fund deficit, the City will schedule a meeting with the PEC. At least one week prior to the scheduled meeting, the City will provide the required Budget information. This



meeting will be in addition to meet and confer sessions required by MMBA and/or this Agreement. The purpose of the PEC meeting will be to identify alternatives to additional job loss (including, but not limited to, reductions in City contracts, potential incentives for voluntary departure and measures to increase City revenue), and to minimize the number and impact of any necessary additional layoffs; or

115g. (3) The Annual Salary Ordinance (ASO) passed as part of the City's adopted budget includes mid-year layoffs during Fiscal Year 2010-11, based on positions authorized in the ASO, which were included in the Mayor's proposed budget, in which case such layoffs may also proceed.

115h. D. Fiscal Year 2011-12: The City agrees to provide the PEC with complete and current Budget Information supporting the need, if any, for layoffs, and in the event of layoffs, agrees to schedule a meeting with the PEC. Immediately after issuing any such layoff notices, the City will schedule a meeting with the PEC. At least one week prior to the scheduled meeting, the City will provide the required Budget information. This meeting will be in addition to meet and confer sessions required by MMBA and/or this Agreement. The purpose of the PEC meeting will be to identify alternatives to additional job loss (including, but not limited to, reductions in City contracts, potential incentives for voluntary departure and measures to increase City revenue), and to minimize the number and impact of any necessary additional layoffs. In the event the City receives additional General Fund revenue for Fiscal Year 2011-12 that is not included in the adopted budget for that year, and which is not offset by losses in other General Fund categories as of fiscal year end, the parties will identify how these funds may be used to mitigate the effect of past layoffs and minimize any additional layoffs.

115i. E. "Budget Information", for purposes of this Agreement, shall mean complete copies of all current General Fund budget reports, including Joint Reports (together with all amendments or supplements thereto); Three-Month, Six-Month, and Nine-Month Budget Status Reports; copies of documents showing any reduction or increase in state or federal funding from the budgeted levels; current monthly and year-to-date balance sheets for each Enterprise Department employing members of PEC unions; aggregate payroll costs paid by the General Fund by bargaining unit and the total number of full time equivalents (FTEs) supported by the General Fund by bargaining unit; information on other balancing solutions proposed to date.

115j. F. Nothing in this Agreement shall waive or prejudice the right or position of the City or the Union with respect to layoffs and rights granted by Charter, the Civil Service Commission, this Agreement, or state law.

#### II.H. REORGANIZATION

115k. The City agrees not to effectuate the plan of Reorganization described in the Mayor's letter of March 2, 2010 to City employees (March 2010 Reorganization Plan), and not to implement a reorganization plan similar in scope and impact prior to July 1, 2012. Neither the City nor the Union waives its rights or arguments regarding the legality of the March 2010 Reorganization Plan. Upon ratification, the Union agrees to withdraw any pending grievances, administrative (including PERB) charges or litigation containing any claims relating to the March 2010 Reorganization Plan or actions taken or not taken in connection with the plan.

115l. Prior to July 1, 2012, the City agrees not to effectuate any new reorganization plan that lays off more than 20 employees in a represented classification while assigning the work formerly performed by those laid off employees to a similar number of new positions in a classification with a lower pay grade.

115m. Prior to July 1, 2012, as required by MMBA and/or this Agreement, the City and Union will meet and confer over the impact of any work reorganization that results in a layoff, and will at that time consider whether alternatives to layoffs exist.

115n. Nothing in this Agreement shall waive or prejudice the right or position of the City or the Union with respect to layoffs and rights granted by Charter, the Civil Service Commission, this Agreement, or state law.

### III. MINIMUM NOTICE FOR DISPLACEMENTS

115o. For Fiscal Years 2010-2011 and 2011-2012 only, the City will provide ten (10) business days notice to employees who are subject to displacement due to layoffs. To the extent this notice period extends beyond the date the displacing employee is to start in the position, the employee who is to be displaced will be placed in a temporary exempt position in his/her classification and department for the remainder of the notice period.

### III. UTILIZATION OF PROP F AND TEMPORARY EXEMPT EMPLOYEES

115p. The Human Resources Director agrees to work with City departments to ensure proper utilization of Proposition F and temporary exempt ("as needed") employees when such positions would more appropriately or efficiently be filled by permanent employees. In addition, the City will notify holdovers in represented classifications of any recruitment for exempt positions in their classifications.

115q. It is understood that to the degree increased utilization of such employees may be required in certain represented classifications to provide staffing coverage due to employees taking floating holidays as described in paragraphs 363a and 363b, such work will be offered to holdovers in such represented classifications.

### III.A. WAGES

142: In addition, represented employees will receive the following base wage increases:

Effective December 30, 2006: 2.5%

Effective June 28, 2008: 2.0%

Effective December 27, 2008: 3.5%

Effective June 13, 2009

The wages effective as of December 27, 2008 shall be temporarily reduced by 1.75%, which represents an adjustment equivalent to the value of five (5) days of unpaid personal time off. This wage adjustment will sunset at the close of business ~~July 23~~ June 30, 2010.

Effective July 24, 2010

~~The wages effective as of December 27, 2008 shall be temporarily reduced by 1.25%, which represents an adjustment equivalent to the value of three (3) days of unpaid personal time off. This wage adjustment will sunset on the close of business June 24, 2011.~~

142a. Employees shall contribute the value of twelve (12) unpaid furlough days during each fiscal year of this Agreement. The City's current payroll system requires wages to be calculated and paid in increments of one-quarter percent (.25%). Implementation of the annual four and sixty-four one hundredths percent (4.62%) wage concession associated with the value of twelve furlough days shall occur as follows:

142b. Effective July 1, 2010 through close of business July 8, 2011, wages shall be temporarily reduced by 4.50%.

143c. Effective July 9, 2011 and ending on June 8, 2012, wages shall be temporarily reduced by up to 5%, which represents an adjustment equivalent to the value of up to twelve (12) furlough days.

143d. However, in the event the City's Fiscal Year 2011-12 Joint Report, issued on or about March 30, 2011, projects the General Fund deficit in Fiscal Year 2011-12 to be less than \$261 million, employee contributions for fiscal year 2011-12 shall be reduced according to the following schedule:

(1) Deficit of \$150-\$261 million: employees shall contribute the value of five (5) unpaid furlough days.

(2) Deficit from \$100 up to \$150 million: employees shall contribute the value of three (3) unpaid furlough days.

(3) Deficit less than \$100 million: employees shall not contribute any unpaid furlough days.

143e. All base wage calculations shall be rounded to the nearest salary schedule. All wages shall be restored to their original levels, (i.e., as if the concessions as provided herein had not been made), on June 9, 2012.

143f. For Fiscal Years 2010-11 and 2011-12 only, vacation and vested sick leave payments for employees who elect involuntary layoff will not reflect reductions in an employee's hourly rate that were implemented in accordance with this Section.

### III.B. ADDITIONAL COMPENSATION

#### 27. Exemplary Performance Pay

262. 1. For Fiscal Years 2006-2007, 2007-2008, 2008-2009 and 2009-2010, qualified represented employees shall be eligible to receive Exemplary Performance Pay in a lump sum amount between 1.0% and 2.5% of the employee's base pay earned during the preceding fiscal year. This payment shall be deemed compensation for purposes of retirement and allocated to the fiscal year the exemplary performance was rendered. It is acknowledged that effective June 30, 2009, the Exemplary Performance Pay program shall be suspended due to lack of funds, and shall remain suspended due to the lack of departmental funds through fiscal year 2009-2012.

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### III.I. HOLIDAYS

356. Except when normal operations require, or in an emergency, employees shall not be required to work on the following days hereby declared to be holidays for such employees:

January 1 (New Year's Day)  
the third Monday in January (Martin Luther King, Jr.'s Birthday)  
the third Monday in February (President's Day)  
the last Monday in May (Memorial Day)  
July 4 (Independence Day)  
the first Monday in September (Labor Day)  
the second Monday in October (Columbus Day)  
November 11 (Veteran's Day)  
Thanksgiving Day  
the day after Thanksgiving  
December 25 (Christmas Day)

357. Provided further, if January 1, July 4, November 11 or December 25 falls on a Sunday, the Monday following is a holiday.

358. The City shall accommodate religious belief or observance of employees as required by law.

359. Employees shall be granted floating holidays as set forth below:

360. Four (4) floating days off (thirty-two (32) hours) to be taken on days selected by the employee subject to prior scheduling approval of the appointing officer. Floating Holidays may be taken in hourly increments up to and including the number of hours contained in the employee's regular shift. Employees (both full-time and part-time) must complete six (6) months continuous service to establish initial eligibility for the floating days off. Floating Holidays received in one fiscal year but not used shall be carried forward to the next succeeding fiscal year. The maximum number of floating holidays carried forward to a succeeding fiscal year shall not exceed the total number of floating holidays received in the previous fiscal year, and at no time shall employees be able to accumulate more than 64 hours of floating holidays. No compensation of any kind shall be earned or granted for floating days off not taken.
361. Effective June 30, 2009, employees shall receive a one-time addition of five (5) floating holidays for one year, which shall be administered in the same manner as the floating holidays in paragraph 360 above.
- ~~362. Effective July 1, 2010, employees shall receive a one-time addition of three (3) floating holidays for one year, which shall be administered in the same manner as the floating holidays in paragraph 360 above.~~
363. Notwithstanding the paragraphs above, any unused floating holidays accrued from June 27, 2009 through July 8, 2011 may be carried over to be used in fiscal year 2011-2012, but at no time shall an employee accumulate a combined floating holiday balance of more than twenty (20) days (including floating holidays awarded in a particular year) during this period. During fiscal years 2009-2010 and 2010-2011, floating holidays must be used before vacation days or hours are taken; provided however that this limitation (i.e., use of floating holidays before vacation) will not apply in cases in which use of the floating holiday will cause a loss of vacation due to the accrual maximums. Floating Holidays are to be scheduled per mutual agreement, based on operational needs of the department.
- 363a. Effective July 1, 2010 for Fiscal Year 2010-11, in recognition of the value of wage concessions during the year, employees shall receive a one-time addition of twelve (12) floating holidays for one year, which shall be administered in the same manner as the floating holidays in paragraph 360 above. However, these floating holidays will be awarded on a quarterly basis (i.e. three floating holidays will be allotted in first full pay period beginning on July 1st, October 2nd, January 8th, and April 16th of the fiscal year). The parties agree that employees may be required to take no more than five of the floating holidays for the four working days between December 25, 2010 and January 1, 2011, and one day for the day prior to Thanksgiving 2010, when the City has implemented Minimum Staffing Days.
- ~~363b. Effective July 1, 2011 for Fiscal Year 2011-12, in recognition of the value of wage concessions during that year, employees shall receive a one-time addition of twelve (12) floating holidays for one year, which shall be administered in the same manner as the floating holidays in paragraph 360 above. These floating holidays will be on a quarterly basis (i.e. three floating holidays will accrue in first full pay period on July 1st, October 1st, January 7th, and April 14th of the fiscal year). If the number of unpaid furlough days (or equivalent) for the year is reduced by~~

operation of the provisions of paragraph 143d above, the number of additional floating holidays will be reduced in a corresponding manner. The parties agree that employees may be required to take no more than five of the floating holidays for the four working days between December 25, 2011 and January 1, 2012, and one day for the day prior to Thanksgiving 2011, when the City has implemented Minimum Staffing Days.

363c. Notwithstanding the paragraphs above, any unused floating holidays accrued from July 1, 2010 through June 30, 2012 may be carried over to be used in Fiscal Years 2012-13, 2013-14 and 2014-15.

363d. During Fiscal Years 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15, floating holidays must be used before vacation days or hours are taken; provided however that this limitation (i.e., use of floating holidays before vacation) will not apply in cases in which use of the floating holiday will cause a loss of vacation due to the accrual maximums. Except for days taken during Minimum Staffing Days, floating holidays are to be scheduled per mutual agreement, based on operational needs of the department.

363e. The City will evaluate City departments or divisions for which Minimum Staffing Days are appropriate. Minimum Staffing Days may take the form of complete closures or minimum staffing. On or before August 1, 2010 and August 1, 2011, the City will notify the PEC which departments/divisions have been slated for Minimum Staffing Days and/or reduced staffing. If the PEC has any concerns regarding the list, it must make its concerns known to DHR within fourteen (14) calendar days. DHR agrees to discuss any concerns raised by the PEC via this process. If the PEC finds DHR's response inadequate, it may elevate its concerns to the Mayor, who will be the final arbiter of any such dispute. The Minimum Staffing Days currently identified and agreed to by the City and the PEC are the non-holiday work days between Christmas and New Years and the Wednesday prior to the Thanksgiving weekend – five (5) days.

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### III.N. HEALTH AND WELFARE AND DENTAL INSURANCE

#### 1. City Contribution

364. The City agrees to maintain health and dental benefits at present levels for the life of the Agreement.

#### Fiscal Year 2010-2011

365. For "medically single employees"/Employee Only, (i.e., benefited employees not receiving this contribution paid by the City for dependent health care benefits), the City shall contribute all of the premium for the employees' own health care benefit coverage.

#### Fiscal Year 2011-12 and Thereafter

- 390a. The City and the PEC will establish a labor-management committee to begin meeting no later than October 1, 2010, concluding before December 31, 2010, to identify changes to MOU-negotiated premium payments that would be anticipated to yield approximately \$3 million in savings annually in the City's employee health care cost, beginning Fiscal Year 2011-12.
- 390b. Should the committee not reach mutual agreement on another option, the following goes into effect: for Fiscal Year 2011-12 and thereafter, for all employees enrolled in the City Plan in the medically-single/Employee-Only category, the City's contribution will be capped at an amount equivalent to the cost of the second-highest cost plan for medically-single/Employee-Only enrollees. Employees who elect to enroll in the City plan in this category must pay the difference between the capped amount of the City plan described above and the cost of City plan coverage in the medically-single/Employee-Only category.
- 390c. If no mutual agreement on another option is reached as described in paragraph 390b, and if an employee's work location reasonably requires him or her to reside in a county in which there is no City HMO available, then the City shall pay for medically-single/Employee-Only coverage under the City plan.
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### III.O. RETIREMENT

#### Retirement Restoration Payment

##### 2. Retirement Restoration Payment

397. For employees who retire prior to July 1, 2012 and whose final compensation for retirement purposes is impacted by the wage reduction described in Section III.A., the City will provide restoration pay in a lump sum equivalent to the pensionable value of the wage reduction described in Section III.A. for the period used by the applicable retirement system to determine the employee's final compensation for retirement purposes.
- 397a. For employees who retire prior to July 1, 2013 and whose final compensation for retirement purposes is impacted by the wage reduction described in Section III.A., the City will make available restoration pay in a lump sum equivalent to the pensionable value of the wage reduction described in Section III.A. of this Agreement for the period used by the applicable retirement system to determine the employee's final compensation for retirement purposes (Final Compensation Period). For employees who retire prior to July 1, 2012, post-retirement payouts of vacation and vested sick leave will be made at the employee's normal (pre-reduction) hourly rate, although nothing herein requires the San Francisco Employees Retirement System, or any applicable retirement system, to include payouts of vacation or vested sick leave in retirement calculations.
- 397b. Should employees who retire prior to July 1, 2013 wish to receive retirement restoration, they must, at least thirty (30) days prior to the last date of

employment, agree to re-designate any floating holidays they have taken during the Final Compensation Period in excess of four (4) floating holidays to vacation days upon retirement. This re-designation shall not apply to floating holidays carried over from a prior fiscal year. Once they have taken four (4) floating holidays during the Final Compensation Period, such employees will not be eligible to take any floating holidays during the last thirty (30) days of their employment except for floating holidays accrued before July 1st of the fiscal year in question.

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#### IV.A. EMPLOYEE DEVELOPMENT FUND

444a. The parties agree to form a working group to review Employee Development Fund and general departmental training practices to better standardize and administer the application of these programs across departments, consistent with Article IV (Employee Development Fund) of the MOU. The working group will consist of two representatives from the City and two representatives from Local 21. The working group will commence in July 2010, and will complete its work on or before October 1, 2010.

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#### VI.D. DURATION OF AGREEMENT AND INITIATION OF MEET AND CONFER PROCESS

489. This Memorandum of Understanding shall be in effect from July 1, 2006 through and inclusive of June 30, 201112.

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#### APPENDIX F: PSC ADDENDUM

1. The City and Local 21 agree to establish a special joint citywide Labor-Management Subcommittee to the PEC joint labor management committee created in section 7a. of this appendix:
  - a. Review areas of General Fund and Enterprise PSCs and other city contracts affecting Local 21 members with the goal of ensuring appropriate use of Local 21 represented Civil Service classifications in construction management, inspection, and other work performed by Local 21 represented classifications.
  - b. Explore establishing workload forecasting by city departments.
  - c. Review PSC processes, form(s) and tracking of PSCs, and RFP notice requirements.

The Committee will be formed with three representatives from the Union and three from management. Release time is to be provided for work of this Committee.



- 7a. The City and the PEC shall form a joint labor management committee on personal service and construction/maintenance contracts to do the following:
- 7b. a. Review areas of General Fund and Enterprise PSCs and other city contracts, including construction/maintenance contracts, affecting members with the goal of ensuring appropriate use of Civil Service classifications.
- 7c. b. Explore establishing workload forecasting by city departments.
- 7d. c. Review PSC processes, form(s) and tracking of PSCs, and RFP notice requirements and recommend improvements.
- 7e. d. Existing committees set out in individual union MOUs shall continue as sub-committees under this provision but shall take on specific areas of concern so as to avoid redundant efforts. Parties agree to set meeting agendas in advance to increase efficiency.
- 7f. e. The Committee will be comprised of eight (8) members of the Public Employee Committee and eight (8) City representatives. Release time is to be provided for work of this Committee. The Committee will complete its work by June 30, 2012.

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Excluding paragraphs 498, it is understood and agreed that all other provisions of the 2006-2011 Memorandum of Understanding, together with all Appendices thereto and as revised through Amendment No. 2, shall be extended for the term of the Agreement as hereby amended.

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FOR THE CITY

FOR THE UNION

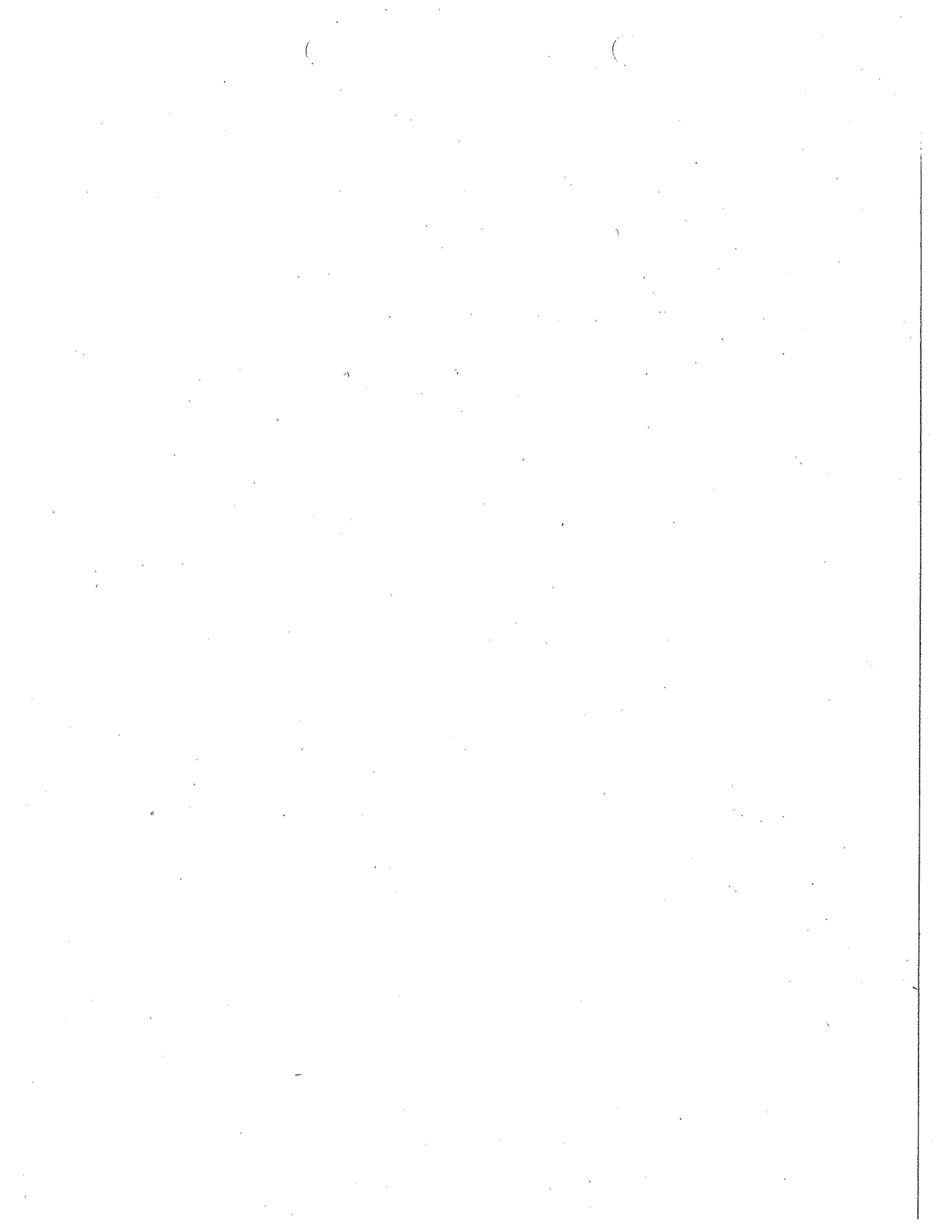
\_\_\_\_\_  
 Micki Callahan Date  
 Human Resources Director

\_\_\_\_\_  
 Bob Muscat Date  
 IFPTE, Local 21

\_\_\_\_\_  
 Martin R. Gran Date  
 Employee Relations Director

Approved As To Form:

Elizabeth Salvesson 5-14-10  
 \_\_\_\_\_ Date  
 Elizabeth Salvesson  
 Chief Labor Attorney,  
 Office of the City Attorney





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 100622: Amendment to Memorandum of Understanding (MOU) with the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO

Dear Ms. Calvillo,

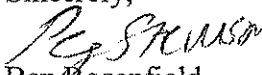
In accordance with Ordinance 92-94, I am submitting a cost analysis of the Amendment (amendment) to the MOU between the City and County of San Francisco and the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO. The amendment applies to the period commencing July 1, 2010 through June 30, 2012, affecting 4,549 authorized positions with a salary base of approximately \$416 million and an overall pay and benefits base of approximately \$507 million. As members of the Public Employees Committee of the San Francisco Labor Council (PEC), Local 21 has agreed to the terms outlined in the summary letter.

The amendment to the MOU extends the contract through FY2011-12. Based on our analysis, the amendment will result in a \$16.6 million savings in FY2010-11. Local 21 agreed to concessions for both FY2009-10 and FY2010-11 in the two previous bargaining years. The approximate savings from previous concessions for FY2010-11 is \$5.5 million.

Employees shall observe 12 unpaid furlough days in FY 2010-11 through previously agreed to wage reductions resulting in an estimated \$13.7 million savings. Furloughs will be smoothed by a wage reduction of 4.5% during FY2010-11, increasing to 5% on July 9, 2011, resulting in an additional \$1 million in savings in FY2011-12, including fringe payments. These reductions end on June 8, 2012. The amendment provides that employees who retire during the term of the MOU 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.

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 \$634,000 in savings in FY2011-12 under this bargaining unit. The cost of continuing existing health and dental benefits provided in the agreement will increase by approximately \$1.4 million 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, 2012**  
**Federation of Professional and Technical Engineers, Local 21**  
**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 wages reduced by 4.5%	(\$13,696,498)	(\$859,296)
July 9, 2011 - June 8, 2012 wages reduced by 5%		
<b>Wage-Related Fringe Increases/(Decreases)</b>	<u>(\$2,866,438)</u>	<u>(\$179,836)</u>
<b>Benefits</b>		
Cap on City contribution for medically single City Plan employees if \$3 million in savings can't be found	-	(\$633,551)
<b>Total Estimated Incremental Costs/(Savings)</b>	<u>(\$16,562,935)</u>	<u>(\$1,672,683)</u>
Budgeted Estimates for Cost Increase in Existing Benefits	\$1,395,634	\$1,495,579
Previously negotiated savings in addition to above (already included in base budget)	(\$5,453,532)	