



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

BY Ben Rosenfield
Controller
MOMIQUE ZAMUDA
Deputy Controller
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SUPERVISORS
OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO
I V E D

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 Nos. 100811 and 10812: Amendments to the Memoranda of Understanding (MOU) with the San Francisco Police Officers Association Units P-1 and P-2A and P-2B (POA)

Dear Ms. Calvillo,

In accordance with Ordinance 92-94, I am submitting a cost analysis of the Amendments (amendments) to the MOU between the City and County of San Francisco and POA. The amendments apply to the period commencing July 1, 2010 through June 30, 2013, affecting 2,640 authorized positions with a salary base of approximately \$277 million and an overall pay and benefits base of approximately \$355 million. As members of the Public Employees Committee of the San Francisco Labor Council (PEC), POA has agreed to the provisions outlined in the PEC agreement with the exception of layoff limitations.

The amendments extend the existing MOUs through FY2012-13. Based on our analysis, the amendment will result in a \$11.2 million savings in FY2010-11. Covered employees will further defer a January 8, 2011 2% wage increase to January 7, 2012. Employees shall also observe six unpaid floating holidays in FY2010-11 and four unpaid floating holidays in FY2011-12. Unpaid days will be smoothed by a wage reduction of 2.31% during FY2010-11 and 1.54% in FY 2011-2012. In lieu of wage increases in FY2012-13, officers shall receive four additional paid Floating Holidays on July 1, 2012 and an additional four paid Floating Holidays close of business on June 30, 2013.

The City and Union agreed to re-open the contract should the 2011 Joint Report project a FY2011-12 General Fund deficit of less than \$261 million or if state or local legislation gets implemented during the concession period which reduces wages or benefits for employees.

The agreement provides that employees who retire during the term of the amended MOU will receive a payment equaling the pensionable value of the wage reductions that impact the retirement benefit. Costs of this provision are dependent on each retiree's circumstances and determined by San Francisco Employees' Retirement System.

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 \$350,000 in savings in FY2011-12 under these bargaining units. The cost of continuing existing POA health benefits will increase by approximately \$887,000 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

Amendment extending Memo of Understanding through June 30, 2013
 San Francisco Police Officers Association P-1 and P-2A
 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>
Wages			
Defer January 8, 2011 2% wage increase; January 7, 2012 2.5% wage increase	(\$3,380,168)	\$3,380,168	\$3,380,168
FY 2010-11 6 Unpaid Floating Holidays (2.31% smoothing) FY 2011-12 4 Unpaid Floating Holidays (1.54% smoothing)	(\$7,808,188)	\$5,205,459	\$2,602,729
Premiums/Other Payments			
Night shift differential premium applied to hours worked between 6 PM and 6 AM	-	-	\$1,063,849
Benefits			
Cap on City contribution for medically single City Plan employees	-	(\$345,329)	(\$23,223)
Annual Amount Increase/(Decrease)	<u>(\$11,188,356)</u>	<u>\$8,240,298</u>	<u>\$7,023,523</u>
Budgeted Estimates for Cost Increase in Existing Benefits	\$886,534	\$946,153	\$1,009,782
Previously negotiated savings in addition to above			