



September 15, 2020

TO: Angela Calvillo, Clerk of the Board
Board of Supervisors

FROM: Carol Isen, Employee Relations Director
Department of Human Resources

RE: **MOU Amendments and Unrepresented Employees Ordinance**

Background

Due to the unexpected deterioration of the City's financial condition resulting from the COVID-19 pandemic, the Mayor asked all labor organizations representing City employees to consider deferring negotiated wage increases due in FY 2020-21 and FY 2021-22. Labor organizations representing sworn members of the Fire and Police departments agreed to engage in discussions with the Mayor's office, resulting in tentative agreements as described in this transmittal memo. The total savings to the General Fund for FY 2020-21 is \$12 million, FY 2021-22 is \$29 million and FY 2022-23 is \$11 million. The remainder of the City's labor organizations declined to engage in discussions. Other MOU amendments, unrelated to wage deferrals, are also included in the transmittal memo.

Enclosed are eight (8) MOU Amendments and one (1) Unrepresented Employees Ordinance Amendment

1. Second Amendment to the Fire Fighters' Local 798, Unit 1, MOU (July 1, 2018 through June 30, 2021)
2. Third Amendment to the Fire Fighters' Local 798, Unit 2, MOU (July 1, 2018 through June 30, 2021)
3. First Amendment to the Municipal Executives' Association - Fire, MOU (July 1, 2018 through June 30, 2021)
4. First Amendment to the San Francisco Police Officers' Association MOU (July 1, 2018 through June 30, 2021), part of a Tentative Agreement with the SFPOA that also includes settlement of two pending grievances
5. First Amendment to the Municipal Executives' Association - Police, MOU (July 1, 2018 through June 30, 2021)
6. Amendment to the Unrepresented Employees Ordinance
7. First Amendment to the Municipal Executives' Association, Misc., MOU (July 1, 2019 through June 30, 2022)
8. First Amendment to the Service Employees International Union, Local 1021, Staff and Per Diem Nurses, MOU (July 1, 2019 through June 30, 2022)
9. Second Amendment to the Service Employees International Union, Local 1021, Misc., MOU (July 1, 2019 through June 30, 2022)

Please find enclosed for each MOU Amendment:

- 1 signed MOU Amendment
- 1 signed TENTATIVE AGREEMENT (SFPOA only)
- 1 signed ORDINANCE on redline paper
- 1 redline MOU
- 1 clean MOU

Please find enclosed for the Unrepresented Employees Ordinance Amendment:

- 1 Signed ORDINANCE on redline paper
- 1 Legislative Digest

Summary of Changes

1. Fire Fighters' Local 798, Unit 1, MOU Amendment No. 2

- **Wages**
 - 3.00% General Wage increase due on December 26, 2020, split and deferred as follows:
 - 1.00% deferred until COB June 30, 2022.
 - 2.00% deferred until COB June 30, 2023.
 - New 3.00% General Wage Increase due on July 1, 2021 with possible six-month deferral based on the Joint Report.
 - New 3.00% General Wage Increase due on July 1, 2022 with possible six-month deferral based on the Joint Report.
- **Retirement Restoration** – Retiring employees will be eligible for up to 12 months of restoration back pay for the 1.00% general wage increase deferred from December 26, 2020 through COB June 30, 2022 and the 2% general wage increase deferred from December 26, 2020 through COB June 30, 2023. The intention of the Retirement Restoration program is to make whole those employees who retire during the deferral period so their pensions are not adversely affected by the deferral.
- **Term** – MOU extended two years to now expire on June 30, 2023.

2. Fire Fighters' Local 798, Unit 2, MOU Amendment No. 3

- **Wages**
 - 3.00% General Wage increase due on December 26, 2020, split and deferred as follows:
 - 1.00% deferred until COB June 30, 2022.
 - 2.00% deferred until COB June 30, 2023.
 - New 3.00% General Wage Increase due on July 1, 2021 with possible six-month deferral based on the Joint Report.
 - New 3.00% General Wage Increase due on July 1, 2022 with possible six-month deferral based on the Joint Report.
- **Retirement Restoration** – Retiring employees will be eligible for up to 12 months of restoration back pay for the 1.00% general wage increase deferred from December 26, 2020 through COB June 30, 2022 and the 2% general wage increase deferred from December 26, 2020 through COB June 30, 2023. The intention of the Retirement Restoration program is to make whole those employees who retire during the deferral period so their pensions are not adversely affected by the deferral.
- **Term** – MOU extended two years to now expire on June 30, 2023.

3. Municipal Executives' Association, Fire, MOU Amendment No. 1

- **Wages**
 - 3.00% General Wage increase due on December 26, 2020, split and deferred as follows:
 - 1.00% deferred until COB June 30, 2022.
 - 2.00% deferred until COB June 30, 2023.
 - New 3.00% General Wage Increase due on July 1, 2021 with possible six-month deferral based on the Joint Report.
 - New 3.00% General Wage Increase due on July 1, 2022 with possible six-month deferral based on the Joint Report.
- **Retirement Restoration** – Retiring employees will be eligible for up to 12 months of restoration back pay for the 1.00% general wage increase deferred from December 26, 2020 through COB June 30, 2022 and the 2.00% general wage increase deferred from December 26, 2020 through COB June 30, 2023. The intention of the Retirement Restoration program is to make whole those employees who retire during the deferral period so their pensions are not adversely affected by the deferral.
- **Term** – MOU extended two years to now expire on June 30, 2023.

4. San Francisco Police Officers' Association Tentative Agreement

A. MOU, Amendment No. 1

- **Wages**
 - 2.00% General Wage Increase due on December 26, 2020 deferred until COB June 30, 2022.
 - 1.00% General Wage Increase due on COB June 30, 2021 deferred until COB June 30, 2023.
 - New 3.00% General Wage Increase due on July 1, 2021 with possible six-month deferral based on the Joint Report.
 - New 3.00% General Wage Increase due on July 1, 2022 with possible six-month deferral based on the Joint Report.
- **Retention Pay**
 - Retention pay restructuring and increases due on December 26, 2020 deferred until COB June 30, 2022.
 - Eliminate 1,700 hours worked (WKP) eligibility requirement for retention pay.
- **Retirement Restoration** – Employees retiring between December 26, 2020 and June 30, 2024 will be eligible for up to 12 months of restoration back pay for the 2.00% general wage increase due on December 26, 2020, the 1.00% general wage increase due on COB June 30, 2020, and the retention pay increases due on December 26, 2020. The intention of the Retirement Restoration program is to make whole those employees who retire during the deferral period so their pensions are not adversely affected by the deferral.
- **Term** – MOU extended two years to expire on June 30, 2023.

- **10B Overtime** – Employees are ineligible to work 10B overtime assignments:
 - During hours in which an employee is regularly scheduled to work; or
 - If the employee took more than twenty hours of paid sick leave in last three months as reviewed on a quarterly basis (excluding sick leave for birth/adoption of a child or death of a close family member).

B. Grievances Settlement

The City and SFPOA agreed, as part of the overall tentative agreement, to enter a settlement agreement to resolve two grievances related to the retention premium pay benefit under the MOU. Under the agreement, the City will provide back pay to Police Officers who claimed they were wrongfully denied retention pay premiums in an amount not to exceed \$359,613.87. This amount is based on known back pay for the period July 1, 2018 through June 30, 2020 in the amount of \$134,613.87, and estimated back pay through implementation of the amended MOU retention pay provision (estimated at October 30, 2020) not to exceed \$225,000. The City will also waive its claims for overpayment of retention pay benefits.

5. Municipal Executives' Association, Police, MOU Amendment No. 1

- **Wages**
 - 2.00% General Wage Increase due on December 26, 2020 deferred until COB June 30, 2022.
 - 1.00% General Wage Increase due on January 1, 2021 deferred until COB June 30, 2023.
 - New 3.00% General Wage Increase due on July 1, 2021 with possible six-month deferral based on the Joint Report.
 - New 3.00% General Wage Increase due on July 1, 2022 with possible six-month deferral based on the Joint Report.
- **Retention Pay**
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- **Term** – MOU extended two years to expire on June 30, 2023.

6. Amendment to the Unrepresented Employees Ordinance

- **Wages** – Mayoral Classifications 0885 – 0905 shall not receive general wage increases in FY20-21

7. Municipal Executives' Association, Misc. MOU Amendment No. 1

- **Grievance Procedures** – The Association will be able to grieve discipline for permanent civil service employees who have passed probation. Currently, the Association may only appeal discipline through a hearing process set out in San Francisco Charter Sections A8.341 and A8.342.
- **Expedited Arbitration** – Expedited arbitration will be required for suspensions of 10 days or less. Each expedited arbitration hearing for five days suspension or less will last a maximum of two hours. Each expedited arbitration hearing for six through ten days suspension will last a maximum of four hours.
- **Arbitrators** – Amends list of arbitrators in Appendix B.

8. Service Employees International Union, Local 1021, Staff and Per Diem Nurses, Amendment No. 1

- **Overtime** - For employees working any other work schedules (e.g., part-time, 12 hour shifts), any time worked under proper authorization of the appointing officer by a nurse in excess of twelve (12) hours in a day or eighty (80) hours per payroll period shall be compensated at one-and-one-half (1-1/2) the base hourly rate which shall include shift differential if applicable.
- For informational purposes only, effective July 1, 2020, the Department of Human Resources administratively changed the status of classification 2830 Public Health Nurse from “Z” to “N.”

9. Service Employees International Union, Local 1021, Misc., Amendment No. 2

- **Work Training Program** – Employees in permanent civil service appointment may be approved with pay to attend accredited educational institutions for up to eight (8) hours in any one (1) week, to attend classes during regular working hours. Participants in the Work Training Program must attend an accredited educational institution approved by the Human Resources Director. Employees approved to participate may enroll in classes through the program for up to two (2) years. Effective July 1, 2021, the City shall transfer \$258,143 to the Union’s Work Training Program fund; this amount represents the balance remaining on June 30, 2019. Thereafter, the cost to the City of the Work Training Program shall not exceed \$200,000 per fiscal year. With the exception of the one-time balance transfer of unused Work Training Program funds on July 1, 2021, unused funds shall not be carried forward from fiscal year to fiscal year.

Thank you.

Enclosures

Angela Calvillo
September 15, 2020
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cc: Ben Rosenfield, Controller
Micki Callahan, Human Resources Director
Kelly Kirkpatrick, Mayor's Budget Director
Sophia Kittler, Mayor's Liaison to the Board of Supervisors
Members, Government, Audit and Oversight Committee
John Carroll, Assistant Clerk, Board of Supervisors
Brent Jalipa, Legislative Clerk, Board of Supervisors
Katharine Hobin Porter, Chief Labor Attorney, City Attorney's Office
File