



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

Ben Rosenfield  
Controller  
Todd Rydstrom  
Deputy Controller

October 28, 2020

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 201045 - 201053: Amendments to Memoranda of Understanding (MOU) between the City and County of San Francisco and various Unions representing City bargaining units

Dear Ms. Calvillo,

In accordance with Ordinance 92-94, I submit a cost analysis of nine MOU amendments between the City and County of San Francisco and various Unions representing employee bargaining units. The MOUs for the four safety unions (San Francisco Fire Fighters Local 798, Units 1 and 2; Police Officers Association; Municipal Executives Association – Fire; and Municipal Executives Association – Police), originally set to expire on June 30, 2021, have been extended for two years until June 30, 2023. The period covered by the other affected MOUs are unchanged by these amendments.

The MOU amendments affect approximately 6,000 authorized positions with an overall salary and benefits base of approximately \$1.1 billion. Our analysis finds that the MOUs will result in decreased costs to the City of \$12.3 million (or 1.1%) in FY 2020-21, \$6.2 million (or 0.6%) in FY 2021-22, and increased costs to the City of \$35.8 million (or 3.3%) in FY 2022-23. Approximately 90% of the savings in FY 2020-21 and FY 2021-22 supports the General Fund and 90% of the cost in FY 2022-23 is supported by the General Fund.

Our cost estimates assume that premiums, overtime, and other adjustments grow consistently with wage changes. Some wage and premium increases in FY 2021-22 and FY 2022-23 could be delayed if the Joint Report projects a budget deficit greater than \$200 million. These cost estimates assume that those increases will take place as scheduled. If the increases are delayed, the estimated cost would be reduced approximately \$11.6 million and \$11.8 million in FY 2021-22 and FY 2022-23, respectively.

See Attachments A and B for a detailed listing and analysis of costs for the affected MOUs.

If you have additional questions or concerns, please contact me at 554-7500 or Carol Lu of my staff at 554-7647.

Sincerely,

/s/ \_\_\_\_\_

Ben Rosenfield  
Controller

cc: Carol Isen, ERD  
Harvey Rose, Budget Analyst

## Attachment A

Combined Costs for All MOUs and Amendments	FY 2020-21	FY 2021-22	FY 2022-23
Wages	\$ (7,825,000)	\$ 31,000	\$ 29,363,000
Wage-Related Fringe Benefits	(1,636,000)	(275,000)	6,036,000
Premiums	(3,310,000)	(6,596,000)	0
Other Benefits	454,000	619,000	445,000
<b>MOU Total</b>	<b>\$ (12,317,000)</b>	<b>\$ (6,221,000)</b>	<b>\$ 35,844,000</b>
<i>% of Wage and Benefits Base</i>	<i>-1.1%</i>	<i>-0.6%</i>	<i>3.3%</i>

### Union Detail

File Number Union

San Francisco Fire Fighters Local 798, Unit 1 and Unit 2	FY 2020-21	FY 2021-22	FY 2022-23
201045- Wage Deferrals	\$ (4,071,000)	\$ (7,989,000)	\$ (5,326,000)
201046 Wage Deferral Related Fringe Benefits	(819,000)	(1,607,000)	(1,072,000)
Wage Increases	0	7,989,000	16,217,000
Wage Increase Related Fringe Benefits	0	1,607,000	3,263,000
Retirement Restoration	28,000	174,000	159,000
<b>Union Total</b>	<b>\$ (4,862,000)</b>	<b>\$ 174,000</b>	<b>\$ 13,241,000</b>
<i>% of Wage and Benefits Base</i>	<i>-1.5%</i>	<i>0.1%</i>	<i>4.1%</i>

201047 Municipal Executives Association	FY 2020-21	FY 2021-22
Grievance Procedures	\$ 0	\$ 0
<b>Union Total</b>	<b>\$ 0</b>	<b>\$ 0</b>
<i>% of Wage and Benefits Base</i>	<i>N/A</i>	<i>N/A</i>

201048	<b>Municipal Executives Association - Fire</b>	FY 2020-21	FY 2021-22	FY 2022-23
	Wage Deferrals	\$ (32,000)	\$ (64,000)	\$ (42,000)
	Wage Deferral Related Fringe Benefits	(7,000)	(13,000)	(9,000)
	Wage Increases	0	64,000	129,000
	Wage Increase Related Fringe Benefits	0	13,000	27,000
	Retirement Restoration	2,000	15,000	14,000
	<b>Union Total \$</b>	<b>(37,000)</b>	<b>\$ 15,000</b>	<b>\$ 119,000</b>
	<i>% of Wage and Benefits Base</i>	<i>-1.4%</i>	<i>0.6%</i>	<i>4.6%</i>
201049	<b>Municipal Executives Association - Police</b>	FY 2020-21	FY 2021-22	FY 2022-23
	Wage Deferrals	\$ (44,000)	\$ (130,000)	\$ (44,000)
	Wage Deferral Related Fringe Benefits	(10,000)	(28,000)	(10,000)
	Wage Increases	0	129,000	262,000
	Wage Increase Related Fringe Benefits	0	28,000	57,000
	Retirement Restoration	4,000	27,000	17,000
	Retention Pay	(206,000)	(387,000)	
	<b>Union Total \$</b>	<b>(256,000)</b>	<b>\$ (361,000)</b>	<b>\$ 282,000</b>
	<i>% of Wage and Benefits Base</i>	<i>-4.9%</i>	<i>-6.9%</i>	<i>5.4%</i>
201050	<b>Police Officers Association</b>	FY 2020-21	FY 2021-22	FY 2022-23
	Wage Deferrals	\$ (3,652,000)	\$ (10,822,000)	\$ (3,655,000)
	Wage Deferral Related Fringe Benefits	(760,000)	(2,511,000)	(760,000)
	Wage Increases	0	10,750,000	21,822,000
	Wage Increase Related Fringe Benefits	0	2,236,000	4,540,000
	Retirement Restoration	60,000	403,000	255,000
	Retention Pay	(3,104,000)	(6,209,000)	0
	Grievance Settlement	360,000	0	0
	<b>Union Total \$</b>	<b>(7,096,000)</b>	<b>\$ (6,153,000)</b>	<b>\$ 22,202,000</b>
	<i>% of Wage and Benefits Base</i>	<i>-1.6%</i>	<i>-1.4%</i>	<i>5.1%</i>

201051	<b>Service Employees International Union, Local 1021</b>	FY 2020-21	FY 2021-22
	Work Study Provisions	0	0
	<b>Union Total \$</b>	<b>0 \$</b>	<b>0</b>
	<i>% of Wage and Benefits Base</i>	<i>N/A</i>	<i>N/A</i>
201052	<b>Service Employees International Union Local 1021: Staff and Per Diem Nurses</b>	FY 2020-21	FY 2021-22
	Overtime Changes	\$ 50,000	\$ 104,000
	<b>Union Total \$</b>	<b>50,000 \$</b>	<b>104,000</b>
	<i>% of Wage and Benefits Base</i>	<i>0.0%</i>	<i>0.0%</i>
201053	<b>Unrepresented Employees</b>	FY 2020-21	
	Wage Deferrals	\$ (76,000)	
	Wage Deferral Related Fringe Benefits	(40,000)	
	Retirement Restoration	0	
	<b>Union Total \$</b>	<b>(116,000)</b>	
	<i>% of Wage and Benefits Base</i>	<i>-1.7%</i>	

## Attachment B

In accordance with Ordinance 92-94, the Office of the Controller conducted a cost analysis of nine MOU amendments between the City and County of San Francisco and various Unions representing employee bargaining units. The attached analysis reviews the MOU amendments listed below:

201045 – San Francisco Fire Fighters Local 798, Unit 1  
201046 – San Francisco Fire Fighters Local 798, Unit 2  
201047 – Municipal Executives Association  
201048 – Municipal Executives Association – Fire  
201049 – Municipal Executives Association – Police  
201050 – Police Officers Association  
201051 – Service Employees International Union, Local 1021  
201052 – Service Employees International Union Local 1021: Staff and Per Diem Nurses  
201053 – Unrepresented Employees

The MOU amendments affect approximately 6,000 authorized positions with an overall salary and benefits base of approximately \$1.1 billion. Our analysis finds that the MOUs will result in decreased costs to the City of \$12.3 million (or 1.1%) in FY 2020-21, \$6.2 million (or 0.6%) in FY 2021-22, and increased costs to the City of \$35.8 million (or 3.3%) in FY 2022-23. Approximately 90% of the savings in FY 2020-21 and FY 2021-22 supports the General Fund and 90% of the cost in FY 2022-23 is supported by the General Fund.

Our cost estimates assume that premiums, overtime, and other adjustments grow consistently with wage changes. Some wage and premium increases in FY 2021-22 and FY 2022-23 could be delayed if the Joint Report projects a budget deficit greater than \$200 million. These cost estimates assume that those increases will take place as scheduled. If the increases are delayed, the estimated cost would be reduced approximately \$11.6 million and \$11.8 million in FY 2021-22 and FY 2022-23, respectively.

Details of the files are discussed in more detail below:

### **File Numbers 201045 and 201046 – San Francisco Fire Fighters Local 798, Units 1 and 2**

The MOU is extended for two years and will now expire on June 30, 2023. The 3.0% general wage increase scheduled for December 26, 2020 is split and deferred as follows: 1.0% deferred until the close of business on June 30, 2022 and 2.0% deferred until the close of business on June 30, 2023. There are two new general wage increases: A 3.0% increase due on July 1, 2021 and a 3.0% increase due on July 1, 2022. Both increases could be delayed approximately six months if the Joint Report finds a budget deficit exceeding \$200 million.

Employees who retire between December 26, 2020 and June 30, 2024 are entitled to up to 12 months of pensionable backpay to restore the deferred wage increases.

### **201047 – Municipal Executives Association**

The grievance procedures are amended and expedited arbitration will be required in certain circumstances. There is no estimable cost related to these changes.

### **201048 – Municipal Executives Association – Fire**

The MOU is extended for two years and will now expire on June 30, 2023. The 3.0% general wage increase scheduled for December 26, 2020 is split and deferred as follows: 1.0% deferred until the close of business on June 30, 2022 and 2.0% deferred until the close of business on June 30, 2023. There are two new general wage increases: A 3.0% increase due on July 1, 2021 and a 3.0% increase due on July 1, 2022. Both increases could be delayed approximately six months if the Joint Report finds a budget deficit exceeding \$200 million.

Employees who retire between December 26, 2020 and June 30, 2024 are entitled to up to 12 months of pensionable backpay to restore the deferred wage increases.

### **201049 – Municipal Executives Association – Police**

The MOU is extended for two years and will now expire on June 30, 2023. The 2.0% wage increase due on December 26, 2020 is deferred until the close of business on June 30, 2022. The 1.0% wage increase due on June 30, 2021 at the close of business is deferred until the close of business on June 30, 2023. There are two new general wage increases: A 3.0% increase due on July 1, 2021 and a 3.0% increase due on July 1, 2022. Both increases could be delayed approximately six months if the Joint Report finds a budget deficit exceeding \$200 million.

The restructuring and increases to retention pay that were due on December 26, 2020 are deferred until the close of business on June 30, 2022. In addition, the requirement to work 1,700 hours to be eligible for retention pay is eliminated.

Employees who retire between December 26, 2020 and June 30, 2024 are entitled to up to 12 months of pensionable backpay to restore the deferred wage increases and the delayed changes to retention pay.

### **201050 – Police Officers Association**

The MOU is extended for two years and will now expire on June 30, 2023. The 2.0% wage increase due on December 26, 2020 is deferred until the close of business on June 30, 2022. The 1.0% wage increase due on June 30, 2021 at the close of business is deferred until the close of business on June 30, 2023. There are two new general wage increases: A 3.0% increase due on July 1, 2021 and a 3.0% increase due on July 1, 2022. Both increases could be delayed approximately six months if the Joint Report finds a budget deficit exceeding \$200 million.

The restructuring and increases to retention pay that were due on December 26, 2020 are deferred until the close of business on June 30, 2022. In addition, the requirement to work 1,700 hours to be eligible for retention pay is eliminated.

Employees who retire between December 26, 2020 and June 30, 2024 are entitled to up to 12 months of pensionable backpay to restore the deferred wage increases and the delayed changes to retention pay.

As part of the MOU amendment, the City and SFPOA agreed to resolve two grievances related to the retention pay benefit.

#### **201051 – Service Employees International Union, Local 1021**

The MOU revises the work study program, but the maximum cost to the City is unchanged.

#### **201052 – Service Employees International Union Local 1021: Staff and Per Diem Nurses**

Registered nurses (job class 2320) working non-standard schedules (e.g., part-time, 12-hour shifts) will receive overtime pay for any hours in excess of 12 in a shift. Additionally, registered nurses who are required to work through their lunch breaks will receive overtime pay for that time.

#### **201053 – Unrepresented Employees**

Mayoral classifications 0885 – 0905 will not receive general wage increases in FY 2020-21.