| File No. | 100810 | Committee Item No. 3 |
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| , , | | Board Item No. |

COMMITTEE/BOARD OF SUPERVISORS

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| Committee: | Government Audit and Oversight | Date <u>July 7, 2010</u> |
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| OTHER | (Use back side if additional spa Amendment No. 3 to MOU | |
| Completed Completed | | Date_ July 2, 2010 Date_ |

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

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By:

[Memorandum of Understanding, Amendment No. 3 – San Francisco Firefighters, Local 798, (Unit 2)]

Ordinance adopting and implementing Amendment No. 3 to the 2007-2012

Memorandum of Understanding between the City and County of San Francisco and the San Francisco Firefighters, Local 798, Unit 2, by extending the term of the parties' Agreement through June 30, 2013, and by implementing specified terms and conditions of employment for fiscal years 2010-2011, 2011-2012 and 2012-2013.

NOTE:

Additions are <u>single-underline italics Times New Roman</u>; deletions are <u>strike through italics Times New Roman</u>. Board amendment additions are <u>double-underlined</u>; Board amendment deletions are <u>strikethrough-normal</u>.

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

Section 1. The Board of Supervisors hereby adopts and implements the Amendment No. 3 to the 2007-2012 Memorandum of Understanding between the City and County of San Francisco and the San Francisco Firefighters, Local 798, Unit 2 by extending the term of the parties' Agreement through June 30, 2013, and by implementing specified terms and conditions of employment for fiscal years 2010-2011, 2011-2012 and 2012-2013.

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

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

ELIZABETH S. SALVESON

Chief Labor Attorney

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CITY AND COUNTY OF SAN FRANCISCO

AND

SAN FRANCISCO FIRE FIGHTERS UNION LOCAL 798, IAFF, AFL-CIO

July 1, 2007 to June 30, 2013

UNIT 2

Revised per Amendment #3

AMENDMENT NO. 3 TO THE 2007-2012 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 and extend the Memorandum of Understanding as follows:

SECTION 9. SALARY

9.1 Employees shall receive the following base wage increases:

July 1, 2010 4%

January 8, 2011 - 2%

July 1, 2011 - 4%

- 9.1.a. 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.
- 9.1.b. Employees shall defer to July 1, 2011 the 4% wage increase which is scheduled to be effective on July 1, 2010. Such deferral is subject to the terms set forth in sections 9.1.c. and 9.1.d.
- 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 9.1.e., the deferrals described in sections 9.1.b. and 10.1.a. 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 section occurs before September 1, 2010, the deferral described in section 9.1.b. shall terminate immediately and no subsequent wage deferrals shall become effective during the term of this Agreement.
- 9.1.d. 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 9.1.e., 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, the deferrals described in sections 9.1.b. and 10.1.a. 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.

9.1.e. Wage deferral 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.
- 9.1.f. The wage deferral set forth in section 9.1.b. shall be restored on July
 1, 2011. The wage deferral for Fiscal Year 2011-12 shall be restored
 on July 1, 2012.
- 9.1.g. 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 10.1.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 10.1.a. shall be 1.25%.
- (2) If the projected deficit is \$100 to \$150 million, then the wage deferral set forth in section 10.1.a. shall be 0.75%.
- (3) If the projected deficit is less than \$100 million, then the wage deferral set forth in section 10.1.a. shall be null and void.

SECTION 10. PARITY

- 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.
- 10.1.a. Employees shall defer to July 1, 2012 the entire parity salary increase amounting to between 3% and 5%, which is scheduled to be effective on July 1, 2011. Such deferral is subject to the terms set forth in section 9.1.c. and 9.1.d.

SECTION 11. RETIREMENT

- 11.5.a. 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 9.1.a., 9.1.b. and 10.1.a., 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.
- 11.5.b. 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 9.1.a., 9.1.b. and 10.1.a. 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.
- 11.5.c. 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 30. HEALTH AND DENTAL COVERAGE

- 30.2 For "Medically Single Employees" (employees with no dependents enrolled in the Health Service System), the City shall contribute the total amount for the employees' own health care premium coverage.
- 30.2.a. Fiscal Year 2011-12 and Thereafter

 It is understood that the City and the PEC have agreed to 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.
- 30.2.b. 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.
- 30.2.c. If no mutual agreement on another option is reached as described in section 30.2.b., 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.

SECTION 52. TERM

52.1 This Agreement shall remain in full force and effect from July 1, 2007, to and including June 30, 2012 2013.

| FOR THE CITY | FOR THE UNION | | | |
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| Date: | Date: | | | |
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| Martin Gran | Thomas O'Connor | | | |
| Employee Relations Director | President | | | |
| APPROVED AS TO FORM: | | | | |
| DENNIS J. HERRERA | • | | | |
| City Attorney | • | | | |
| Glerabett Gelven | | | | |
| Elizabeth Salveson | | | | |
| Chief Labor Attorney | | | | |

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