



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller

Monique Zmuda
Deputy Controller

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2010 JUL - 2 PM 4:05

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 No. 100868: Memorandum of Understanding (MOU) with the Staff and Per Diem Nurses,
SEIU Local 1021

Dear Ms. Calvillo,

In accordance with Ordinance 92-94, I am submitting a cost analysis of the MOU between the City and County of San Francisco and the Staff and Per Diem Nurses, SEIU Local 1021 (Nurses). The MOU applies to the period commencing July 1, 2010 through June 30, 2012, affecting 1,456 authorized positions with a salary base of approximately \$202 million. As members of the Public Employees Committee of the San Francisco Labor Council (PEC), the Nurses have agreed to the provisions outlined in the PEC agreement, with the exception of furlough days and a cap on City payments for health benefits.

Based on our analysis, the MOU will result in a \$7.3 million savings in FY2010-11. Covered employees will defer two 2% wage increases scheduled for July 1, 2010 and December 26, 2010 to combine for a 4% wage increase on March 31, 2012. Another 4% increase goes into effect in exchange for employees contributing 5% of the employee paid portion of their retirement contribution. The agreement also expands continuing education opportunities by increasing funding for both the Tuition Reimbursement fund and Pilot Nursing Education Funds at a net cost increase of \$60,000 in FY 2010-2011.

The agreement provides that employees who retire during the term of the MOU whose compensation is impacted by wage deferrals or salary parity deferrals will receive a payment equaling the pensionable value of the wage reductions 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.

The cost of continuing existing health and dental benefits provided in the agreement will increase by approximately \$540,000 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,

Peg Stevenson

Ben Rosenfield
Controller

cc: Martin Gran, ERD
Harvey Rose, Budget Analyst

MOU Extension July 1, 2010 - June 30, 2012
Staff and Per Diem Nurses, SEIU Local 1021
Estimated Costs/(Savings) FY 2010-2012
Controller's Office

<u>Annual Costs/(Savings)</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>
Wages		
- July 1, 2010 2% wage increase deferred and December 26, 2010 2% wage increase deferred until March 31, 2012 4% wage increase.	(\$7,288,996)	\$5,331,862
- March 31, 2012 4% wage increase in exchange for retirement pickup.		
 Pickup of 5% of employee portion of retirement contribution		(\$2,529,116)
Benefits		
 Increase in Tuition Reimbursement Fund	\$50,000	
 Increase in Pilot Nursing Education Fund	\$10,000	
Total Estimated Incremental Costs/(Savings)	<u>(\$7,228,996)</u>	<u>\$2,802,746</u>
 Cost increases in existing benefits provisions	 \$538,457	 \$574,718