Overview Presentation on

BARGAINING 2008
Overview of 2008 Negotiations & Memoranda of Understanding
Bargaining 2008

Budget

Concessions
Municipal Executives’ Association

- For FY08-09 and FY09-10, 5 unpaid furloughs days per fiscal year
- MCCP Post-Appointment Adjustments Dollars available for FY08-09 deferred until FY09-10 (*no post-appointment adjustments for FY08-09)
  → $7 million in savings for FY08-09 and FY09-10
FIRE

- Holiday Premium
  - 7/1/08 Premium becomes Pensionable
  - 7/1/08 Reduced from 7% → 4%
  - 7/1/09 Increased from 4% → 5%
  - 7/1/10 Increased from 5% → 6%
  - 12/25/10 Increased from 6% → 6.5%

→ $7 million savings for FY08-09 through FY10-11
UAPD

For FY08-09 and FY09-10, 4 unpaid furloughs days per fiscal year (*amount of furlough days to be reduced by offsetting waiver of training funds)

$1 million savings for FY08-09 and FY09-10
Laborers

- Waive existing Education Fund Balance and City’s Apprenticeship Payment for FY08-09
- $1 million savings for FY08-09
Unrepresented Employee Ordinance

- **Wages** – no general base wage increases
- **Bilingual Pay** – Increase premium to be consistent with the other labor agreements with the City:
  - More than 40 hours/pay period - $60/pay period
  - More than 10 hours/pay period - $40/pay period
- **Executive/Administrative Leave**
  - 1283 Director of Employee Relations and employees in AB44 Confidential Chief Attorney II shall have the same executive leave benefit as employees in job codes assigned to the EM Unit.
  - 1282 Manager Employee Relations classification shall have the same administrative leave benefit as employees in job codes assigned to the M Unit.

→ $300,000 savings for FY08-09 (based on no general wage increase)
Unrepresented Employee Ordinance

- **Floating Holidays** – In lieu of base wage increases, employees, except those in Mayoral Staff classifications (0881-0905), shall receive additional four floating holidays per fiscal year.

- **Retirement Contribution** – Reflecting existing practice, classifications 1280-1283, inclusive, and classification 1293 will pick-up their own employee portion of their retirement contribution at the current rate.

- **Tuition Reimbursement** – All employees in job classes listed under the Ordinance may be reimbursed up to a maximum of $2,000 from the Tuition Reimbursement Program and $1,000 of available funds may be reimbursed to pay up to one-half the cost of reasonable and necessary travel and lodging for approved training.
Bargaining 2008

MOU Extensions
MOU Extensions

The following MOUs will be extended through FY09-10:

- MEA
- UAPD
- Local 21
- SEIU Misc.
- Plumbers
- Oper. Eng.
- Teamsters, L856 (Misc.)
- Auto Mach., L1414
- Teamsters, L350
Bargaining 2008

**Proposition B:**
Changing Qualifications for Retiree Health and Pension Benefits and Establishing a Retiree Health Care Trust Fund
Pension/Healthcare Reform - Rules

- **Length of City Service—Graded Schedule for Retiree Health Coverage**
  - *Covered:* Hired on 1/10/09 or after; As-Neededs that have never worked 1040+ in a rolling 12 month period on or before 1/9/09; Employees that separated from City on or before 1/9/09 without 5 years of certified service
  - 5 years – access to City Health Plans
  - 10 years – access to City Health Plans with 50% of City Contribution
  - 15 years – access to City Health Plans with 75% of City Contribution
  - 20 years – access to City Health Plans with 100% of City Contribution

- **Retirement within 180 days of Separation.** Employees that separate employment with the City must elect retirement within 180 days of that separation in order to maintain eligibility of retiree health coverage.

- **New Employee Retiree Health Trust Fund Contribution Equivalent to the "Normal Cost."** Employees hired on or after January 10, 2009 shall make a contribution equivalent to the "Normal Cost" of healthcare in the previous fiscal year, capped at 2%. When the City’s Annual Required Contribution (ARC) liability is retired, the City shall split the Normal Cost with Employees. "Normal Cost" is a defined term within GASB that reflects the average percent of payroll needed to fund retiree health care costs on an actuarial basis. The City will contribute 1%, as well, until the ARC liability is retired.
Pension/Healthcare Reform - Examples

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**Example 1**
- separated on or before 1/9/09 (regardless of whether worked 1040 hours in a rolling 12 month period, provided does not have 5 years of credited service),
- returned to work for the City on or after 1/10/09,
  → Employee Pays 2% Contrib. and New Vesting Schedule

**Example 2**
- never worked more than 1040 hours in a rolling 12 month period on or before 1/9/09,
- continues to work for the City on and after 1/10/09,
  → Employee Pays No Contrib. and New Vesting Schedule

**Example 3**
- worked more than 1040 hours in a rolling 12 month period on or before 1/9/09,
- continues to work for the City on and after 1/10/09
  → Employee Pays No Contrib. and Old Vesting Schedule
Pension/Healthcare Reform - Rules

- **Cost of Living Adjustment (COLA)** – All SFERS Retirees
  - 1. **Basic COLA** – 2% simple → 2% compounded
  - 2. **Supplemental COLA** – maximum COLA up to 3.5% (i.e., 0.5% increase)

- **Pension Benefit Schedule** – applies to Miscellaneous only; 2%@60 → 2.1%@60, topping out at 2.3% at 62.

- **Wage Freeze** – Miscellaneous unions agree to one year MOU extension which includes no wage increases
Bargaining 2008

Bargaining 2007 Wrap Up
MEA Fire

**Chief and Deputy Chiefs - 21% Total**
- July 1, 2007 - 1%  
  December 29, 2007 - 5%
- July 1, 2008 - 4%  
  December 27, 2008 - 3%
- July 1, 2009 - 4%  
  December 26, 2009 - 2%
- July 1, 2010 - 2%

**Assistant Deputy Chiefs II and EMS Chief - 23% Total**
- July 1, 2007 - 1%  
  December 29, 2007 - 5%
- July 1, 2008 - 4%  
  December 27, 2008 - 3%
- July 1, 2009 - 4%  
  December 26, 2009 - 2%
- July 1, 2010 - 4%

**Floating Holidays** – Increased to five days at 20 years.

**Executive Leave** – Increased from two to five days (for Asst. DC IIs and EMS Chief)

**Administrative Assignment Pay** – removed.

**Differential Adjustments** – the following adjustments to base compensation were made to maintain underlying differentials:
- 0150 Deputy Chief of Department $5,163
- H-51 Assistant Deputy Chief II $6,967
- H-53 Emergency Medical Services Chief $6,967
MEA Police

19% Total

- July 1, 2007 - 3%  December 29, 2007 - 5%
- July 1, 2008 - 4%  December 27, 2008 - 3%
- July 1, 2009 - 2%
- July 1, 2010 - 2%

Uniform Pay – Increased from $750 to $820 annually.

Severance Pay – Severance up to two months provided when lack of 30 days notice and/or more than 10 years of service. Same benefit currently possessed by like ranks in Fire.
Bargaining 2007 – Still Out There

- SEIU, 1021 – H-1 Paramedics
- POA, P-2B