

**Comprehensive Agreement between the San Francisco Municipal  
Transportation Agency (SFMTA) and PEC (Service Critical Units):  
SFMTA Counter proposal  
May 18, 2010**

**Preamble**

The Public Employees Committee and each of its member unions, and the San Francisco Municipal Transportation Agency (SFMTA) have reached agreement on the following provisions to form the basis of MOU amendments and extensions for PEC member unions for the period July 1, 2010 through June 30, 2012. Specific MOU provisions will be included in each MOU, as noted. Individual MOU provisions included in MOUs or MOU amendments between the SFMTA and member unions of the PEC as a result of this Comprehensive Agreement ("Agreement") are based on the bargaining history between the PEC and the SFMTA in reaching this Agreement.

The parties to this Agreement understand that no MOU or MOU amendment can become final and binding without ratification by the subject union's members and approval by the SFMTA Board of Directors (BOD) of an MOU or MOU amendment applicable to participating PEC members listed below. Neither failure to ratify by union members nor failure to approve by the BOD will constitute a breach of any obligation in this Agreement; however, as described below, a member union's failure to ratify may impact the implementation of layoff protections provided in this Agreement, and the union's members will not be covered by the terms of this Agreement.

Ratification of each proposed MOU that results from implementation of the provisions of this Agreement must occur prior to scheduled arbitration dates for unions with open contracts, and as mutually agreed for unions with closed contracts. If ratification by any union's members does not occur by such date, the SFMTA's obligations hereunder expire and will be of no force and effect as to that union unless the SFMTA, in its sole discretion, agrees to extend the date for ratification.

The members of the PEC are as follows: **[to follow]**

The Chair of the PEC is authorized on behalf of the PEC to conduct meetings on behalf of the PEC, in accordance with the rules of the PEC, or to designate another individual to conduct such meetings, as contemplated in this Agreement.

**Section I. Workforce**

**I.1 Layoff Limitations [to replace I.1, I.2, I.3]**

**Applicable only if all PEC unions with over 100 Full-Time Employees (FTE) ratify the Agreement with SFMTA.**

- A. Spring 2010: Between the date of this Agreement and June 30, 2010, inclusive, layoffs of employees represented by member unions of the PEC that result in complete loss of SFMTA employment will be limited to zero for this period. However, any notices issued previously as a result of the service modifications will proceed.

Upon ratification of this Agreement by all PEC member unions, the layoff six (6) employees whose layoff effective date was postponed to June 11, 2010 will be rescinded.

- |                                  |   |
|----------------------------------|---|
| 1. 9110 Fare Collection Receiver | 1 |
| 2. 9126 Transit Traffic Checker  | 1 |
| 3. 9131 Station Agents           | 4 |

- B. Fall 2010: Between July 1, 2010 and December 31, 2010, inclusive, there will be no layoff for employees represented by member unions of the PEC.
- C. Spring 2011: Between January 1, 2011 and June 30, 2011, the SFMTA may layoff employees represented by member unions of the PEC only if the SFMTA Board projects an operating deficit \$20 million or more as verified by the Controller's Office.
- D. Fiscal Year 2011-12: The SFMTA may layoff employees represented by members of the PEC or the PEC only if the SFMTA Board projects an operating deficit \$20 million or more as verified by the Controller's Office.

In either such event, the SFMTA will provide the PEC with complete and current Budget Information (as defined in Section E below) supporting the need for additional layoffs. Immediately after issuing any such layoff notices, the SFMTA will schedule a meeting with the PEC. At least one week prior to the scheduled meeting, the SFMTA will provide the required Budget information. This meeting will be in addition to meet and confer sessions required by MMBA and/or MOU. The purpose of the PEC meeting will be to identify alternatives to additional job loss (including, but not limited to, reductions in SFMTA contracts and measures to increase SFMTA revenue) and to minimize the number and impact of any necessary additional layoffs.

- E. "Budget Information", for purposes of this Agreement, shall mean complete copies of all reports provided to the SFMTA Board, and confirmed by an expert selected and paid by the PEC. The expert shall be given access to SFMTA financial records, aggregate payroll costs by bargaining unit and the total number of FTEs within the appropriate bargaining unit and information on any balancing solution proposed to address deficits.
- F. Nothing in this Agreement shall waive or prejudice the right or position of the SFMTA or any PEC member union with respect to layoffs and rights granted by Charter, the Civil Service Commission, MOU, or state law.

### **I.2 Prop F and Temporary Exempt**

The Deputy Director of Human Resources agrees to work with the divisions to ensure proper utilization of Proposition F and temporary exempt ("as needed") employees when such positions would more appropriately or efficiently be filled by permanent employees. In addition, the SFMTA will work with the Department of Human Resources to notify holdovers in represented classifications of any recruitment for exempt positions in their classifications.

It is understood that to the degree increased utilization of such employees may be required in certain represented classifications to provide staffing coverage due to employees taking additional time off as described herein, such work will be offered to holdovers in such represented classifications.

### **I.3 Reorganization**

Upon ratification by each PEC-member union of MOU amendments implementing this agreement, the SFMTA agrees to rescind all layoffs first noticed for members of that union on or about March 5, 2010. The SFMTA further agrees not to effectuate the plan of Reorganization described in the Mayor's letter of March 2, 2010 to SFMTA employees (March 2010 Reorganization Plan), and not to implement a reorganization plan similar in scope and impact-prior to July 1, 2012. Neither the SFMTA nor any individual employee organization waives its rights or arguments regarding the legality of the March 2010 Reorganization Plan. Upon ratification, each PEC-member union agrees to withdraw any pending grievances, administrative (including PERB) charges or litigation containing any claims relating to the March 2010 Reorganization Plan or actions taken or not taken in connection with the plan.

Prior to July 1, 2012, the SFMTA agrees not to effectuate any new reorganization plan that lays off employees in a classification while assigning the work formerly performed by those laid off employees to a similar number of new positions in a classification with a lower pay grade.

Prior to July 1, 2012, as required by MMBA and/or MOU, the SFMTA and union will meet and confer over the impact of any work reorganization that result in a layoff, and will at that time consider whether alternatives to layoffs exist.

Nothing in this Agreement shall waive or prejudice the right or position of the SFMTA or any PEC member union with respect to layoffs and rights granted by the Charter, Civil Service Commission, MOU, or state law.

#### **I.4 New Requisitions at SFMTA**

During FY 2010-11 and FY 2011-12 the SFMTA will subject requests for requisition approval to increased scrutiny. The parties agree that SFMTA hiring will be a priority subject of discussion within the Prop A Labor Management quarterly meetings. Upon written request, additional meetings may be held, to review the requisitions approved in the prior quarter, the rationale for doing so and to resolve hiring questions or concerns.

The PEC recommends the following criteria:

1. whether the positions are revenue-generating;
2. whether they are needed to meet safety-related, legal, grants or contractual requirement;
3. the extent to which the position affects a core SFMTA function; and
4. the impact of filling the positions on the SFMTA budget.

The recommended criteria will be placed on the agenda of the first quarterly Prop A meeting after ratification of this Agreement.

### **Section II. Unpaid Furlough Days**

#### **II.1 FY 2010-2011 To be reflected in individualized MOU language.**

During FY 2010-11, the parties agree to economic concessions with a value equivalent to twelve (12) unpaid furlough days for each employee. Previously-agreed concessions for this period will either be replaced by this provision, or will be credited toward this concession, as agreed by the parties to each MOU.

As a default, the unpaid time off will be "smoothed" by implementation of a reduction in pay and/or, if applicable and agreeable to the parties, a reduction in SFMTA payment of employee pension contributions, that provides such value. The only exceptions to these provisions follow:

- 1) PEC Member Unions scheduled to receive a pay increase during this period will instead provide economic concessions of similar value, inclusive of any concessions already agreed to and will not be subject to the furlough days described herein.

- 2) Members of TWU Local 250A (7410) and TWU Local 250A (9132) will instead provide twelve (12) unpaid furlough days, with corresponding reductions in pay applied when the days are taken off. Scheduling provisions will be negotiated separately for MOU inclusion.
- 3) Nothing shall prevent the SFMTA and each union from agreeing to alternative arrangements for concessions for employees in classifications with fixed-post staffing who cannot easily be granted time off.

Furlough days will be administered in the same manner as floating holidays, with the exception of specific provisions in the TWU Local 250A (9132) and TWU Local 250A (7410) MOUs regarding the scheduling of the unpaid furlough days. Except as otherwise provided herein or in a member union's MOU, the economic terms contained herein, including furlough days, smoothed wage concessions and floating holidays, will expire at close of business June 9, 2012, and wage deferrals will expire at close of business June 30, 2012.

## **II.2 FY 2011-2012**

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Same unpaid furlough days provisions as for FY 2010-11, except:

If by September 1, 2011 SFMTA restores the service reduction in Muni service which was implemented on May 8, 2010, the parties agree to reduce the number of unpaid furlough days to six (6).

If the May 8, 2010 service reduction has been restored, the reserves have been restored to at least \$16 million and the Agency has received an additional \$20 million in State Transit Assistance (STA) Program funding by September 1, 2011, the parties agree to reduce the number of unpaid furlough days to zero (0) and discontinue other concessions.

## **II.3 Smoothing Implementation Mechanisms (Not Applicable to TWU Local 250A (9132) and TWU Local 250A (7410))**

The SFMTA's payroll system requires wages to be calculated and paid in increments of one-quarter percent (.25%). In order to implement the annual 4.62% wage concession associated with the twelve (12) unpaid furlough days, the parties agree to the following adjustments:

Effective July 1, 2010 and ending on the last day of the pay period that ends July 8, 2011, wages shall be temporarily reduced by 4.50%, which represents an adjustment equivalent to the value of twelve (12) furlough days.

Effective July 9, 2011 and ending on the last day of the pay period that ends June 8, 2012, wages shall be temporarily reduced by up to 5%, which represents an adjustment equivalent to the value of up to twelve (12) furlough days.

All base wage calculations shall be rounded to the nearest salary schedule. All wages shall be restored to their original levels, (i.e., as if the concessions agreed to herein had not been made), on June 9, 2012.

**II.4 Floating Holidays (Not applicable to TWU Local 250A (7410) and TWU Local 250A (9132))**

Effective July 1, 2010 for FY 2010-11, in recognition of the value of wage concessions during the year, employees shall receive a one-time addition of twelve (12) floating holidays for one year, which shall be administered in the same manner as the floating holidays in paragraph [insert #] above. However, these floating holidays will be awarded on a quarterly basis (i.e. three floating holidays will be allotted in first full pay period beginning on July 1st, October 2nd, January 8th, and April 16th of the fiscal year). The parties agree that employees may be required to take no more than five of the floating holidays for the four working days between December 25, 2010 and January 1, 2011, and one day for the day prior to Thanksgiving 2010, when the SFMTA has implemented Minimum Staffing Days.

Effective July 1, 2011 for FY 2011-12, in recognition of the value of wage concessions during that year, employees shall receive a one-time addition of twelve (12) floating holidays for one year, which shall be administered in the same manner as the floating holidays in paragraph [insert #] above, with the exception that they must be used in daily or hourly increments. These floating holidays will be on a quarterly basis (i.e. three floating holidays will accrue in first full pay period on July 1st, October 1st, January 7th, and April 14th of the fiscal year). If the number of unpaid furlough days (or equivalent) for the year is reduced by operation of the provisions of Section \_\_\_ above, the number of additional floating holidays will be reduced in a corresponding manner. The parties agree that employees may be required to take no more than five of the floating holidays for the four days working days between December 25, 2011 and January 1, 2012, and one day for the day prior to Thanksgiving 2011, when the SFMTA has implemented Minimum Staffing Days.

Notwithstanding the paragraphs above, any unused floating holidays accrued from July 1, 2010 through June 30, 2012 may be carried over to be used in FY 2012-13, FY 2013-14 and FY 2014-15.

During FY 2010-11, FY 2011-12, FY 2012-13, FY 2013-14 and FY 2014-15, floating holidays must be used before vacation days or hours are taken; provided however that this limitation (i.e., use of floating holidays before vacation) will not apply in cases in which use of the floating holiday will cause a loss of vacation due to the accrual maximums. Except for days taken during Minimum Staffing

days, floating holidays are to be scheduled per mutual agreement, based on operational needs of the department.

### **II.5 Minimum Staffing Days (MSDs)**

The SFMTA will evaluate divisions or work units for which minimum staffing days are appropriate. Minimum staffing days may take the form of complete closures or minimum staffing. On or before August 1, 2010 and August 1, 2011, the SFMTA will notify the PEC which divisions/units have been slated for Minimum Staffing days and/or reduced staffing. If the PEC has any concerns regarding the list, it must make its concerns known to SFMTA Labor Relations within fourteen (14) calendar days. SFMTA Labor Relations agrees to discuss any concerns raised by the PEC via this process. If the PEC finds SFMTA's response inadequate, it may elevate its concerns to the Mayor, who will be the final arbiter of any such dispute. The Minimum Staffing Days currently identified and agreed to by the SFMTA and the PEC are the non-holiday work days between Christmas and New Years and the Wednesday prior to the Thanksgiving weekend – five (5) days.

### **II.6 Impact**

[See Retirement Restoration]

For FY 2010-11 and FY 2011-12 only, vacation, vested sick leave, and severance payments for employees who elect severance pursuant to the terms of their MOU or who elect involuntary layoff will not reflect reductions in an employee's hourly rate that were implemented as part of this Agreement.

### **Section III. Retirement Restoration**

For employees who retire prior to July 1, 2013 and whose final compensation for retirement purposes is impacted by the wage reduction described in Section [insert appropriate section], the SFMTA will make available restoration pay in a lump sum equivalent to the pensionable value of the wage reduction or wage increase deferral described in Section [insert appropriate section] for the period used by the applicable retirement system to determine the employee's final compensation for retirement purposes (Final Compensation Period). Retirement restoration will include payouts of vacation and vested sick leave at the employee's normal (pre-reduction or non-wage-deferred) hourly rate, although nothing herein requires the San Francisco Employees Retirement System, or any applicable retirement system, to include payouts of vacation or vested sick leave in retirement calculations.

Should employees who retire prior to July 1, 2013 wish to receive retirement restoration, they must, at least thirty (30) days prior to the last date of employment, agree to re-designate any floating holidays they have taken during the Final Compensation Period in excess of five (or four, depending on the contract) to vacation days upon retirement. This redesignation shall not apply to

floating holidays carried over from a prior fiscal year. Once they have taken five (or four, depending on the contract) floating holidays during the Final Compensation Period, such employees will not be eligible to take any floating holidays during the last 30 days of their employment except for floating holidays accrued before July 1<sup>st</sup> of the fiscal year in question.

#### **Section IV. Additional Items**

##### **IV. 1 Health Plan Savings**

a) The City and its labor unions will 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 SFMTA's employee health care cost, beginning FY 2011-12.

b) Should the committee not reach mutual agreement on another option, the following goes into effect: for FY 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.

c) 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.

##### **IV. 2 Duration of Agreement**

MOU amendments will extend existing agreements or establish successor agreements, as applicable, for the term July 1, 2010 through June 30, 2012. However, the SFMTA and the unions currently scheduled to receive wage increases during the term of this agreement may mutually agree to a longer term.

#### **Section V. Miscellaneous Items**

##### **V.1 Shared Sacrifice (Non-MOU)**

It is the shared objective of the SFMTA and the PEC through this agreement that all SFMTA employees share as equally, to the extent possible, in the assistance to the SFMTA in closing the FY 2010-11 and FY 2011-12 projected budget deficits, saving SFMTA jobs and maintaining essential SFMTA services. The SFMTA will provide the PEC with a written report on the results of its efforts in this regard.



**V.2 Minimum Notice**

Through FY 2010-11 and FY 2011-12, the SFMTA will provide ten (10) business days notice to employees who are subject to displacement due to layoffs. To the extent this notice period extends beyond the date the displacing employee is to start in the position, the employee who is to be displaced will be placed in a temporary exempt position in his/her classification and department for the remainder of the notice period.

Efficiencies:

The "Efficiencies Agreement" side letter is appended, and will be applied per its terms to each PEC member union.

The SFMTA shall be included in the Citywide Contracting Process Improvement Project.

Consistent with the process agreed upon between the City and the PEC at the Central Table, a subcommittee of the Prop A SFMTA Labor Management Committee will be established to receive advanced notice and periodically review PSCs/RFPs issued by SFMTA.

Savings generated by the concessions contained herein shall be utilized to restore service cuts in whole or in part implemented on May 8, 2010.

For the PEC:

For the Employer:

\_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_