

## EXHIBIT B

### SETTLEMENT BETWEEN CITY, MEA AND LOCAL 21 CONCERNING THE MANAGEMENT CLASSIFICATION AND COMPENSATION PLAN ("TRIPARTITE MCCP SETTLEMENT")

The City has created the Management Classification and Compensation Plan ("MCCP") which it believes will encourage and foster skilled, qualified and effective management of City services to the public. This three-way agreement between the City, MEA and Local 21 resolves disputes between the parties regarding the assignment of new MCCP classifications to bargaining units represented by MEA.

1. The City agrees to abolish the following classifications, which represent the first four classifications in the Manager I through XII series of the Management Classification and Compensation Plan ("MCCP"):
  - 0911 Manager I
  - 0912 Manager II
  - 0913 Manager III
  - 0921 Manager IV

The parties acknowledge that the remaining eight classes in the series will be renumbered Manager I through VIII.

2. Term. This TRIPARTITE MCCP SETTLEMENT is effective upon execution or ratification by all parties and upon approval by the Board of Supervisors. This TRIPARTITE MCCP SETTLEMENT shall expire five (5) years from the date of completion by the Department of Human Resources ("DHR") of all audits of positions in the Management bargaining unit ("M-unit") in the seven (7) departments listed in paragraph 4, below. Appeals to the Civil Service Commission shall not delay the start of the five-year period.
3. Audit Oversight. "Audit" shall mean DHR's analysis of the duties and responsibilities of positions to determine the appropriateness of allocating M-unit positions into the MCCP. The parties agree that Local 21 and MEA may identify to DHR any concerns they have regarding classification of the affected positions, and may submit recommendations and/or documentation. In accordance with the Civil Service Rules, DHR will notify all affected employee organizations of proposed allocations to MCCP classes in the M-unit on a department-by-department basis, prior to final action on the audit. Local 21 and MEA will have the opportunity to respond orally and/or in writing to the proposed allocations within 10 working days of written notice to all parties by certified mail (return receipt requested). DHR will consider such input.

4. MCCC Growth. The City agrees to limit MCCC positions in the management bargaining unit ("M-unit"), as follows:

(a) The following departments shall be subject to the limits in this paragraph:

- Department of Public Health;
- Department of Public Works;
- Public Utilities Commission;
- San Francisco International Airport;
- Department of Telecommunication and Information Services;
- Department of Human Resources (excluding the Workers' Compensation and Health Services divisions); and
- City Planning.

(b) A baseline number of MCCC positions shall be established in each of the seven (7) departments listed in paragraph 4(a) upon completion of DHR's audit within that department. The baseline shall be the number of budgeted positions (FTEs) in the M-unit allocated to the MCCC (including positions held by incumbents who opt not to participate in the MCCC) in that department. Audits shall be considered complete upon final action by DHR; however, the baseline described in this paragraph and the proportion described in paragraph 4(d), below, shall be adjusted to reflect subsequent decisions of the Civil Service Commission on appeals of the Human Resource Director's classification determinations.

(c) For each of the seven departments, there shall be no new M-unit MCCC positions until DHR's audit of all M-unit positions in that Department is completed (see paragraph 4(b)), except as described in this subparagraph. The City may fill vacancies in MCCC positions existing at the time this agreement is executed, but only after a determination has been made that the position is properly assigned to the MCCC. The flex factor set forth in 4(e) may be used during the pre-audit period. There shall be no limitation on non-MCCC M-unit positions during the pre-audit period. In addition, the Public Utilities Commission may create up to 4 new M-unit MCCC positions in the Capital Improvement Program at any time prior to completion of its audit.

(d) Growth above the baseline described in 4(b), above, shall be based on the ratio of the number of budgeted MCCC-eligible positions (FTE's) in the M-unit to the total number of budgeted positions (FTE's) in each of the seven Departments, on the date that DHR's audit in each of these Departments is complete:

- For example: If, after completion of an audit in Department X, there are 100 MCCC-eligible positions and 1000 total budgeted positions, Department X may add 1 MCCC-eligible position for every 10 budgeted positions (including the MCCC-eligible position) added to Department X.

All positions in units consisting of staff nurses, supervising staff nurses, physicians and supervising physicians shall be excluded from the calculation of the ratio for the Department of Public Health.

- (e) There also shall be an aggregate flex-factor of 1% of total M-unit M CCP-eligible positions in the seven departments, per year, from the effective date through the expiration of this M CCP TRIPARTITE SETTLEMENT. The City may utilize some or all of the aggregate flex-factor in any year of the agreement. Any unused portion shall roll over to the following year. These positions shall not be counted in the ratio described in paragraph 4(d), above.
- For example: If the period from the effective date through the expiration of this M CCP TRIPARTITE SETTLEMENT is 5 years, and if there are a total of 500 M-unit M CCP-eligible positions in the seven departments, the City may create 5 M-unit M CCP positions among the seven departments per year up to a maximum of 25 M-unit M CCP positions over the period of this Agreement. The City may utilize some or all of the 25 M-unit M CCP positions in any year of the M CCP TRIPARTITE SETTLEMENT. These positions shall not be counted as M CCP positions in the ratio described in paragraph 4(d).
- (f) The City may create additional new M-unit M CCP positions to manage federally-mandated security functions at San Francisco International Airport. The City will notify Local 21 and MEA before adding a position under this paragraph and provide documentation of the federal directive and a job description for the new position. These positions shall not be counted in the ratio described in paragraph 4(d), above. Local 21 shall maintain all appeal rights on positions created in accordance with this sub-section.
- (g) Any growth beyond the ratio and flex-factor shall be limited to new programs or substantial changes to existing programs where the ratio and aggregate flex-factor do not provide sufficient management staff. The rationale for such growth must be stated in writing and notice must be provided to all affected parties. Such positions may only be created through the normal appropriation process (annual budget and supplemental budget requests) and may not be created by "TXing" existing positions. The City shall not use its authority under this paragraph to assign work to M CCP positions that has traditionally been performed by classifications assigned to Local 21-represented bargaining units. Local 21 shall maintain all appeal rights on positions created in accordance with this sub-section.
- (h) The parties shall maintain their appeal rights regarding new M CCP positions created in Departments not expressly referenced in paragraph 4(a) of this M CCP TRIPARTITE SETTLEMENT. Disputes within the jurisdiction of the Civil Service Commission shall be resolved through that process. All other disputes shall be resolved through the immediate arbitration provision of this TRIPARTITE M CCP SETTLEMENT. The parties agree not to file challenges or

appeals with the Public Employment Relations Board. As set forth in paragraph (11), the Deputy Director of the Merit System Services Division of DHR ("MSS Director") or designee shall provide the parties with notice of any new M-unit M CCP positions created by any department other than the seven departments set forth in section 4(a).

- (i) The Executive Management bargaining unit ("EM-unit") is not affected by this M CCP TRIPARTITE SETTLEMENT.
5. Competitive Selection. M CCP positions shall be filled through competitive processes, subject to exemptions set forth in Charter Section 10.104 and the status rules of the Civil Service Commission.
6. The audits described in paragraph 4, above, shall be completed by 18 months from final approval by all parties, including the San Francisco Board of Supervisors, of this agreement and all incorporated agreements. In the event that the audits are not completed in this time period, the Director of DHR shall report monthly to the Board of Supervisors in writing regarding the status of the audits and reason(s) for the delay.
7. Local 21 and MEA agree that during the term of this M CCP TRIPARTITE SETTLEMENT neither will file any challenges or appeals with the Public Employment Relations Board or the Civil Service Commission over audit allocations to the M CCP in the seven (7) departments described in paragraph 4(a), above. Allocations outside the seven (7) departments may be appealed as set forth in paragraph 4(h), above. However, as to CSC appeals, nothing in this agreement shall preclude Local 21 from representing at a hearing individuals who are Local 21 members at the time of execution of this agreement, provided that Local 21 makes clear that it is not a party to the appeal.
8. The parties agree to immediate arbitration to resolve disputes under this M CCP TRIPARTITE SETTLEMENT. This remedy is not intended to expand or reduce the jurisdiction of the San Francisco Civil Service Commission or the rights of any party under the Commission's rules; matters within the jurisdiction of Civil Service Commission are not subject to arbitration.
  - (a) A party that becomes aware of a violation of this M CCP TRIPARTITE SETTLEMENT shall give written notice of the alleged violation and that party's intent to invoke immediate arbitration within 60 days of notice of the alleged violation.
  - (b) The parties will use their best efforts to schedule an arbitration within 30 days of written notice to all parties by certified mail (return receipt requested) of one party's intent to invoke this remedy.

9. The City agrees not to create any new positions, or fill any vacancies that exist at the time of execution of this MCCP TRIPARTITE SETTLEMENT, in the following job classifications:
- Program Manager I
  - Program Manager II
  - Program Manager III

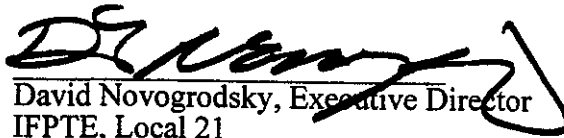
Once all incumbents vacate these positions, these classifications shall be abolished. As to vacancies which arise in the Program Manager I, II and III classes in the PUC in the interim period prior to completion of the audits, vacancies may be filled in MCCP, but only after a determination has been made that the position is properly assigned to MCCP. The City shall not use its authority under this provision to assign work to MCCP positions that has traditionally been performed by classifications and/or project management assignments assigned to Local 21-represented bargaining units.

10. After an existing civil service classification (including Program Manager I, II and III) is reclassified into MCCP and all positions in the existing civil service classification become vacant, the City will abolish the classification. Even if all positions in the class are not vacant, the City will not create any new positions or fill any vacancies in the existing civil service classification once reclassified into MCCP.
11. When DHR completes an audit of a department, the MSS Director or designee shall provide the parties with the baseline number of M-unit MCCP positions in that department. The MSS Director shall notify the parties of any changes to the baseline as a result of resolution of CSC appeals, and when new M-unit MCCP positions are created by any department not listed in paragraph 4(a).

In addition, the MSS Director shall provide quarterly reports to the parties, by certified mail (return receipt requested), on or about July 15, October 15, January 15 and April 15, for the prior quarter. These reports shall include the following information:

- a. Number of total budgeted FTE's in each of the seven departments listed in paragraph 4;
- b. Number of MCCP positions created in each department;
- c. Number of MCCP positions created under the flex-factor contained in paragraph 4(e), above;
- d. Number of MCCP positions, if any, created under 4(g); and
- e. Any DHR report sent to the Board of Supervisors re status of audit delays.


DATED: 4-3, 2002

  
David Novogrodsky, Executive Director  
IFPTE, Local 21


DATED: \_\_\_\_\_, 2002

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Howard Wong, AIA  
President, IFPTE, Local 21


DATED: Nov 1, 2002

  
Raymond R. Sullivan  
Management Representative  
Municipal Executives' Association

DATED: 4/3, 2002

  
Peter Nardoza, President  
Municipal Executives' Association

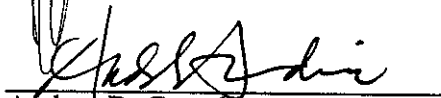
DATED: \_\_\_\_\_, 2002

  
Jonathan V. Holtzman,  
Director of Policy and Labor  
Office of the Mayor

DATED: 7/11, 2002

  
Geoffrey L. Rothman  
Director, Employee Relations Division

DATED: 7-3, 2002

  
Andrea R. Gourdine  
Director, Department of Human Resources

**APPROVED AS TO FORM:**

**DENNIS J. HERRERA**  
City Attorney

DATED: \_\_\_\_\_, 2002

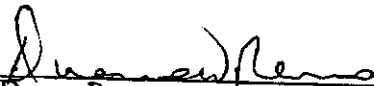
By:

\_\_\_\_\_  
Linda M. Ross  
Chief Labor Attorney

DATED: \_\_\_\_\_, 2002

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Lynn Faris  
Counsel for IFPTE, Local 21

DATED: 4-10, 2002

  
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Duane Reno  
Counsel for IFPTE, Local 21

DATED: \_\_\_\_\_, 2002

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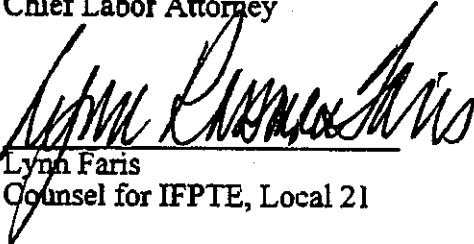
**APPROVED AS TO FORM:**

**DENNIS J. HERRERA**  
City Attorney

DATED: \_\_\_\_\_, 2002

By:

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Linda M. Ross  
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DATED: \_\_\_\_\_, 2002

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DATED: \_\_\_\_\_, 2002

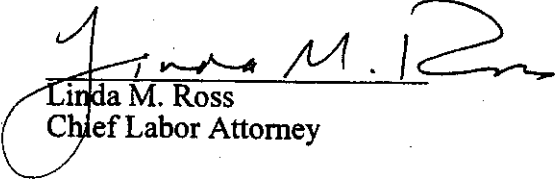
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**APPROVED AS TO FORM:**

DENNIS J. HERRERA  
City Attorney

DATED: 5/15, 2002

By:

  
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DATED: \_\_\_\_\_, 2002

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DATED: \_\_\_\_\_, 2002

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DATED: May 1, 2002

  
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