

Q&A on Local 21-CCSF Tentative Agreement

Local 21 members are voting on a tentative agreement with the City to contribute over \$16 million to help close the City's general fund deficit for FY 2009-2010 and FY 2010-2011.

1. Do we have to make a contribution?

No, there is a binding contract in effect and we are under no legal obligation to help in any way. Last year we wisely extended our contract until June 30, 2010, or otherwise our contract would be "open" right now and we would be required to bargain. Instead, we received a 3.5% raise in December as scheduled and will receive an improvement in pension benefits as of June 30, 2009, valued at more than 3% of City payroll.

But, even with no legal requirement, there were several reasons - political and otherwise - to help out the City, as explained below.

2. What did the City ask us to give back?

In December, the City first asked that us to give back the 3.5% salary increase we received on December 27. Local 21 refused, but agreed to keep talking with the City while we watched economic developments in the country, the state and the city.

3. What did we agree to give them?

Nothing yet, but the proposal before you to vote on includes:

1. receiving (five) 5 days off in exchange for (five) 5 days' pay in FY 2009-2010;
2. receiving (three) 3 days off in exchange for (three) 3 days' pay in FY 2010-2011.

This equals a 1.75% temporary reduction in pay for the first year, and a 1.25% temporary reduction in the second year. The reduction in pay will be "smoothed" – meaning that your pay will be reduced by a small amount each pay period over the two years. [Specifically, the 1.75% reduction will be in effect for 29 pay periods, beginning June 13, 2009 through July 23, 2010. The 1.25% reduction will be in effect for 24 pay periods, beginning July 24, 2010 and ending June 24, 2011.]

On June 25, 2011, salaries will be reinstated to their current levels.

These additional eight (8) days off over two (2) years can be taken at the employee's discretion, including being used in hourly increments and carried over if unused. Paid floating and legal holidays, vacation and other time off is not affected by this tentative agreement.



4. Did we agree to give up paid holidays or anything else?

No, Local 21 offered nothing more. Exemplary Pay will be suspended because there are no available departmental funds and the Wellness Program still sunsets on June 30, 2010.

5. What justification is there for saying “yes” to helping out the City?

Local 21 is not naïve. We all know that the City has asked for “give backs” seven out of the last ten years. In some years Local 21 refused, and in others we renegotiated our contracts to assist. We are always skeptical of the City’s budget numbers: in the last 12 years, the City’s Joint Report has overestimated its deficit problems by an annual average of more than \$300 million. And, it isn’t helpful that new programs are launched without first identifying available funding. Even in years of growing revenues, San Francisco - a rich city by many standards - managed to overspend them. There is cynicism and distrust.

Nonetheless, all of us realize, these are not normal times. This economic downturn is in another league from anything any of us have seen before. There are many, many people hurting, and many governmental agencies, like the state, are in deep trouble.

Local 21 believes in independent research, and we employ staff and hire our own outside public budget experts to advise us. It doesn’t take a financial genius, however, to figure out that the San Francisco deficit is real, and the economic downturn is not going to end soon. Every government jurisdiction where Local 21 members work is in varying degrees of trouble.

Given all this, we do feel a sense of responsibility to do our part to help the City out, and, hopefully, protect jobs and programs.

6. If we vote to ratify this agreement, are we getting anything in return?

In addition to the 8 days off, we are getting our contract extended for another year so no one can reduce our salaries or attempt to force us to renegotiate changes to our health, pension and other benefits. Simply put, it “protects our downside”... putting a limit on our risk.

In the judgment of the Local 21 San Francisco Council – over 90 Local 21 member-representatives from a wide variety of City departments – the economy is not likely to improve in the next 24 months, and most likely, we will be glad that we have these contractual protections.

7. If the economy keeps getting worse, won’t the City just come back and ask for more, and won’t we again just say “yes”?

If things get worse, the City probably will come back to us and ask for more help. But, we don’t always say “yes” and, legally, we won’t have to. As mentioned above, sometimes we help and sometimes we don’t – that’s been Local 21’s history. If they ask again, it will be

up to you ... our leadership will recommend, and the members will vote. This is exactly as we are doing now. All of us will collectively size up the situation, make a judgment and decide. This is a much stronger position to be in than having no contract protection and risking an arbitrator imposing pay cuts and benefit reductions on us to help the City as the economy continues downhill.

8. Did Local 21 ask for any conditions on our contribution?

Yes, Local 21 members made many suggestions and we succeeded in achieving quite a few:

1. Our contribution had to fit into a larger framework that would resolve the budget crisis at least short term. The Mayor agreed to meetings with different groups to work out the framework, which will include a tax measure on the November ballot. If revenues increase from the tax measure, we are all better off.
2. While the City can't agree to no layoffs without the bottom of the downturn in sight, they agreed to freeze future layoffs until after November 15, 2009. It is only six months, but if you are a newer City employee at risk, it will mean a lot.
3. We were worried about members who retire making less in retirement because of the salary loss due to the unpaid days off. The City agreed that anyone retiring prior to July 1, 2012 will be made whole (paid for the days off) before they retire.
4. Because there is a general fund, not enterprise fund deficit, the City agreed to expand their efforts to hire laid-off general fund employees to do enterprise funded work – assuming they are qualified, etc.
5. The City agreed to exercise stricter criteria for new requisitions while we have members on the holdover list and there is a threat of more layoffs after November 15, 2009.
6. For the first time, the City agreed that anyone bumped will be given a minimum of two (2) weeks' notice or two (2) weeks' pay. Because of bumping, currently a City employee can be told on Friday not to return on Monday – a heartless situation.
7. Expenditures for contracting out will be cut by at least \$25 million next year and a \$13.5 million COLA fund for contractors and vendors will be eliminated.
8. If we're being asked to contribute, we want to hold the Mayor, his staff and unrepresented managers accountable to make similar contributions: the City has agreed to provide us a written summary report on givebacks from this group.

9. Can we see the agreement in its entirety?

Copies of the agreement will be available in the Union office and at all voting/information meetings. It is also posted on our website - www.ifpte21.org – (click on the Latest News section).