



## Local 21 & PEC Tentative Agreement Summary

After weeks of intense negotiations, IFPTE Local 21 and other city unions under the Public Employees Committee (PEC) reached a comprehensive tentative agreement with Mayor Gavin Newsom that will save city jobs and services and help the city close its \$483 million deficit, which was verified by the PEC's Economist.

The tentative agreement includes 12 unpaid furlough days for the next two fiscal years, equaling a salary reduction of 4.62% in exchange for 12 days off. This avoids the 6.25% reflected in the Mayor's 37.5 hour permanent plan, and also minimizes the number of layoffs citywide. These furloughs will result in partial closures of non-essential city services, and includes the 3 furlough days Local 21 members have already agreed to for FY 2010-2011. In the second year (FY 2011-2012), the 12 furlough days will be a maximum, and there will be fewer furlough days and corresponding smaller reduction in pay if the FY 2011-2012 fiscal year is better than the current fiscal outlook.

Other important components of the tentative agreement include:

- **Furloughs, Floating Holidays and Holiday Closure-** Provides 12 floating holidays (awarded quarterly) in exchange for the 4.62% smoothed wage reduction. Employees may be required to take no more than five floating holidays between Christmas and New Years, and the Wednesday before Thanksgiving when the City implements "Minimum Staffing Days." Unused floating holidays may be carried over through FY 2014-2015.
- **Mayor's Plan Rescinded** – No employees subject to a 37.5 hour workweek, and layoff notices associated with the reduced workweek will be rescinded upon ratification of agreement.
- **Contract Extension** - Extends the MOUs of all participating Unions through June 30, 2012.
- **No Impact on Retirement** – Retirees will be made whole, including vacation cash out.
- **Wages Restored at End of Term** – All wages will return to their pre-furlough level on June 9, 2012.
- **Limit on Layoffs** – Caps the number of layoffs between now and June 30, 2010 at 500 layoffs citywide, followed by a 6 month moratorium on layoffs. Future layoffs after Dec. 31, 2010 require fiscal substantiation and additional negotiations.
- **PSCs** - Reduces General Fund Personal Services Contracts (PSC's) by \$30 million per year in FY 2010-2011 and FY 2011-2012, and improves processes related to Union notification, and expands the scope of the Union's PSC Labor-Management Committee.

- **Fewer Furloughs if Budget Improves** - Implements a trigger for reducing city employees' 12 day contribution in FY 2011-2012, if the City's financial outlook improves. If the FY 2011-2012 deficit is projected to be less than \$261 million the number of furlough days will correspond. Next year's deficit is currently expected to exceed \$700 million, in which case the triggers would not be met. However, regardless of how large the FY 2011-2012 deficit grows, furlough days will be capped at 12 days.
- **Minimum Notice for Bumping** - Provides a minimum of ten days notice to employees being "bumped" through the layoff process.
- **Tighter Controls on New Hires** – Any hiring in General Fund departments must meet specific criteria, and will be subject to quarterly reviews by the Union.
- **Purchasing Efficiencies** - Implements several changes to current processes and streamlines the City's procurement process
- **Eliminating COLAs** - Eliminates Cost of Living Adjustments for contracts, materials, and supplies through FY 2011-2012
- **Prop. F & Temporary Exempt** - The City will work with departments to ensure proper utilization of Prop. F and Temporary Exempt employees when those positions could more appropriately be filled by permanent employees. Additionally, the City will notify any employees on the holdover list of exempt positions in their class.
- **Shared Sacrifice** - The City will provide the Unions with a written report of wage reductions and shared sacrifices made outside of the agreement with the PEC, including any reductions taken by appointed and elected officials and unrepresented employees, as well as other Unions outside of the PEC.
- **Prioritizing New Revenue** - The Mayor will continue discussions with the San Francisco Labor Council about options to increase City revenue.
- **Labor Management Committee on Health Care** – No changes to health care premiums. A Labor Management group will meet to discuss ways to achieve approximately \$3 million in annual savings in the City's employee health care costs, beginning in FY 2011-2012.

This is an alternative to the Mayor's plan to lay off thousands of city employees and bring them into part time positions. The 37.5 hour workweek proposal will be rescinded for each union that ratifies an agreement that includes the 12 furlough days.

### **No agreement will be finalized without a ratification vote of the membership**

Local 21 members may mail in their ballots, drop them off at the Union office or at the ballot drop off locations that are scheduled for the first week of May. Check our website at [www.ifpte21.org](http://www.ifpte21.org) for a listing of the locations and for any updates. Both the full tentative agreement and the summary of the Local 21 side table agreement are posted on the website.