

MEMORANDUM

DATE: June 7, 2011

TO: SFMTA Board of Directors
Tom Nolan, Chairman
Jerry Lee, Vice-Chairman
Leona Bridges, Director
Cheryl Brinkman, Director
Malcolm Heinicke, Director
Bruce Oka, Director
Joél Ramos, Director

THROUGH: Nathaniel P. Ford Sr.
Executive Director/CEO

FROM: Debra A. Johnson
Director of Administration, Taxis and Accessible Services

SUBJECT: Amended Memorandum of Understanding (MOU) between the San Francisco Municipal Transportation Agency (SFMTA) and the Transport Workers Union Local 200

Charter Section 8A.104 gives the San Francisco Municipal Transportation Agency (SFMTA) authority to negotiate labor agreements covering wages, hours, working conditions, and benefits with labor organizations representing employees at SFMTA in service critical classifications.

The SFMTA Board of Directors approved the terms of the prior MOU between the SFMTA and TWU, Local 200 on June 26, 2009. That MOU expired on June 30, 2010, after the membership of TWU Local 200 failed to ratify a successor agreement. In the interim, their wages, hours, and the terms and conditions of their employment have remained as they were under the prior MOU.

The SFMTA and TWU, Local 200 representatives reached a tentative agreement on a successor MOU. That agreement provides for a three-year wage freeze at their current level, reduction of annual floating holidays from five to three, and the elimination of both the floating holiday buyback program and the exclusion of floating holiday payouts in the calculation of pensionable income. The tentative agreement also eliminates the Performance and Attendance Incentive Programs.

Under the tentative agreement, SFMTA will contribute toward dependent care premiums at the following levels: FY 2011-12: \$692.02/month, FY 2012-13:

\$719.70/month and FY 2013-14: \$748.49/month, which represents a four percent increase for each of the second and third years of the MOU compared to a eight percent increase for the second and third years projected by the Health Service System. The tentative agreement significantly simplifies and improves the process by which covered employees are assigned to specific job functions. The tentative agreement also includes updated and improved language in several sections of the MOU, including No Strike, Management Rights, Union Rights (Release Time), Discipline, and Committees.

The agreement will result in three-year potential savings of \$514,614 for the elimination of two floating holidays; \$195,000 for the elimination of the floating holiday buyback program and related agreement to exclude floating holiday payouts from the calculation of pensionable income; and \$266,901 for the elimination of the performance and attendance incentive programs. The Agency will not realize cost savings in year one for dependent health care premiums; however, the Agency will realize cost savings on dependent health care benefits in the second and third years of the agreement, projected at \$78,908 in year two and \$167,266 in year three, totaling \$246,174 for changes in the health plan benefits. The agreement will result in a net savings of \$1,222,689 over three years.

In accordance with Charter Section 8A.104(r) on June 7, 2011, the proposed MOU shall be publicly disclosed and will be on file with the Secretary of the SFMTA Board of Directors and accessible at www.sfmta.com.

Attachments: Proposed MOU between SFMTA and TWU, Local 200
Cost Analysis