

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Human Resources

**BRIEF DESCRIPTION:**

Approval of the Tentative Agreements for successor Memoranda of Understanding between SFMTA and Transport Workers Union, Local 250-A (9163); Transport Workers Union, Local 250-A (7410); Transport Workers Union, Local 250-A (9132); Transport Workers Union, Local 200; Service Employees International Union, Local 1021; International Brotherhood of Electrical Workers, Local 6; International Association of Machinists & Automotive Mechanics, Local 1414; and the Municipal Executives Association to extend the term of the agreements from June 30, 2017, to June 30, 2019 and provide for a base wage increase of three percent in Fiscal Year 2018 and a three percent base wage increase in Fiscal Year 2019.

**SUMMARY:**

- These eight MOUs between SFMTA and its service critical bargaining units expire June 30, 2017.
- Charter Section 8A.104(k) provides that SFMTA shall bargain labor agreements with employee organizations representing employees in service critical classifications. Section 8A.104(r) requires that before adopting any Tentative Agreement (TA), the SFMTA shall disclose the contents of the TAs, an analysis, comparison and costing of the TAs, and other supporting documentation, and make those materials available to the public at least 15 days prior to approval. These documents were disclosed on March 17, 2017.
- Representatives of the labor organizations and the SFMTA reached TAs on all bargaining issues; specifically the parties agreed to extend the term for two additional fiscal years, and to a base wage increase of three percent in each fiscal year of the extended term. The TAs have been approved by the members of each of these bargaining units.
- The overall cost increases over two fiscal years is \$16,500,659 for Fiscal Year (FY) 18 and \$17,234,363 for FY19.

**ENCLOSURES:**

1. SFMTAB Resolution
2. Successor Memoranda of Understanding: <https://www.sfmta.com/node/240631>
3. Labor Cost Analysis

**APPROVALS:**

**DATE**

DIRECTOR \_\_\_\_\_ 3/27/17

SECRETARY R. Boomer \_\_\_\_\_ 3/27/17

**ASSIGNED SFMTAB CALENDAR DATE:** April 4, 2017

**PURPOSE**

Approval of the Tentative Agreements for successor Memoranda of Understanding between SFMTA and Transport Workers Union, Local 250-A (9163); Transport Workers Union, Local 250-A (7410); Transport Workers Union, Local 250-A (9132); Transport Workers Union, Local 200; Service Employees International Union, Local 1021; International Brotherhood of Electrical Workers, Local 6; International Association of Machinists & Automotive Mechanics, Local 1414; and the Municipal Executives Association to extend the term of the agreements from June 30, 2017, to June 30, 2019 and provide for a base wage increase of three percent in Fiscal Year 2018 and a three percent base wage increase in Fiscal Year 2019.

**STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES**

The proposed agreement advances the following Strategic Goal:

Goal 4 – Create a workplace that delivers outstanding service

The proposed agreement meets the following Transit First Policies:

Goal 1 - To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods.

Goal 9 - The ability of the City and County to reduce traffic congestion depends on the adequacy of regional public transportation. The City and County shall promote the use of regional mass transit and the continued development of an integrated, reliable, regional public transportation system.

**DESCRIPTION**

The approval of Proposition E by the voters in November 1999 gave the SFMTA the authority to negotiate labor agreements covering wages, hours, working conditions, and benefits with labor organizations representing employees at SFMTA in service critical classifications as well as the discretion to utilize the City's MOU with any employee organization representing less than 10% of the SFMTA workforce. See Charter Sections 8A.104(k) and 8A.104(l).

SFMTA bargained MOU amendments with:

- Transport Workers Union, Local 250-A (9163 Transit Operators);
- Transport Workers Union, Local 250-A (7410 Automotive Service Workers);
- Transport Workers Union, Local 250-A (9132 Transit Fare Inspectors);
- Transport Workers Union, Local 200;
- Service Employees International Union, Local 1021;
- International Brotherhood of Electrical Workers, Local 6;
- International Association of Machinists and Automotive Mechanics, Local 1414; and
- Municipal Executives Association.

Early in 2017, in order to provide for labor stability, a fair cost of living adjustment for the Agency's workforce, and allow the Agency to better focus its time and resources on fulfilling its mission, the SFMTA offered amendments to its labor unions that would extend the contracts for two years and provide for a base wage increase. The City and County of San Francisco offered the same amendments to all CCSF employee organizations, including those that represent that balance of SFMTA employees (i.e., those that are not in service critical classifications).

The amendments extend the MOUs for two years, with a new expiration date on June 30, 2019 and provide for a base wage increase of three percent in each fiscal year of the extended term. The base wage increase for FY18 will occur on July 1, 2017. The base wage increase for FY19 will occur on July 1, 2018, except that if the March 2018 Joint Report projects a deficit of more than \$200 million, then the three percent wage adjustment due on July 1, 2018 would be delayed by six months and would be effective the pay period including January 1, 2019.

The parties agree that the SFMTA Board may approve terms of the amended MOUs enclosed hereto effective July 1, 2017 through June 30, 2019.

The base wage increases for FY18 and FY19 are reflected in the enclosed amended MOUs. Certain of the MOUs, including the MOUs with the International Brotherhood of Electrical Workers, Local 6; Transport Workers Union Local 250-A (9163 Transit Operators); Transport Workers Union Local 250-A (9132 Transit Fare Inspectors); Municipal Executives' Association; and Transport Workers Union Local 200 also include a wage schedule as an exhibit. The wage schedule provides, for informational purposes only, the bi-weekly rates of pay for classifications covered by the MOU reflecting the new wage increases.

The TAs include the following changes to the current CBAs:

<b>CBA</b>	<b>Change</b>
TWU-250A (9163)	Extended Term from July 1, 2017 to June 30, 2019 Effective July 1, 2017: three percent base wage increase Effective July 1, 2018: three percent base wage increase; or, if the March 2018 Joint Report prepared by the City Controller's Office projects a budget deficit for fiscal year 2018-2019 that exceeds \$200 million, then the three percent base wage increase becomes effective the pay period including January 1, 2019
TWU-250A (9132)	Extended Term from July 1, 2017 to June 30, 2019 Effective July 1, 2017: three percent base wage increase Effective July 1, 2018: three percent base wage increase; or, if the March 2018 Joint Report prepared by the City Controller's Office projects a budget deficit for fiscal year 2018-2019 that exceeds \$200 million, then the three percent base wage increase becomes effective the pay period including January 1, 2019

TWU-250A (7410)

Extended Term from July 1, 2017 to June 30, 2019  
Effective July 1, 2017: three percent base wage increase  
Effective July 1, 2018: three percent base wage increase;  
or, if  
the March 2018 Joint Report prepared by the City  
Controller's Office projects a budget deficit for fiscal year  
2018-2019 that exceeds \$200 million, then the three  
percent base wage increase becomes effective the pay  
period including January 1, 2019

TWU Local 200

Extended Term from July 1, 2017 to June 30, 2019  
Effective July 1, 2017: three percent base wage increase  
Effective July 1, 2018: three percent base wage increase;  
or, if  
the March 2018 Joint Report prepared by the City  
Controller's Office projects a budget deficit for fiscal year  
2018-2019 that exceeds \$200 million, then the three  
percent base wage increase becomes effective the pay  
period including January 1, 2019

IBEW Local 6

Extended Term from July 1, 2017 to June 30, 2019  
Effective July 1, 2017: three percent base wage increase  
Effective July 1, 2018: three percent base wage increase;  
or, if  
the March 2018 Joint Report prepared by the City  
Controller's Office projects a budget deficit for fiscal year  
2018-2019 that exceeds \$200 million, then the three  
percent base wage increase becomes effective the pay  
period including January 1, 2019

IAM1414

Extended Term from July 1, 2017 to June 30, 2019  
Effective July 1, 2017: three percent base wage increase  
Effective July 1, 2018: three percent base wage increase;  
or, if  
the March 2018 Joint Report prepared by the City  
Controller's Office projects a budget deficit for fiscal year  
2018-2019 that exceeds \$200 million, then the three  
percent base wage increase becomes effective the pay  
period including January 1, 2019

SEIU 1021

Extended Term from July 1, 2017 to June 30, 2019  
Effective July 1, 2017: three percent base wage increase  
Effective July 1, 2018: three percent base wage increase;  
or, if  
the March 2018 Joint Report prepared by the City  
Controller's Office projects a budget deficit for fiscal year  
2018-2019 that exceeds \$200 million, then the three  
percent base wage increase becomes effective the pay  
period including January 1, 2019

MEA

Extended Term from July 1, 2017 to June 30, 2019  
Effective July 1, 2017: three percent base wage increase  
Effective July 1, 2018: three percent base wage increase;  
or, if  
the March 2018 Joint Report prepared by the City  
Controller's Office projects a budget deficit for fiscal year  
2018-2019 that exceeds \$200 million, then the three  
percent base wage increase becomes effective the pay  
period including January 1, 2019

Charter Section 8A.104(k) provides that SFMTA shall bargain labor agreements with employee organizations representing employees in service critical classifications. Section 8A.104(r) requires that before adopting any TAs, the SFMTA shall disclose the contents of the TAs, an analysis, comparison and costing of the TAs, and other supporting documentation, and make those materials available to the public at least 15 days prior to approval. These documents were disclosed on March 17, 2017.

**STAKEHOLDER ENGAGEMENT**

Between January 12, 2017, and February 24, 2017, the memberships of the SFMTA's service-critical bargaining units voted on whether to adopt the proposed TAs for MOU extensions for two-year terms with two base wage increases of three percent each fiscal year.

The members of all unions voted overwhelmingly in favor of these MOU extensions.

**ALTERNATIVES CONSIDERED**

Had the memberships of any of the Agency's service critical bargaining units not voted to approve the proposed Tentative Agreement, then the parties would have entered into normal bargaining negotiations.

The Agency and its union partners feel that these MOU amendments are the prudent course of action, and especially with consideration of the unknown financial impacts now facing the Agency given the recent change in leadership at the federal level.

**FUNDING IMPACT**

The annual cost change for these agreements for FY18 is approximately \$16,500,659.

The annual cost change for these agreements for FY19 is approximately \$17,234,363 based on FY18 staffing levels.

These costs will be covered in the FY18 and FY19 Operating Budget, the FY19 Operating Budget is subject to SFMTA Board approval.

**ENVIRONMENTAL REVIEW**

On March 13, 2017, the SFMTA, under authority delegated by the Planning Department, determined that the extension of the terms of the Memoranda of Understanding with 8 Service Critical Bargaining Units is not defined as a “project” under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

**OTHER APPROVALS RECEIVED OR STILL REQUIRED**

None.

The City Attorney has reviewed this report.

**RECOMMENDATION**

Staff’s recommendation is for the SFMTA Board to approve the Tentative Agreements for successor Memoranda of Understanding between SFMTA and Transport Workers Union, Local 250-A (9163); Transport Workers Union, Local 250-A (7410); Transport Workers Union, Local 250-A (9132); Transport Workers Union, Local 200; Service Employees International Union, Local 1021; International Brotherhood of Electrical Workers, Local 6; International Association of Machinists & Automotive Mechanics, Local 1414; and the Municipal Executives Association, to extend the term of the agreements from June 30, 2017, to June 30, 2019 and provide for a base wage increase of three percent in Fiscal Year 2018 and a three percent base wage increase in Fiscal Year 2019.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, Under Section A8.104 of the San Francisco charter, the San Francisco Municipal Transportation Agency (SFMTA) and its Board of Directors exercise the powers of the Board of Supervisors, the Mayor and the Director of Human Resources with respect to collective bargaining over the wages, hours and terms and conditions of employment for employees in service critical classifications; and,

WHEREAS, The Agency has executed Memoranda of Understanding (MOUs) with its service critical bargaining units Transport Workers Union, Local 250-A (9163); Transport Workers Union, Local 250-A (7410); Transport Workers Union, Local 250-A (9132); Transport Workers Union, Local 200; Service Employees International Union, Local 1021; International Brotherhood of Electrical Workers, Local 6; International Association of Machinists & Automotive Mechanics, Local 1414; and the Municipal Executives Association; which expire on June 30, 2017; and,

WHEREAS, In January and February 2017, the SFMTA and the unions representing service critical employees reach Tentative Agreements to extend the term of the respective MOUs for an additional two fiscal years to June 30, 2019, and to provide a three percent base wage increase in Fiscal Year 2017-2018 and a three percent base wage increase in Fiscal Year 2018-2019; and

WHEREAS, After overwhelming membership approval, all of these bargaining units voted to approve the Tentative Agreements for successor MOUs; and

WHEREAS, These Tentative Agreements provide for labor stability, a fair cost of living adjustment for the Agency's workforce, and allows the Agency to better focus its time and resources on fulfilling its mission of making San Francisco a Transit First city; and

WHEREAS, SFMTA has prepared amended MOUs to reflect the terms of the Tentative Agreements; and

WHEREAS, The SFMTA disclosed all tentative agreements, cost analyses and all required material for each of the amended MOUs at a duly noticed public meeting on March 17, 2017 in accordance with Charter Section 8A.104 (r); and,

WHEREAS, On March 13, 2017, the SFMTA, under authority delegated by the Planning Department, determined that the extension of the terms of the Memoranda of Understanding with eight Service Critical Bargaining Units is not defined as a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and is incorporated herein by reference; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors hereby approves the Tentative Agreements for successor Memoranda of Understanding between SFMTA and Transport Workers Union, Local 250-A (9163); Transport Workers Union, Local 250-A (7410); Transport Workers Union, Local 250-A (9132); Transport Workers Union, Local 200; Service Employees International Union, Local 1021; International Brotherhood of Electrical Workers, Local 6; International Association of Machinists and Automotive Mechanics, Local 1414; and the Municipal Executives Association to extend the term of the agreements from June 30, 2017, to June 30, 2019 and provide for a base wage increase of three percent in Fiscal Year 2018 and a three percent base wage increase in Fiscal Year 2019.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of April 4, 2017.

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Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency



Enclosure 3 Labor Cost Analysis

	<b>FY2018 Increase in Salary</b>	<b>FY2018 Increase in Variable Fringe</b>	<b>FY2018 Total Increase</b>	<b>FY2019 Increase in Salary</b>	<b>FY2019 Increase in Variable Fringe</b>	<b>FY2019 Total Increase</b>	<b>FY2018 &amp; FY2019 Total Increase</b>
<b>Total - LOCAL 6, ELECTRICAL WORKERS</b>	<b>2,100,323</b>	<b>510,133</b>	<b>2,610,456</b>	<b>2,163,333</b>	<b>528,793</b>	<b>2,692,126</b>	<b>5,302,583</b>
<b>Total - LOCAL 1414, MACHINISTS</b>	<b>1,010,400</b>	<b>243,786</b>	<b>1,254,186</b>	<b>1,040,712</b>	<b>252,725</b>	<b>1,293,437</b>	<b>2,547,623</b>
<b>Total - TWU LOCAL 200, SEAM, TWU - SEAM</b>	<b>1,190,306</b>	<b>295,532</b>	<b>1,485,839</b>	<b>1,226,016</b>	<b>306,357</b>	<b>1,532,372</b>	<b>3,018,211</b>
<b>Total - TWU LOCAL 250-A, TWU - AUTO SERV WORKER</b>	<b>244,770</b>	<b>59,173</b>	<b>303,944</b>	<b>252,113</b>	<b>61,333</b>	<b>313,446</b>	<b>617,390</b>
<b>Total - TWU LOCAL 250-A, TWU - TRANSIT OPERATOR</b>	<b>6,248,460</b>	<b>1,536,843</b>	<b>7,785,303</b>	<b>6,602,973</b>	<b>1,639,838</b>	<b>8,242,812</b>	<b>16,028,114</b>
<b>Total - TWU LOCAL 250-A, TWU - TRANFAREINSP</b>	<b>126,577</b>	<b>34,292</b>	<b>160,869</b>	<b>130,374</b>	<b>35,557</b>	<b>165,930</b>	<b>326,799</b>
<b>Total - MEA, MUNICIPAL EXECUTIVES ASSOCIATION</b>	<b>708,245</b>	<b>192,711</b>	<b>900,957</b>	<b>731,899</b>	<b>200,538</b>	<b>932,438</b>	<b>1,833,394</b>
<b>Total - SEIU LOCAL 1021</b>	<b>1,591,622</b>	<b>407,483</b>	<b>1,999,105</b>	<b>1,639,370</b>	<b>422,432</b>	<b>2,061,802</b>	<b>4,060,907</b>
<b>Total Costs</b>	<b>13,220,704</b>	<b>3,279,955</b>	<b>16,500,659</b>	<b>13,786,791</b>	<b>3,447,573</b>	<b>17,234,363</b>	<b>33,735,022</b>