



August 17, 2020

Micki Callahan
Department of Human Resources
1 South Van Ness Avenue, 4th Floor
San Francisco, CA 94103- 5413

Dear Ms. Callahan,

On behalf of the Public Employees Committee (PEC) of the San Francisco Labor Council and the undersigned affiliated unions, we respectfully decline your offer to open and amend our contracts, which are not due to expire for another two years. The Local Unions that comprise the PEC are each independent bargaining agents, and none have assigned their rights to bargain for their respective bargaining units, however we are united in rejecting the Mayor's proposed cuts. Additional wage deferrals are unnecessary and premature given the availability of vast reserves and the massive number of budget vacancies, which the administration has used to overstate the projected deficit.

As you mentioned in your letter of August 7, we are acutely aware of the economic impacts of COVID-19 on working San Franciscans, many of whom were already struggling to survive in a city that is increasingly hostile to working people. Where a median one-bedroom apartment runs \$3500/mo. and scores of our private sector siblings have been all but discarded by San Francisco's corporate billionaires – increasing the need for public services and the dedicated workers who provide them.

Public Employee wage deferrals have already contributed nearly \$47 million to close the budget deficit in FY 20-21. As you are well aware, in prior years public employees endured wage freezes, layoffs, furloughs and other concessions to keep San Francisco running and it was largely those contributions that built the reserves to over \$1 billion dollars. The Mayor's claims that public employees must sacrifice further, or she will be "forced" to enact layoffs and service cuts is plainly and verifiably false.

Since our meeting on July 16, where we presented our analysis that the two-year budget deficit was inflated by at least \$550M in budgeted vacancies, our research teams have identified that there are currently 2,391 budgeted vacant FTEs across the City and County's General Fund supported departments bringing the total two-year amount to \$887 million. As evidenced by the budget hearings this week, the City never intends to fill many of those postings, but pads the deficit with them nonetheless.

As of June 30, the General Fund budget reserves totaled over \$1 billion, of which over \$800 million could be legally spent in FY2020-21, if circumstances required. However, the Mayor's budget proposes utilizing only \$339 million of those reserve funds that were built on the backs of workers and unfilled vacancies. Further, while demanding even more from the dedicated public servants of San Francisco, the Mayor has proposed establishing two entirely new reserves totaling \$715 million bringing the available reserve balances for the two-year budget cycle to \$1.3 billion.

As of this writing, 10 of the 11 supervisors have signed on to a commitment to use additional reserves to protect public services. Budget hearings are only just underway. We urge the Mayor and her administration to work with the Board of Supervisors to finalize a balanced budget utilizing available funds as they have committed to do

The Mayor must work to cure the violations of trust, labor law and the city charter that she committed when she advanced a budget that failed to incorporate over \$250 million in existing obligations to city employees. San Francisco doesn't need strong-arm tactics that will hurt residents and exacerbate racial and economic inequities the Mayor has campaigned on fixing. What we need is a commitment to working with labor to fund and improve services in the city we all love and a modicum of respect for the 30,000 union members who keep the city working every day.

Sincerely,

DocuSigned by:

John Stead-Mendez

John Stead-Mendez, SEIU 1021, PEC Chair

DocuSigned by:

Lisette Adams

Lisette Adams, SFMSA

DocuSigned by:

Doherty, John Joseph

John Doherty, IBEW 6

DocuSigned by:

Raquel Silva

Raquel Silva, MEA

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Theresa Folgio

Theresa Folgio, LiUNA 261

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Nathan Quigley

Nathan Quigley, MAA

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Mark R. Jany

Mark R. Jany, IAM 1414

DocuSigned by:

Stan Eichenberger

Stan Eichenberger, Stationary Engineers 39

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Larry Mazzola, Jr

Larry Mazzola, Jr, UA 38, PEC Vice-Chair

DocuSigned by:

Gus Vallejo

Gus Vallejo, IFPTE 21

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Rodger Marenco

Rodger Marenco, TWU 250-A

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T. Paulson

T. Paulson, Consolidated Crafts, SFBCTC

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Jasmin Charles, TWU 200

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Mark Leach

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David Tuttle

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Theresa Rutherford

Theresa Rutherford, SEIU 1021