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Tom Nolan | Chairman
Jerry Lee | Vice-Chairman
Cameron Beach | Director
Malcolm Heinicke | Director
Bruce Oka | Director
Nathaniel P. Ford Sr. | Executive Director/CEO

July 22, 2010

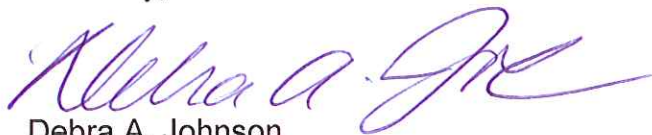
Mr. John Arntz
Director of Elections
1 Dr. Carlton B. Goodlett Place, Room 48
San Francisco, CA 94102-4634

Dear Mr. Arntz:

Per your letter dated July 2, 2010 to Nat Ford, please find attached SFMTA's analysis of the initiative measure for the "Muni Charter Amendment."

Should you have any questions or comments, please feel free to contact me directly at 415.701.4644.

Sincerely,



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

Attachment

c: Nathaniel P. Ford Sr.

ANALYSIS OF PROPOSED MUNI CHARTER AMENDMENT

The proposed Charter amendment would eliminate the current method for setting transit operators wages which requires the San Francisco Municipal Transportation Agency average the two highest wages paid by comparable transit agencies employing bus operators. The amendment would require the transit operators' union to bargain for wage increases. This change would allow SFMTA to assess its ability to pay for wage increases.

The amendment would also eliminate SFMTA's annual payment into the union health care trust fund. Annually, SFMTA is required to conduct an actuarial study comparing the value of vacation, retirement and health benefits provided by comparable transit agencies. The difference is paid to the union's trust fund. The union disburses the funds to its members.

Potential cost savings may be derived from changing mandatory incentive bonuses to optional.

The elimination of side letters of agreement will ensure that the terms and conditions of employment for transit operator would be contained in the collective bargaining agreement and require approval by the SFMTA Board of Directors.

Setting clear rules for arbitration would provide a means to assess the impact of proposals on Muni fares and service, as well as management's ability to schedule and assign operators based on service needs.