

**Framework for Agreement:**

Principle: Transparency

- All of the Departmental Budgets submitted to the Mayor must be made available to the PEC for review and analysis.
- The PEC's economist must have access to the City's financial records in order to validate the size and scope of the deficit.

Principle: Shared Sacrifice

- Every city employee and elected leader must contribute no less than the percentage contribution agreed upon between the City and the PEC unions.
- Billings from outside Contractors, vendors and others doing business with the City must be reduced by at least the same percentage as the PEC unions agree to produce.
- Contractor COLA increases will be suspended in 10-11 and 11-12.

Principle: Efficiency

- A review of purchasing protocol to ensure that the process is not circumvented, that socially responsible programs are served and that the system is timely and efficient.
- Plans to convene an independent audit of MTA hiring, spending and procurement practices will move forward.

Principle: Maintain Employment

- The total City workforce will be reduced by no more than \_\_\_\_ positions through January 15, 2011 and reduced during the remainder of the fiscal year only if a deficit of \_\_\_\_\_ (budget trigger to be mutually agreed upon) is identified and verified. Any layoffs will occur only after meeting and conferring with impacted City employee unions over alternatives to additional job loss.
- The City will work with the PEC to examine and modify a number of current hiring practices including the use of Prop F employees and TEX positions.

Principle: Public Responsibility

- The Mayor agrees that increasing revenue is a desirable alternative to the continued reduction in City services and programs designed to serve and protect the health and welfare of City residents. Accordingly, he commits in good faith to examine revenue increasing ballot measures for November 2010, including those endorsed by the Labor Council and supported by the Board of Supervisors.
- Study recommended revenue measures for specific departments and compare SF fees to other neighboring cities and develop proposals as appropriate.

Principle: Fiscal Discipline

- Do not initiate new programs without indentifying a specific funding source.