

MEA NEWSLETTER

July 2010

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MEA 1st Quarter Membership Meeting and PAC Interviews

Monday, September 13, 6-8pm

Meeting Agenda Includes:

Adachi Pension Measure Campaign Update

09-10 MEA Year End Financial Report

MEA Board Nominations

PAC Agenda Includes:

Candidate Interviews and Q&A

Ballot Issue Review

Membership Recommendations

The meeting will be held at San Francisco Main Library Latino/ Hispanic Rooms A&B, 100 Larkin Street at Grove. **The Library is closed on Monday nights, so please plan to arrive before 6:00 p.m.** If you arrive after 6:00 p.m., you can enter at the far right door of the Grove Street entrance by calling the security office at 415-557-4357. Please remember to RSVP by calling 415-989-7244. Refreshments available starting at 5:30pm

Adachi Pension Measure Makes the November Ballot

In one more example of public employees and their pensions being sacrificed at the altar of political expediency, Public Defender Jeff Adachi appears to have gathered enough signatures to put his ill conceived poorly drafted initiative on the ballot. While further analysis is necessary, it appears that the measure, if passed, would do the following things:

1. Increase active employee pension contributions to 9% for miscellaneous and to 10% for police and fire
2. Prohibit employer “pick up” of pension contributions
3. Cap employer medical care contributions for employees at “ten county survey”
4. Cap employer medical care contributions for dependents at “no more than 50%” of the lowest cost plan
5. Cap employer dental contributions at 75% of the cost of employee dental coverage and at 50% of the cost of dependent dental coverage

6. Bind arbitrators in interest arbitration
7. Require arbitrators to consider the increased cost of benefits as increased compensation in analyzing and determining wages and other forms of compensation
8. Impose a five (5) year ban on bargained compensation should any portion of the legislation be found unenforceable (illegal) by the courts
9. Require voter approval each time an arbitrator rules or the City agrees to wages or other economic benefits

Adachi co-authored the initiative with Craig Weber - Chairperson of the Civil Grand Jury Commission on Pensions. That same Grand Jury just issued its second report within a twelve month period on the issue of CCSF employee pensions. Craig Weber is also serving as Treasurer of the Initiative's campaign.

This initiative is extremely problematic on a number of levels:

- The signature gatherers misled the public by asserting this was about saving schools and keeping libraries open. Those claims are simply untrue.
- The legal challenges are significant and some of the key elements of this initiative have been rejected repeatedly by the City Attorney's office because of that legal exposure.
- The actuarial analysis and expertise necessary to craft this type of legislation was completely absent from the process.
- The permanent limitations imposed by the initiative will undermine the ability of health, pension and labor relations professionals to be innovative and creative in their problem solving.

Finally, the initiative identifies the problem to be solved as the underfunding of employee benefits and then does absolutely nothing to address that problem. All it does is shift responsibility for current funding from the employer to the employees. What we cannot afford are unintended consequences as a result of this measure. That is why we have actuaries and lawyers engaged in analyzing the various complex issues. We need to take the time and effort to make the facts known to voters. Here are a few worth noting:

On Pensions:

1. In the history of the SFERS, the pension contribution as a percentage of wages has historically been much higher than it is set to be even next year. Around 18% in the 70s and 80s and 13% in the early 90s. It is only during the last two decades of economic growth that contributions have dropped below double digits.
2. Supervisor Elsbernd introduced and employees supported legislation last year that requires the City to set aside money for pensions and retiree health care during good times.
3. The Plan is currently 97% funded and that is using actuarial norms that include a steady work force and annual increases. In San Francisco the workforce is shrinking and employees are not only not getting raises but most are taking pay cuts.

On Health Benefits:

1. Current employees already pay up to \$1410 per month for coverage for themselves and their dependents.
2. Health care reform is likely to have a significant impact on employee health care costs and benefits many of which have not even been fully analyzed yet.
3. City employees have already agreed to produce \$4 million dollars in health care savings in FY 11-12 as part of the recent \$250 million dollar concession package negotiated.
4. City employees also agreed to a massive restructuring of retiree health care in 2008 that will save the City billions of dollars over time.
5. Last year City employees and retirees saved the City \$10 million by taking on increased co-pays.

MEA is working with a number of other unions and organizations to ensure that the voters understand our history in taking a shared interest and responsibility in dealing directly with issues and solving problems collectively and collaboratively. What we cannot do is permanently alter the City's benefit structure based upon a moment in time – which represents the antithesis of the long-range planning and projections that are the fundamental foundation on which sound health care and pension decisions are made. If you want to volunteer to work on this tremendously important campaign, please contact the MEA office via email at staff@sfmea.com and leave your name, home email and cell phone number. You should indicate whether you are willing to do any of the following:

- Talk to your family and friends about the measure
- Distribute leaflets
- Make Calls to voters
- Walk door to door to talk with neighbors
- Make a donation to a PAC to fight this measure

MEA Elections Underway: Board Nomination Process

Per the MEA By-Laws, Section 6.2, the Associations' Nominating Committee has prepared the following slate of nominees for the elective offices of the Association effective 2010-2012. This list must be distributed at least thirty (30) days prior to the first quarter general membership meeting of the fiscal year (Insert Date). Additional nominations for alternative slates may be made from the floor by members of the Association during the first quarter general membership meeting of the fiscal year. To be eligible for election such nominations must be accompanied by a petition of support signed by at least 50 active members. Elections shall take place at the second quarter general membership meeting of the fiscal year and officers shall be installed at that same meeting.

Report of the 2010 MEA Nominating Committee

<p><u>PRESIDENT</u> Eileen Hirst Chief of Staff SF Sheriff's Department</p>	<p><u>VICE PRESIDENT</u> David German Deputy Director Department of Technology</p>
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<p><u>SECRETARY</u> Cheryl Austin Director, Health Info/ Telecommunications Services Laguna Honda Hospital</p>	<p><u>TREASURER</u> Mary Fitzpatrick Director, Financial Systems and Reporting Office of the Controller</p>
<p><u>BOARD MEMBERS</u> Rafael Centeno Assistant Deputy Director Airport Commission</p>	<p><u>BOARD MEMBERS</u> Mark Culkins Court Manager SF Superior Court</p>
<p>Martha Knutzen Manager of Legal Operations San Francisco District Attorney's Office</p>	<p>Sharyn Saslafsky Special Projects Manager SF PUC</p>
<p>Matt Smyth Superintendent Department of Public Works</p>	<p>Neal Taniguchi Chief Financial Officer Department of Emergency Management</p>
<p>Bob Thomas Human Resources Director Human Services Agency</p>	<p>Term: Two Years – 2nd Quarter MEA General Membership Meeting 2010 through 2nd Quarter MEA General Membership Meeting 2012</p>

MEA Nominating Committee: Catherine J Dodd, Crispin Hollings and Kevin Barry
Signed original report on file at the MEA Offices

Recently Retired MEA Members – RECCSF Wants You!

Dear MEA retirees:

Our health and retirement COLA benefits can only be changed by amending the city charter. The one retiree organization that works to monitor all retiree health and retirement benefits, including cost of living allowances, and advocates for change when necessary is - RECCSF - Retired Employees of the City and County of San Francisco.

Monthly meetings on the 2nd Wednesday of the month at the Irish Cultural Center, 46th and Sloat in SF, or enjoy the monthly newsletter via email. Life memberships are \$400, payable in 4 installments, or pay annual dues of \$36. Contact RECCSF, 3915 Irving Street, San Francisco, CA 94116 or call 415-681-5949 weekdays, 9 to noon.

We need MEA retirees who understand how the City works in order to protect what we've earned over a career with the City.

Thanks,
John Madden
Retiree and former MEA Member

MEA Mission Statement: To enhance the quality of life for all San Franciscans and visitors by promoting sound government practices, supporting professional excellence for our City's managers, and maintaining the highest ethical standards in the delivery of service to the public.

MEA Board:
Eileen Hirst, President
David German, VP
Cheryl Austin, Secretary

Mary Fitzpatrick, Treasurer
Rafael Centeno
Mark Culkins
Martha Knudzen

Sharyn Saslafsky
Matt Smyth
Neal Taniguchi
Bob Thomas

Staff:
Rebecca Rhine
Raquel Silva
Alicenne Passavanti