



MEA NEWSLETTER

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MEA Members Overwhelmingly Approve Tentative Agreement with City

In polling held over two days at four locations citywide, 96% of those casting ballots voted to approve the tentative agreement reached between MEA and CCSF which provides additional financial relief to the City over the next two fiscal years. The ratified agreement includes the following elements:

- Extension of the MOU for one additional year 2010-2011
- Foregoing Pay for Performance lump sum payments of 1.5% in October of 2009
- Protection from layoffs from May 21 through November 15, 2009
- Ending the existing five (5) day furlough program as scheduled on June 30, 2010
- Returning the MEA bargaining unit to 80 hour pay period effective July 1, 2010
- Introducing a new furlough program on July 1, 2010 that provides for four (4) floating holidays
- Using Pay for Performance lump sum payments of 1.5% due in October of 2010 to fund the 2010-2011 furlough days
- Rolling Pay for Performance and B&C money into base salary as a 2% increase on June 30, 2011
- Convening the B&C Committee in 09-10 and 10-11 to distribute available funds
- Making whole any individual manager whose highest year for retirement purposes falls in the 08-09 and 09-10 furlough period
- Providing for participation of MEA managers citywide in the process by which financial policies and guidelines for the City are developed and implemented
- NOTE: **Wellness is still set to expire on June 30, 2010**

When you combine this latest agreement with our previous furlough package and the additional changes at MTA, Police and Fire, MEA managers will return to the City more than \$12 million dollars over a three year period.

MTA Managers Agree to Two Year Furlough Program

In voting recently concluded, MEA members at the Municipal Transportation Agency have agreed to an unpaid furlough program that is slated to save the Agency nearly \$1 million dollars over the next two years. The agreement, which is similar but not identical to the one in place with the City, provides for five (5) days over each of the next two years to be “paid for” by foregoing contractually mandated Pay for Performance lump sum payments, implementing a payroll smoothing mechanism of ½ hour per pay period to recapture the balance. Like the City agreement, the MTA Agreement has a bar on layoffs through November 15 and a retirement restoration mechanism to ensure that future retirees are not permanently hurt by the changes.

MEA Police and Fire Command Staff Also Give Back in Tight Economy

Joining with their colleagues in the MTA and Miscellaneous bargaining units, the MEA members who make up the command staff at both the Police and Fire Departments have also agreed to a wage deferral of 3% over an 18-month period, consistent with the agreement reached between the City and the Police Officers Association. This agreement, which comes in addition to contractual compromises both groups made during the last round of bargaining that deferred another 1.5% in wages brings the total among the MEA Safety groups to 4.5% over more than two years.

More MEA White Paper Proposals Appear in Legislative Form

In addition to pending legislation that seeks to establish a two-year budget cycle, a five-year financial plan and a process and timeline for formulating financial policies, Supervisor Bevan Dufty recently submitted a Charter Amendment that would create an independent Office of Management and Budget for the City bringing together the functions of the Mayor's Budget Office and the Board's Budget & Legislative Analysts with an independent Budget Director named for a 10-year term similar to the City Controller model. Supervisor Dufty's measure also seeks to establish a five-year financial plan.

As noted last month, there is also legislation pending that addresses two other key issues raised by the White Paper – the budgeting challenges created by set asides (Mirkarimi, Chiu) and the use of one-time funding for ongoing programs (Elsbernd). Both of those measures are highly controversial.

Membership Meeting Reviews MEA Budget for 09-10

Per the MEA Bylaws, the MEA Board presented their approved 09-10 MEA Budget to the members present at the May 11, 2009 Fourth Quarter Membership Meeting. The year-end financial report for 08-09 will be presented to members at the first quarter meeting of 09-10.

Income	Budgeted FY 08	Projected FY 08	Actuals to April FY 08	Proposed FY 09-10	Change
Total Income:	\$400,000	\$402,347	\$339,165	\$400,000	\$0
Expenses					
Personnel & Benefits	290,000	262,531	218,667	297,194	7,382
Other Expenses					
Meetings (Board & Membership)	34,000	24,641	20,205	29,000	(5,000)
Legal, Rent, Office Supplies	78,000	66,055	53,464	76,345	(1,655)
Administrative Costs	7,500	6,161	3,514	8,500	1,000
Total Operating Expenses	\$409,500	\$359,388	\$295,850	\$411,039	\$1,727
Operating Shortfall (use of MM Funds)	(9,500)	42,959	43,315	(11,039)	(1,727)
Special Items (covered by MM Funds)					
Community Grants, PAC, Consultants	\$233,000	\$78,940	\$67,446	\$149,400	(83,600)

Court Unions Meet to Grapple with State Budget Challenge

As the ramifications of the May 19th Special Election results become clearer, employee organizations at the Court are meeting together to share information, strategize and seek common ground on a number of scenarios including the possibility of mandatory court closures over the next twenty (20) months currently being considered in the legislature. This coalition was initially formed in 2008 to discuss and compare notes on a pending rewrite of the Court's Personnel Rules. The same group of unions – MEA, Local 21, SEIU and CFI/CWA - will face a much more daunting challenge as the State's budget situation continues to erode.

HSS Open Enrollment – Over 10% of MEA Managers Risk Flex Credits!

The Health Service System reports that the vast majority of Management Cafeteria Plan participants took action during April Open Enrollment and met with EBS as required to allocate their flexible credits. Unfortunately over 10% of the participants in this plan did not meet with EBS during April and were in danger of allowing their valuable credits to default. Missed EBS appointments and enrollments that took place past the April 30 deadline resulted in additional costs and expenses which no department can afford during a challenging economic time. In order for HSS to maintain optimal service for City managers while still controlling expenses it is vitally important that all MEA members comply with Open Enrollment deadlines in the future. Obviously this excellent MEA program is worth protecting!

MEA Committee Presents More Recommendations for Reform

At the membership meeting held on May 11, 2009 the following written report was submitted by the MEA Sub-Committee on Service Offerings and Delivery Changes. This work was undertaken to expand upon the MEA membership budget meeting and survey results where members identified specific areas and ideas for potential savings and efficiency. These were the four areas cited most often as needing reform.

1. POOL OF TEMPORARY EMPLOYEES:

The current system of employment in the City and County of San Francisco (CCSF) does not facilitate the hiring of temporary employees in a timely, efficient, cost-saving manner. Although the current method is subject to certain defined rules and procedures, the process is not centrally managed and results in inconsistent application of the rules and procedures in the various departments as well as in a time-consuming and redundant process. This process negatively impacts the City's workforce management and budget problems.

Potential Solution:

Create a pool of temporary employees to work on an as-needed basis. This pool would be centrally managed and available to all departments in classifications whose skill sets are easily transferable between departments, such as clerical/administrative, custodial, the trades (plumbing, electrical, building) technical, IT, and other necessary classes.

2. CONTRACTING/PURCHASING REFORM:

The scope of purchasing and subcontracting practices and procedures that the City expects is extensive, time-consuming and redundant for the vendor. Additionally, City agencies influence the contracting/purchasing process by adding requirements which contribute to confusion and delays. There is no centralized system certification which would limit the level of government administrative oversight on prospective contracts and provide opportunities for future contract awards. This type of process would also maximize the efficiency and effectiveness of the purchasing and contracting practices of the City's departments to ensure that the City derives the maximum savings and benefits when contracting and or purchasing services or products.

Potential Solutions:

Create a centralized database for contracting and purchasing. The database would contain information about vendors to be shared by all City Agencies. Establish a certification system that would allow a vendor/contractor to be awarded non-competitive contracts for a certain set period of time if the contract is below a set award amount. Adopt and enforce consistent standards. Automate the entire process with guidelines setting out the policy and procedures.

3. ASSET MANAGEMENT

Capital assets comprise major government facilities, infrastructure, equipment and networks enabling the delivery of public sector services. For the City and County of San Francisco, the Controller’s Office categorizes capital assets into approximately 30 major categories including:

Animals	Artwork	Automotive & Other Vehicles
Books	Buildings	Data Processing & Comm Equipment
Buildings	Fixed Equipment	Food Service Equipment
Housekeeping & Laundry Equipment	Office Equipment	Recreation & Athletic Equipment
Land	Public Transportation Vehicles	Structures

While budgetary pressures impede capital investments for maintenance and replacement purposes, deferring such investments results in increased long-term costs as the physical condition of these assets declines. “Government entities should therefore establish capital planning, budgeting and reporting practices to encourage adequate capital spending levels. A government’s financial and capital improvement plans should address the continuing investment necessary to properly maintain its capital assets. Such practices should include proactive steps to promote adequate capital maintenance and reinvestment in existing public capital assets.”

Potential Solutions:

Establish city-wide standards to develop and maintain a complete inventory of all capital assets. Data from this asset register must be easily accessible and should contain essential information including engineering description, location, physical dimensions and condition, “as-built” documents, warranties, maintenance history, book value and replacement cost. Develop a policy to require periodic condition-assessment of all existing capital assets and establish condition/functional performance standards to be maintained for these assets. Use these standards and current condition/risk information as a basis for data-driven capital planning and annual-budget funding for asset maintenance and replacement. Develop financing policies for capital maintenance/replacement which encourage a high priority for those capital programs whose goal is to maintain the quality of existing assets.

4. MINIMIZATION OF DUPLICATIVE SERVICES

The City provides services to the public from various departments that can be streamlined. For instance, the paving of streets and sidewalks, maintenance of street lights and landscaping of City properties are routinely handled by several departments. The functions of Human Resources, IT, Finance, and Purchasing are also replicated by agency staff as well as individual City departments. This multiple provision of services often confuses and extends the time it takes to provide the service as well as adding cost.

Potential Solution:

Create a Resource Allocation Oversight Group to recommend service consolidation and to require regular progress reports from departments for presentation to the Mayor and Board of Supervisors. The group would review how the provision of service impacts the core business of the department and how assigning that aspect of service to another department would consolidate and create efficiencies within the City in general.

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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.

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