



## MEA NEWSLETTER

June 2009

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### 09-10 CCSF Budget Hearings Underway

When the Board of Supervisors takes up the budget submitted by the Mayor, the pressure on the City's managers can be intense. As noted in the MEA White Paper, the serialized nature of the budget process guarantees that the managers will be squeezed between the priorities of the Mayor and those of the Board. When you overlay this year's staggering budget deficit and the stark differences between the elected bodies on how to respond, the situation is seriously exacerbated. From MEA's perspective, the goal is to conduct a policy based discussion in an atmosphere of mutual respect that acknowledges differences of opinion without resorting to scapegoating. We look to the elected "managers" to appreciate the tremendous challenges and effort inherent in the manager role during this difficult period.

### MEA Management Training Program Overview

As the economic picture continues to evolve and employment security continues to erode, the contractually mandated \$200,000 per year MEA Management Training Program becomes even more critical in providing skill enhancement opportunities and access to current technological equipment to managers. Set out below is a report on the 08-09 program and guidelines that will be applied to the 09-10 fiscal year.

#### **A. Training and Equipment Reimbursement Funds Allocated for FY 08-09**

1. The surplus amount carried over from previous FY was \$280,392.06
2. Total funds available for FY 08-09: \$250,000 (\$200,000 for FY 08/09 per MOU plus \$50,000 allocated from surplus to Equipment Program per MEA Board action)
3. Designated for Training (including IMS): \$150,000
4. Designated for Equipment: \$100,000 (\$50,000 balance for FY 08/09 plus \$50,000 from surplus)

#### **B. Expenditures during FY 08-09 (up to May 29) are as follows:**

1. Equipment Program:
  - 144 equipment requests – 103 first time users/41 second time requests;
  - \$68,750.09 spent to date, \$31,249.91 remaining in the fiscal year allocation;
  - \$62,000.00 in potential payouts due to the 62 "ok to buy letters" outstanding;
  - **We are no longer issuing "ok to buy letters" in the 08-09 fiscal year;**
2. Training Program:
  - 320 training requests
  - \$126,528.52 spent to date on training;
  - 125 IMS Participants
  - \$44,225.00 spent to date on IMS
  - Total spent to date: \$170,753.52
  - \$20,753.52 over budget

- **We are still accepting requests for training reimbursement for this fiscal year.**
3. Status of Surplus:
    - Current surplus amount at start of FY 08/09 \$230,392.06;
    - Potential surplus depletion for equipment program: \$30,750.00
    - Potential surplus depletion for training program: \$25,000.00
    - Surplus amount if all reimbursement requests submitted: \$174,642.00
- C. Fiscal Year 09-10 Guidelines Approved by the MEA Board of Directors:**
1. Allocation to Training Program: \$175,000 (up by \$25,000);
  2. Allocation to Equipment Program: \$50,000 (\$25,000 from allotment, \$25,000 from surplus – down by \$50,000);
  3. **July 2009 will be a blackout period on all equipment requests** to allow MEA to close books on FY 08-09. (Note: This was also the policy in July 2008)
  4. The last business day in June 2010 will be the cut-off date for reimbursement requests submitted to and processed by MEA (both equipment and training);
  5. The last business day in May 2010, or the point at which we process 50 applications, will be the cut-off date for MEA to issue “ok to buy” letters under the Equipment Program;
  6. **For the first six months of 09/10 equipment program approvals will only be issued to those MEA represented managers who have not participated in the program in 07/08 or 08/09.**  
We will look at whether to process second requests starting in January 2010 if there is still funding available.

#### Training Program Overhaul Moving Forward at DHR

In response to continued personnel cuts at the Department of Human Resources, the City has determined that it can no longer sustain the staffing necessary to centrally administer the MEA Management Training Fund. Steps are now being taken to transfer that function to the departmental level. MEA is committed to ensuring that such a change does not alter the basic nature of the program which permits managers broad discretion in choosing how to augment their educational and professional credentials. The protocol for submitting requests to MEA will remain unchanged. Specific changes will be provided as they become available.

#### MEA Board Looks to Revisit Associations' Corporate Structure

The Municipal Executives' Association originally filed Articles of Incorporation with the State of California on February 14, 1952. That document set out both the primary purpose of the nascent organization and the corporate structure under which it planned to operate. The MEA Bylaws were subsequently developed to provide a more comprehensive framework and they have since been revised several times to reflect the evolving role of MEA and its relationship to its members - most recently in 2004. What has not occurred over the last 57 years, however, is an analysis of whether the underlying corporate structure continues to make sense for the organization.

Recently the MEA Board charged a sub-committee to examine this issue in the context of other contemplated changes to various sections of the MEA Bylaws. That discussion, which included MEA Staff, Board Members and Counsel Gregg Adam of Carroll, Burdick and McDonough LLP, included an analysis of whether it continues to make sense for MEA to be incorporated. It was noted that most labor associations operate as unincorporated, non-profit associations in order to more nimbly evolve to serve the needs of their members. When you analyze the escalating complexity of the Corporations Code and its expanding regulatory requirements, most of which has no relevance to representing managers in the City and County of San Francisco, it serves to hinder MEA's ability to operate rather than enhance it. As a result MEA Counsel Adam recommended that MEA take steps to convert to an unincorporated association and the MEA Board of Directors affirmed that recommendation. The necessary steps include the dissolution of the existing corporation, the filing of governing documents for a new, unincorporated association, various filings with the Secretary of State and the securing of continued tax exempt status from the IRS and FTB. That work is now underway and MEA will continue to update members on structural changes including those contemplated in the bylaws as a result of this structural change.

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.