



## MEA NEWSLETTER November/December 2009

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### **City's Deteriorating Budget Situation Portends Drastic Action**

City Department Heads and labor representatives received very bad news about the City's budget situation in a series of briefings held in late November. While the news appears to mirror information provided last year at the same time, there are some unique aspects that are particularly troubling. In the Mayor's budget instructions issued November 19, a projected 2010-2011 shortfall of more than \$500 million dollars is linked to revenue weakness, expenditure increases and the reliance on one time solutions in balancing the 2009-2010 budget.

On revenue, significant reductions in property and payroll taxes as a result of the economic downturn are projected to result in an \$81 million shortfall. When added to the one-time solutions from last year (e.g. Rainy Day Fund, FMAP Federal Stimulus Money) and the modest projection of \$40 million in State cuts, the total revenue shortfall grows to over \$290 million.

On the expenditure side, the expiration of single year labor concessions and the MOU increases that are due in 2010-2011 (Police, Fire, Nurses) along with increased costs associated with benefits and the loss of certain one-time expenditure savings (e.g. Capital Equipment) results in a gap of more than \$230 million, bringing the projected FY 10-11 shortfall to well over \$500 million.

As if the news on 2010-2011 wasn't bad enough, a potential \$45 million dollar shortfall in FY 09-10 has been identified that, if confirmed, will necessitate mid-year cuts on top of those that have already been implemented.

MEA will continue to monitor and report back on the situation as it evolves.

### **HSS Continues to Meet on Rates and Benefits**

The Health Service System Board is reviewing the rates proposed by healthcare vendors for the next plan year. **We encourage MEA members to attend the HSS board meeting at 1pm on December 10, 2009 at City Hall, Room 416.** This will be the third meeting where rates and benefits are being discussed. Now is the time to learn about proposed rates and benefits for 2010-2011. The Board of Supervisors must approve health plan rates by the January meeting. For more details, download agendas and minutes at [www.myhss.org/health\\_service\\_board/](http://www.myhss.org/health_service_board/).

Members have the opportunity to voice their opinions about rates and benefits by making a public comment. If you cannot attend the December meeting, please send your comments to the Health Service System Board through the Board secretary: [laini.scott@sfgov.org](mailto:laini.scott@sfgov.org)

### **Labor Management Committee at Planning Department Underway**

In a pilot program that could have a positive impact citywide, the Planning Department has launched a Joint Labor Management Committee (JLMC) with the primary goals of 1) increasing transparency; 2) establishing a mechanism for collaborative decision-making; 3) deepening understanding of the state of the Department and the challenges that lie ahead; and 4) soliciting, analyzing, and developing fresh ideas and strategies to meet those challenges. The JLMC will be a key group within the Department providing recommendations on how to address both challenges and opportunities. MEA is

participating in this process along with IFPTE Local 21 and SEIU 1021 and is committed to developing a more proactive and collaborative model that recognizes our collective need to protect public services and support public employees during this difficult economic period and beyond.

### **Revisions to Employee Relations Ordinance Proposed**

In an effort to update the City's Employee Relations Ordinance ("ERO") so that it reflects current practice and labor law, the City and the unions are currently meeting and conferring over proposed changes. The ERO is particularly important for management employees who – along with peace officers - are not able to access the dispute resolution processes available through the Public Employees Relations Board ("PERB"). That means we need to make sure that we have access to other forums to assert and object to unfair labor practices and other non-contractual violations of rights. Assuming an agreement is reached on a revised ordinance, final implementation would require passage by the Board of Supervisors and the Mayor's signature.

### **Consider Monthly Claims to Protect Cafeteria Plan Accounts**

As happens each year, a number of MEA members missed the annual September 30 deadline for filing their 08-09 Flexible Spending Account (FSA) and Miscellaneous Reimbursement Account (MRA) claims. Unfortunately MEA is unable to assist in recouping money left in your FSA or MRA after the end of the claims filing period. In order to avoid this problem, there is an option to regularly file for reimbursement during the benefit year rather than waiting for the end of the year and risking forfeiture. Forms for FSA and Miscellaneous Reimbursement Account claims are available online at [www.myhss.org](http://www.myhss.org) by clicking on the Management Cafeteria Plan link. Key Cafeteria Plan phone numbers include: EBS Plan Administrator: 800-229-7683, Fringe Benefits Management Company (FBMC) Customer Service: 800-342-8017, FBMC Automated Interactive 24 Hour Line: 800-865-3262. FBMC handles Healthcare and Dependent Care Flexible Spending Accounts. EBS handles Miscellaneous Reimbursement Accounts.

### **MEA Holiday/Retiree Event Wrap Up**

A good time was had by all at the annual MEA Retiree Dinner held at Harding Park's Cypress Room this past November 16. Nearly 100 MEA members, past and present, joined MEA Vice President David German in acknowledging the pending retirement of SFERS Executive Director Clare Murphy and welcoming her successor, Gary Amelio. In a historic gathering, Clare's predecessor, Dan Mattrocce, also attended bringing together the past, present and future Executive Directors of SFERS. Between them Clare and Dan represent well over 50 years of dedicated service to ensuring the safety and growth of retirement benefits for thousands of committed public employees. Clare provided her usual insight into the state of the plan – "healthy" - and the impact of the current economic downturn on it – "serious but not critical". Gary spoke of his years of pension plan experience, working class roots and deep commitment to the values a defined-benefit retirement plan represents. He pledged to do his best to live up to Clare's legacy and to ensure the continued health and growth of the SFERS.

After Clare's third standing ovation, HSS Acting Executive Director Catherine Dodd updated those present on the status of health care reform in Washington DC, its likely impact on HSS and the ongoing tension caused by escalating health care costs.

Finally, MEA presented its annual MEA Recognition Award to longtime Board Member Jean Mariani whose contributions to MEA – and most critically to the MEA White Paper on Budget Reform – have been invaluable to MEA's efforts on behalf of the City's managers.

Look for pictures of the event posted online soon at [www.sfmea.com](http://www.sfmea.com).

### **Holiday Greetings:**

We would like to extend our wishes for a happy and healthy holiday season to you and your loved ones. It is our pleasure and honor to work with you throughout the year and we look forward to a productive and collaborative 2010.

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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