

OCTOBER 2005 MEA NEWSLETTER

San Francisco's Glorious Summer sometimes comes in October but enjoy it anyway. There is a lot of information to provide so let us begin.

Board Vacancies – As announced previously, Ms. Pat Hammermaster has resigned from her position within the Superior Court bargaining unit. It is anticipated that one or two other vacancies on the Board will occur in the next several months as individuals retire or resign. The MEA bylaws state in Section V.2 g. that the Board of Directors shall have the power “To fill all vacancies among the Officers and Board Members until the next regular election...” The next regular election is in 2006.

The Board requests members interested in serving as Director to write a letter to that effect addressed to Ms. Eileen Hirst, President, and send it to the 870 Market Suite 460, San Francisco 94102 address. Please indicate your experience and reasons for applying as well as experience relevant to an employee organization. Interviews will be scheduled in October.

Contributions and donations – Troubled times require extraordinary efforts; all of us have been touched by the suffering of Americans beset by the horror and devastation of the two recent hurricanes. The MEA Board has decided to support the **Habitat for Humanity Program**. While there are other worthy organizations, the Habitat's goal of helping people build their own homes seems to be particularly well suited to those displaced by hurricanes Katrina and Rita. **The Board has authorized up to \$12,500 to match donations of our members.** Many of you have already given to programs assisting those adversely affected by these catastrophes. **If you care to do more, please send a check to the MEA office made out to Habitat for Humanity; the amount will be matched by MEA and the donors names listed in a future newsletter.**

MEA members are aware of the significant “brain drain” confronting the City and employing agencies as senior employees leave in greater numbers than usual, the result of us baby boomers reaching retirement age. **Leadership San Francisco** has proved to be a valuable and effective tool in providing MEA members and others to work with private sector leaders in a common course of study. The relationships formed prove to be a valuable tool in the future careers of program participants. Last year MEA provided Leadership San Francisco with the funds to grant two scholarships for our members' participation in that program. We are pleased to announce that **Leadership San Francisco has awarded these scholarships to Ms. Darnisha Wright, an MEA Board Member and Executive Assistant at the Emergency Communications Department, and Richard Newirth, Director of Cultural Affairs at the San Francisco Arts Commission. Congratulations to those selected.**

In addition to these scholarships, your **Board has approved a \$10,000 contribution to jointly sponsor, with Leadership San Francisco** and others, a fund raising event at Giants (SBC) Stadium. This event will be a behind-the-scenes look at the stadium on the evening of October 27. MEA members will soon receive an invitation to the event with all the details either in the mail or by e-mail. If you choose to participate, you are sure to have a night to remember.

Lastly the Board has approved a **\$5,000 contribution to the NO on 75 Campaign**. If passed, the proposition would require public employee unions, including MEA, to gather individual forms from every member annually to spend dues money for any political purpose. Public employees, in unions with agency shop provisions, already have the right not to contribute to political campaigns by becoming “fee payers”. MEA membership is strictly voluntary to begin with. The real purpose of Prop 75 is to silence the voice of employee representatives. Make no mistake: if Prop 75 passes, the next attempt will be an attack on public employee pensions and retiree medical benefits.

Recently, the papers have reported the heavy contributions made by restaurant associations to the Governor. In return, he attempted to eliminate the legal right to a meal break for many, including restaurant workers. When you and I go into a restaurant, nobody asks our permission to use some of what we pay for the meal to be used for political purposes. Proposition 75 is not even-handed. It is directed against employee unions who have taken on this Governor to protect the economic interests of our members. Please don't be fooled, vote “no” on 75 and work to defeat this measure.

The Board wisely manages the Association's assets. The \$25 biweekly dues rate is less than the average \$40 charged by other City Unions. These contributions and donations will be paid for from the reserves and will not lead to a dues increase. Your understanding is appreciated.

Housing Authority Negotiations – Always harder than they should be. MEA agreed in principal to a one-year extension although we would have preferred a longer-term agreement. In return, the SFHA has proposed three 2% increases (October 1, 2005, December 25, 2005 and September 30, 2006). However, the Authority has proposed to end its contribution to the 401A plan. Members recall that the last 2% increase to the 401A from the old contract is due on September 30, 2005. The SFHA is proposing to pay it for one day and then eliminate the entire 7% contribution to the 401A on October 1, 2005. The claim is that this would equalize our compensation in conformity with SEIU. The truth is that the HA is not proposing to reduce the compensation of any group other than MEA. The bargaining team has rejected, and will continue to reject this takeaway. The SFHA has also rejected the MEA proposed **2.7% at 55** retirement. MEA can pursue this improvement only as long as SEIU 790 and 1877 locals also support this positive change. The improvement must be provided to the three bargaining units at the same time. We are still scheduled to meet and will do our best to keep all members informed. If you have questions, please call the office.

MCCP – In response to MEA urgings and requests, we have received notice that Department of Human resources (DHR) is prepared to begin meeting about MCCP earlier than during traditional contract negotiations. These meetings may be scheduled as early as November.

Historically, one of the major reasons the MCCP program was ratified by the membership in 2002 was that most members were at step 5 of the PCS class with no means of getting compensation increases, except for cost of living adjustments, without an internal adjustment process that was more difficult than major root canal surgery. As members have retired or left City employment, more members are not receiving the highest rate in their current salary range.

DHR knows that approximately 150 of 800 MEA positions occupied by new hires are being paid more than senior employees in the same job class. Further, DHR knows if agreement

regarding movement on the MCCP ranges is not reached, the issue will be submitted to an arbiter as part of next year's contract negotiations.

MCCP Salary range A is a 30% salary range. The October 2002 Management & Compensation Plan booklet states, "standard 5% increment (sic) to top of Range A. Movement within the 7.5% Ranges B & C were left to the negotiations that will soon commence. Ranges B and C have no fixed percentage increase or step. By now most of the recommended allocations and requests for reconsiderations have been completed. MEA's task is to agree to the implementation date for Range A. What also must be agreed upon is what increase is to be given to an employee who has remained at his/her current rate of pay for more than a year. Also what is to be agreed upon includes what an employee must do to be placed in either Range B or C and what is the minimum increase an employee should receive in the higher ranges. Then agreement must be reached on the timing of future increases in the higher ranges.

The GREAT GASB – GASB is a change in accounting practices for public entities that has great potential to negatively impact public employees. It will in part will require employing agencies to report their costs for active and retiree medical premiums. CCSF has paid these costs on an ongoing annual basis for decades. But reporting the costs annually, particularly for retirees, will result in an apparent and perhaps real unfunded liability of billions of dollars. For active employees if the costs rise the employer can pay them, or in turn negotiate concessions from unions, or layoff employees. Non-union employers can simply eliminate the benefit. However for MEA and other unions with bargaining units in the City and the Courts retiree medical premium support is established by Charter and an only be changed by a popular vote.

If you assume a base of 50,000 covered lives amongst actives, retirees, and covered dependents and assume a \$500 a month employer obligation for each individual's premium there results are a \$300 million annual cost and a \$6 billion cost over twenty years. It is not unreasonable to expect to receive those benefits over at least that twenty year period. But, when the cost is reported as unfunded liability on the financial reporting documents of the City and other public entities, problems ensue. The first result might be an increase in the interest rates the city pays on its bonds. In the future, public employers may have to budget a significant amount annually to offset the unfunded liability. The funds set aside would not be available for salary increases, retirement improvements etc. The hue and cry will encourage some to to cut the benefits and or the employer's obligation to pay for them. GASB is another serious issue we must follow closely.