



MEA NEWSLETTER - February 2008

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REMINDER: MEA Networking Social (and 3rd Quarter General Membership Meeting)

When: Monday, March 3, 2008 at 6:00pm
Where: Jillian's @ Metreon, 101 Fourth Street
Agenda: Great Food, Pool, Drinks and very little business
 RSVP to staff@sfmea.com.

Note: Long after this meeting was scheduled and the venue booked it was brought to our attention that there is also a mandatory Sunshine Ordinance and Ethics Training for all department heads at the same time on the 3rd. We regret the scheduling overlap.

MEA Members Overwhelmingly Support CPR Initiative

At a Special Membership Meeting called by the MEA Board for February 19, MEA members overwhelmingly voted to support the CPR-City Retirement Reform package hammered out over four months of discussions. While the Charter Amendment still must be approved by voters in June, the MEA Board and membership are firmly behind the measure. The meeting provided a full overview of the package including the 09-10 contract extension, the retiree health care changes for new employees and the pension improvements for all employees. Additional expertise on the topics of GASB and the changes to the COLA formulas were provided by MEA members Ed Harrington and Clare Murphy respectively.

CPR Update: Board of Supervisors Puts Retirement Reform Package on June 2008 Ballot

In a rare unanimous vote on Tuesday, the Board of Supervisors voted 10-0 to place the CPR-City retiree health/pension reform package on the June '08 ballot. Following Supervisor Sean Elsbernd's lead, the Board has been generally supportive of the consensus building process throughout 4 months of negotiations that culminated in Tuesday's vote to move forward with the joint Charter Amendment. Special thanks to CPR's strongest supporters during this process – President Peskin and Supervisor Mirkarimi.

The Mayor's office is also firmly on board as almost all of the major unions conducted successful membership votes to ratify contract extensions - which the city asserted were necessary to partially offset the \$84 million *annual* cost of the pension improvement. The cost for the pension changes (3.55% of payroll) will replace raises or other economic improvements in fiscal year 09-10.

While there were a few unions that voted no, unions representing more than 20,000 city employees voted overwhelmingly to ratify. Almost all of the votes were conducted last week, including those covering the largest unions, SEIU, Local 21 and the TWU. The Machinists voted unanimously in favor, MEA had only one "no" vote and SEIU achieved an 88% "yes" mark. In

addition to the strong employee support in the various union ratification votes, the Charter Amendment enjoys the unwavering support of the police and fire unions as well.

This process – which resulted in a concrete gain for city employees - represents one of the most successful shows of unity by city employee unions in recent memory. It is worth noting that our collective strength and collaborative effort kept the process alive even when the economy, the budget, the political landscape and the unexpectedly high cost of even modest pension improvements threatened to derail it.

CPR leaders and representatives from the Mayor's office will continue to reach out to those unions that voted down the package in an effort to get them on board. IBEW Local 6 and the Laborers are the two largest groups which rejected the package. Those two unions combined represent over 1,600 city employees.

CPR has tried to maintain complete transparency all the way through these negotiations. You can find information regarding the CPR and Charter Amendment at www.sfmea.com. The Charter Amendment itself is available through the Board of Supervisors' site on www.sfgov.org.

CPR leaders, representing all of the major city employee unions and associations, believe we have achieved our two key goals: 1) to recognize the legitimacy and danger of the rising cost of retiree health care, while still limiting the changes applied to new employees so that San Francisco can continue to attract the very best candidates to city employment; 2) to convince the city that our insufficient employee pension benefits are as serious a problem as escalating retiree health care costs and that any resolution that didn't address both issues would be rejected.

The most difficult hurdle to overcome was for all of us to alter our pension improvement goals from what members may rightfully deserve to what we could achieve – that is, what the city could afford and the voters would approve. No change can be made to our pension program without voter approval. After the CPR-City discussions began, the economy continued to get worse and the city budget deficit increased to over \$220 million. While the pension improvements in the charter amendment cost \$84 million and will provide 20% increases in many employee pensions, they still do not place CCSF employees where they deserve to be relative to other governmental jurisdictions. Nonetheless, the improvements are significant and finally break through the 2% at 60 ceiling that has existed for far too long.

Guided by Tim Paulson, head of the San Francisco Labor Council, staff and activists from the member unions worked extremely hard to get to Tuesday's 10-0 vote by the Board of Supervisors. While it may feel as though making progress is increasingly difficult these days, we now need to get re-energized to mount a campaign to ensure passage on the June ballot.

Thanks go to the thousands of city employees who attended meetings, studied the CPR publications and learned more about pensions than they expected to, and then came out and voted. You understood and appreciated the size and scope of the accomplishment and the unprecedented unity demonstrated to get us here.

Regardless of the issue, our unity is our strength going forward. Our goal is a city that truly works for its residents, and that provides the fair benefits and decent working environment that its employees all deserve.

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