



MEA NEWSLETTER

February 2011

In this issue:

- MEA Annual Dinner – March 10, 2011 at SFO
- SUWF Phase 1 Fact Finding Wrapping Up
- PEC Elects Dental Health Care Savings Option for 11-12
- Health Service System Board Election Underway
- Health Service System Open Enrollment Info coming in March
- SF Superior Court Faces Massive Budget Deficit for FY 11-12
- Supplemental Allocation to SFMTA Training Fund for FY 10-11
- MEA Board News
- MEA Focus Group Scheduled for SFHA and Court Members

MEA 3rd Quarter General Membership Meeting & MEA Member/Retiree Dinner
Thursday, March 10 from 5-9pm
San Francisco International Airport - Aviation Museum & Library
Update on Benefit Reform and Special Guests
RSVP by March 2, 2011 to staff@sfmea.com or 415-989-7244
When you RSVP make sure to indicate if you are bringing a guest, your telephone number and your entree choice(s):
Herb Crusted Salmon
Beef Bourguignon
Chicken Breast
Vegetarian meal upon request
SPACE IS LIMITED SO RSVP TODAY!
Retirees and MEA Members Attend Free -Guests: \$35.00
Parking is free with validation

Directions from Highway 101 North or South: Take the Airport exit and follow signage to the "International Terminal" and to "Departing Flights/Hourly Parking." Look for Parking Garage "A" on your right. You will enter the garage on Level 5.

Go to level 8 of the Garage and park anywhere near the AirTrain Station. Take the AirTrain "Blue Line" to the International Terminal, which is the next stop. Take the escalator down to the Departures Level (one level below AirTrain). The Museum will be to your right as you get off the escalator.

SUWF Phase 1 Fact Finding Wrapping Up

As recent media reports have noted, member and staff leaders from the Stand Up For Working Families (SUWF) coalition have been meeting regularly with Warren Hellman as well as other elected and business leaders to seek consensus around addressing the challenge of rising benefit costs.

SUWF is the same coalition of San Francisco labor unions that defeated Proposition B in 2010. We fought Proposition B because it was a simple-minded solution to a complex problem. It shifted costs from the employer to the employee, and it unfairly increased health care costs for families.

During the campaign, we pledged to seek real reform once the election was over. And when we won, instead of resting on our laurels, we rolled up our sleeves and got to work. **We have now held six fact-finding sessions about retirement and health care with civic leaders, business leaders, subject-matter experts and elected leaders.**

Key findings of those sessions include:

- Our retirement system is sound and conservatively managed
- The market downturn is the primary cause of increased pension costs
- The cost savings of many reform measures already approved by voters will not be fully realized for a number of years
- Controlling health care costs is actually the more serious long-term challenge

We recognize that even though employees did not create the problems we are facing, we now have a profound interest in fixing them. We are working with the mayor and the supervisors to craft legislation that will address these problems in a sensible way, but **it is crucial to our continued progress that we have input and support from our union members.** Why must we act now?

We simply can't afford another Prop B

- If we don't take the lead and come up with real reform, we run the risk of another billionaire-funded ballot measure
- We don't want to spend our dues on another battle at the ballot box
- Even though we didn't create the problem, it's time for us to step up and make sure San Francisco remains in good fiscal health
- We owe the voters of San Francisco a solution based on the facts rather than political rhetoric and that is what we plan to deliver

There are no quick fixes. We are confident that by taking action now, we are preserving jobs and benefits in the future. Working together, we can make sure San Francisco keeps its promise to employees – and keeps providing the programs and services that residents rely on.

Mayor Ed Lee and Board President David Chiu recently joined our talks. Mayor Lee has made clear his intent to tackle this issue and, at his request, DHR will likely commence with a “meet and confer” process very soon. We will be holding meetings and providing detailed materials as the discussion evolves and we welcome input from MEA members and subject-matter experts.

PEC Elects Dental Health Care Savings Option for 11-12

Pursuant to the PEC Agreement Section IV.4, the PEC unions have agreed to provide approximately \$3 million in health care savings through a monthly employee payment for Delta Dental coverage effective July 1, 2011. MEA initially expressed its preference for the option that would have required those employees with City Plan Employee Only coverage to pay the difference between Blue Shield and that plan – approximately \$500 per month. Ultimately, however, the PEC overwhelmingly preferred to institute an across the board payment for Delta Dental. The pre-tax contribution starting July 1, 2011 will be:

\$5 for medically single employees
\$10 for employees +1 dependent
\$15 for employees +2 or more dependents

The PEC decision was based upon the conclusion that the impact of the City Plan Option on medically single employees was simply too severe. The PEC continues to believe that steps must be taken to deal with the escalating costs of health care in general and the City Plan in particular. The City will continue to offer two other dental plans at no charge to employees.

In a related development, the HSS Board voted to expand dental coverage to include dental implants and a third cleaning during pregnancy. More information about HSS open enrollment is contained elsewhere in this newsletter.

Health Service System Board Election Underway

On May 15, 2011 a Health Service System Board seat will become vacant. An election will then be held pursuant to the Charter and the Administrative Code to select a candidate to fill a three-year term. The nominations period is Friday, January 14 through Monday, February 14, and you must be an active, retired or a qualified surviving spouse or domestic partner to be eligible to run. The election will be held May 13 to May 27 with ballots counted on May 31. Contact MEA or HSS for more information.

Health Service System Open Enrollment Info Coming in March

On January 13, 2011, the HSS Board voted on the medical, dental and vision plans for the coming plan year, which begins July 1, 2011. A rigorous competitive vendor review process has resulted in an overall average rate increase of 3.1%. (Individual premium contribution increases will vary depending upon your plan and number of people enrolled.)

Plan vendors for the 2011-2012 plan year will remain the same. Medical plans will be administered by Blue Shield of California, Kaiser Permanente and United Healthcare. Dental plans will be administered by Delta Dental and Pacific Union. And the vision plan remains with Vision Service Plan (VSP).

Watch your mail in March 2011 for your Open Enrollment packet, which will include information about plan benefit changes and new premium contribution rates, which take effect July 1, 2011.

SF Superior Court Faces Massive Budget Deficit for FY 11-12

Negotiated concessions at the Superior Court that successfully closed a \$1.23 million mid-year budget gap in FY 10-11 are in danger of being subsumed by an anticipated budget deficit of \$15.24 million in FY 11-12. This bad news is coupled with a recommendation from the Legislative Analyst Office to cut statewide trial court funding for the next fiscal year, which would result in an additional \$7.5 million shortfall to the SF Court's Budget for FY 11-12. Faced with this catastrophic deficit and no more reserves to draw upon, the Court would be forced to lay off 250 staff members, on top of the 100 vacancies the Court has been carrying since it imposed a hiring freeze in April 2009. Representatives from the Court are doing all they can to ensure that decision-makers in Sacramento are made aware that this proposed budget cut would render Court operations unsustainable. Legislative budget hearings on statewide funding of the trial courts are scheduled for February 10. As the budget situation continues, we will provide further updates.

Supplemental Allocation to SFMTA Training Fund for FY 10-11

As reported in the January 2011 Newsletter, the \$20,000 allocated for management training at SFMTA in 2010-2011 was completely depleted. The MEA Board has voted to supplement the fund for this fiscal year with unused carry-over funds from prior fiscal years. If you if you are an MEA represented manager at MTA and had submitted a request for training and or equipment and were denied based on the depletion of funds, please resubmit your request. Additionally, you should not assume reimbursement for training or equipment requests and should always submit a request for pre-approval prior to expending funds in order to confirm the availability of funds for reimbursement.

MEA Board News

MEA Board Member Neal Taniguchi will be joining the San Mateo County Superior Court as Finance Director. We thank him for his service and wish him well in his new position. The Board is currently accepting applicants for the open seat. Interested MEA members should express that interest via email to staff@sfmea.com with Board Vacancy in the subject line.

MEA Focus Group Scheduled for SFHA and Court Members

In our ongoing effort to define and implement a vision for the future, MEA has scheduled a focus group for members from the San Francisco Housing Authority (SFHA) and Court on Wednesday, February 23. The scheduled time and location is 5 – 6:30 pm at the Flood Building, 870 Market Street, Suite 365. Food will be provided. If you are interested in participating, please contact our office at staff@sfmea.com and note "focus groups" in the subject line.

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.

MEA Board:

Eileen Hirst, President
David German, VP
Cheryl Austin, Secretary

Mary Fitzpatrick, Treasurer
Rafael Centeno
Mark Culkins
Martha Knudzen

Sharyn Saslafsky
Matt Smyth
Bob Thomas

Staff:

Rebecca Rhine
Raquel Silva

Municipal Executives' Association at 870 Market Street, Suite 840, San Francisco, CA 94102
Phone: (415) 989-7244 Fax: (415) 989-7077 Email: staff@sfmea.com Website: <http://www.sfmea.com>