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MEA NEWSLETTER - May 2008

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MEA Managers Choose to Lead in Discussion Around Budget Deficit: As the deadline for a balanced budget draws closer, MEA members at a well-attended membership meeting on May 19 made the difficult decision to put the city's interests above their own and agree to two years of unpaid furloughs and a one-year deferral of B&C funding. The agreement, which preserves wage increases scheduled to go into effect in June and December of 2008, allows for "smoothing" the cost of the five days annually over the entire year and converts those days into additional floating holidays with expanded carryover capacity. The mechanics are still being worked out and those details will be disseminated as soon as possible. The sense of those present was that giving up something in order to protect city services and minimize layoffs among city employees was the correct course of action. Frustration with the City's repeated episodes of agreeing to terms and conditions during bargaining only to request modifications during the term of the agreement was high. Interest in and support for MEA's ongoing initiative seeking comprehensive reform of the structural deficit was even higher.

CCSF Budget Crisis Timeline:

- December 17, 2007: Open requisitions cancelled.
- December 17, 2007: Mayor issues the first of a number of directives to cut costs in numerous areas including overtime, bonuses, travel and premium pay.
- January 2008: 5-8% in cuts requested from departments.
- January 10, 2008: Unions are presented with preliminary budget information that indicates a \$229 million shortfall in the City's budget for 08-09 and \$118 million in 09-10.
- March 18, 2008: Additional 8% in cuts requested from departments.
- March 27, 2008: After incorporating the State's budget numbers the shortfall is now estimated to be \$338 million in 08-09.
- April 2, 2008: Mayor announces elimination of 301 vacant city positions of which two are in the MEA bargaining unit.
- April 7, 2008: MEA members meet to begin their own process of seeking solutions to both the short-term deficit and long-term structural budget problem.
- April 22, 2008: Mayor Newsom requests labor contract reductions citywide in a letter to all the city's employee organizations.
- April 28, 2008: MEA responds to the city's request and agrees to meet and discuss.
- May 2, 2008: MEA meets with the city to begin discussion of short-term options. City notes that some layoffs are inevitable (approximately 300) but without relief, they will be significant (700-1200 additional). Based upon cuts already made or formulated, the

2008-2009 deficit is now approximately \$175 million. The deficit for 2009-2010 is projected to be approximately \$112 million.

- May 2, 2008: MEA sub-committee meets with Management Partner's to begin translating the ideas from the April 7 brainstorm session into a White Paper with detailed recommendations.
- May 13, 2008: MEA and city have follow up meeting on "ask" of MEA. City identifies problem as a "2-year problem" for which it is now asking unions to spread concessions over 2 years. City asks most highly compensated employees to do more.

ASK: 5% over two years. 5 unpaid furlough days in both 08-09 and 09-10 – 2% each year. Defer further B&C allocations to 09-10 (skipping 08-09) with funding intact – 1%.

MEA: June and December 2008 pay raises must be implemented
 B&C money allocated in March 2008 must be paid out
 Unpaid furlough days must be converted into "floating holidays" with expanded carryover
 Economic impact of unpaid furlough days must be "smoothed out."
 MEA member's work on the underlying budget issue must be incorporated into a process that includes the Mayor's office and the Board of Supervisors prior to next years' budget process.
 Layoffs must be minimized.

Budget Reform Initiative – The Process Continues: In stepping forward to give back, MEA managers have once again proven their dedication to the city and its programs. That dedication extends to the process currently underway where MEA is taking the ideas generated by its members and translating them into a roadmap for structural budget reform. Next step in that process is comprehensive surveys and focus groups of members along with benchmarking research. Ultimately, the intent is to work with the Mayor, the Board of Supervisors and the community to create a budgeting template that reflects the city's values, protects core services, acknowledges economic reality and allows for a stable budget process from year to year. It seems daunting but MEA managers have concluded that the alternative – constant uncertainty and upheaval – is much worse. If you want to be part of this initiative please make sure we have your home email address on file at the office.

PROPOSITION B Retiree Health Care/Pension Reform – MEA Phone Banking

Please sign-up to phone bank with fellow MEA members on **Thursday, May 29 from 5:30pm – 8:30pm**. We'll even feed you while you encourage the voters to vote **YES** on a measure that represents good public policy that is good for public employees.

Where: SEIU Offices at 350 Rhode Island (Kansas St between 16th and 17th)

For more information or to RSVP please contact: Raquel Silva at Raquel@sfmea.com or (415) 989-7244

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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