

LOCAL 21 CITYLINE



Union news for
PROFESSIONAL,
TECHNICAL &
ADMINISTRATIVE
EMPLOYEES
LOCAL 21, IFPTE | AFL-CIO
San Francisco



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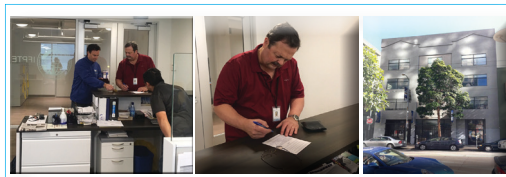
Local 21 has a working committee on ways to make the process easier. If you would like to participate, feel free to contact the staff Representative/Organizer, Paul Kim, pkim@ifpte21.org. Download our full EDF Resource Guide in the Member Resources drop-down menu or by clicking <http://www.ifpte21.org/content/edf-resource-guide>



HAPPY HOLIDAYS FROM L21 OFFICERS AND STAFF!

We wish all Local 21 members, their friends and families a wonderful holiday season. We encourage you to take time off, put your phones away and enjoy time and conversations with all those close to you. 2016 looks like it will be another excellent year following the year ending with a larger Union than ever. We negotiated excellent contracts and wage increases. As always we thank you for your support and engagement. Watch for open house details for our new SF Headquarters in January.

NEW MEMBER WELCOMED IN NEW L21 HEADQUARTERS



Local 21 is growing by the day. Part of this growth is due to more than 500 City employees who have signed up for full union membership over the last 5 months. It takes less than 5 minutes to sign up for membership online here: <http://www.ifpte21.org/JoinLocal21>

Local 21 member Matt Greco recently brought a co-worker into the union office to have them sign a membership card.

"I brought this to his attention because many co-workers think they are Local 21 members when they are not", Greco explained. "A lot of people are missing out because they don't actually become full members. I think it's important that people sign up to become members and it adds to our leverage at the bargaining table when as a union we can show a large membership base."

By becoming a Local 21 member, you can vote on the contract, receive union communications, attend monthly membership meetings, vote and run for union office, and gain access to special Union Plus discounts: <http://www.ifpte21.org/content/union-plus-discounts>

Tell your co-workers to sign up for Union membership online: <http://www.ifpte21.org/JoinLocal21> Once they have signed up, they'll promptly receive a new L21 member packet in the mail, followed by L21 newsletters and invitations to Chapter meetings.

LOCAL 21 AND PEC STAND UP FOR PENSION INTEGRITY

On Wednesday, December 9, at the start of their meeting, the San Francisco Retirement Board removed the controversial Down Payment Assistance Loan Program (DALP) from their agenda. DALP is a Mayor's Office of Housing program. They are proposing to sell the loan portfolio to the Retirement Board, claiming it is a good, safe investment for the Pension Board and, at the same time, will assist the Mayor's office to fund additional mortgages in response to the housing crisis in San Francisco. Almost every one of the largest City employee unions represented by the Public Employee Committee, including Local 21, lined up at the meeting to speak out in opposition to the proposal.

Local 21 leaders are very sensitive to the housing challenge; we realize that city employees are impacted by it as well, and we care about preserving our unique San Francisco culture. Many City employees are being forced out of San Francisco.

And we are not opposed to innovation. To the contrary, we fully support forward-thinking efforts to join complementary agendas, given that appropriate safeguards are met. However, the DALP proposal has not been through the same review process that Retirement staff and consultants typically use to scrutinize other investment opportunities. While the Mayor's Office of Housing stands behind the program as a good investment opportunity for the Retirement System, their expertise is housing, not pension fund investment. Moreover, the push from the Mayor's office is taking on a political air, which we find particularly disturbing. Insiders say Retirement Board Member Victor Makras, a mayoral appointee, was the person pushing hardest for an up-or-down vote on the DALP program. Given Makras' work in Bay Area real estate development, people are beginning to wonder why he is pushing for DALP, speculating on the possibility of a conflict of interest.

In 2010, during the deepest part of the recession, the SFERS lost billions of dollars. Pension "reform" warriors here in San Francisco and throughout the country were predicting doom and gloom beyond the factual depth of the problem to support drastic cuts to public employee pensions, and in some cases, the complete elimination of any defined benefit guarantees. SF City Public Defender Jeff Adachi developed and sponsored Prop B, one such ballot measure that all of labor joined together to defeat. In response, we helped develop a second ballot measure, Prop C, that made changes – re-

POLITICAL ACTION

LOCAL 21 endorses the re-election of Joe Driscoll to the San Francisco Retirement Board. See our regularly updated Election Endorsements here:

<http://www.ifpte21.org/content/political-action>

To get involved in our political campaigns, please email Political and Policy Director Rachel Richman at rrichman@ifpte21.org

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ducing benefits for new employees and increasing contributions from all employees and the City – to be responsive to the real, factual problems caused by the downturn. All Local 21 members, along with all other City employees and the City itself, ended up paying more for their pensions. We were willing to do so because it was necessary to strengthen and preserve our pension program. The new contribution rates “float” and the hope was that the increased rates would eventually return closer to the pre-recession rates as the economy improved, adding income back for our members.

The challenge for all us given the “float” structure is to be diligent about monitoring the Retirement Board and standing up strongly for the integrity of all investment choices so they are socially responsible and maximize returns.

L21 PUSHING FOR SMALLER SFERS CONTRIBUTIONS

When Prop C was conceptualized and placed on the ballot with broad union support in 2011, we believed that employee contribution rates would decline in the 2016-2017 fiscal year.

Despite major issues facing the San Francisco Retirement System (SFERS), most of which were not known at the time of the election, we still believe that rates should come down next year.

Specifically, there are three major issues which have materialized over the past couple of years. They could have major impacts on the funding levels of the system.

First was the decision of the SFERS Board to lower the investment return projections from 7.75% to 7.5%. While a quarter-percent reduction may not seem like a major issue, with such a large pool of money, even the slightest change can have major impacts. While the stock market has performed fairly well over the past couple of years, there are concerns that a cooling market could have further impacts on the funding status of the fund.

Secondly, a group of retirees sued the City over a change to the supplemental Cost of Living Adjustment (COLA) that linked the COLA to the overall funding status of the system. While this was an issue during the creation and passage of Prop C, we believe that such payments should only be made when the market is performing well and the fund is healthy. The courts disagreed, stating that a well performing market was all that was needed to fulfill the promise of the supplemental COLA at the time – regardless of the plan’s funding status.

Lastly, a new demographic study has been completed, which shows that retirees are living longer. While this is certainly good news for our members and retirees, it does impact the pension fund in that the actuarial assumptions for the lifetime payout per employee are extended, thus requiring more funds to cover the ‘average’ retiree. Recently, however, the SFERS Board came up with slightly lower numbers

when looking at just public employees.

These three issues, when combined, could have significant impacts on the fund. We believe that there needs to be a thorough examination of each issue and a robust discussion of policy and fiscal options to address each issue. We have been engaged in conversations with the Retirement System and the City Hall. Most recently, Commissioner Brian Stansbury met with the Chapter Presidents’ Advisory Council’s Retirement Committee at the L21 office to discuss how SFERS is pushing for creative solutions that limit impacts on employees.

But ultimately, despite these issues, we believe the employee contribution rates should come down by next year, and we are willing to work with the City to ensure that this is happening.

U/CRC QUARTERLY MEETING UPDATE

The quarterly Union/City Relations Committee meeting between Local 21 and the Department of Human Resources took place in November. Attending on behalf of L21 were Gus Vallejo, SF Vice President, Moses Corrette, Planners Chapter President, Tedman Lee, Professional Engineers Chapter President and several Local 21 staff.

EDF Issues: As has been the case too often the last few years, most of the time was spent discussing Employee Development Fund (EDF) problems and concerns. Both Corrette and Lee are on L21’s EDF subcommittee, tasked with improving members’ experiences with the EDF program and auditing the City’s use of the \$750,000 in EDF funds that L21 negotiated in the last contract. Corrette prepared a thorough review of the usage records of the last fiscal year, and posed a series of questions to DHR about vague documentation corresponding to employees’ applications, and we are expecting a response shortly.

Local 21 knows that many members are experiencing a variety of problems with their EDF reimbursements including being required to provide an unprecedented level of documentation, only to have their reimbursements ultimately rejected by DHR, even after receiving proper pre-approval from their departments. L21 is currently challenging these unreasonable practices through a grievance. If you are having similar EDF problems, contact Local 21 at union21@ifpte21.org.

Big Brother: Local 21 Representatives requested a copy of all policies that govern how information collected about our members (including but not limited to GPS data, swipe card data, computer login information, video camera footage, etc.) is stored, accessed and used, pursuant to several related member inquiries. After the meeting, we heard from DHR that the City does not appear to have any written policies on these issues, which seems a bit hard to believe for an employer with almost 30,000 employees. Our next meeting will take place in March 2016.