

ON TAP LOCAL 2019 UNION NEWS

FIGHTING FOR OUR JOBS

FEBRUARY 2005

President's Message

Two years in the woodshed (a jay morgan reality show)

We need your home email addresses to prepare for the 2007 contract negotiations and for our AFSCME battles this year in Sacramento regarding Arnold Schwarzenegger's attacks on our defined benefit pension plan and Arnold's desire to allow no strings attached contracting out at public agencies (which in a worst case scenario could reduce EBMUD's staffing to the senior management team and a few dozen project managers/contract administrators).

There are legal limits to what Local 2019 can communicate to you via District-owned email. We will definitely be asking for several of you to head up to Sacramento for lobbying efforts to protect our jobs and retirement. We will be definitely asking you to provide input and mobilization during the 2007 negotiations which are only 22 months away. The most effective way to carry out rapid communication is through private email channels. Please go to the Local 2019 website at www.afscme2019.org, click on the Contact Us option in the yellow field and give us your private email address. We will not give this email address to any other organization.

Effective March 1, the District will be monitoring internet usage by all employees. (Court decisions and existing law give them the right to do this.) Their main focus is to prevent people from going to pornographic sites, and they will use sophisticated software to track hits on illicit sites.

(Continued on page 2)

The General Membership meetings are held on the 3rd Tuesday of every month.

Next General Membership Meeting:

Tuesday, March 15, 2005 - 5:30PM, NAB, Large TRC Administration Building – Training Resource Center

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AFSCME
in the public service

President's Message (cont.)

Sites related to gambling and illegal drugs will also be prohibited. Local 2019 has scheduled a follow up meeting with Human Resources in April to make sure the system isn't resulting in false positives or disparate treatment.

Local 2019 and EBMUD are at impasse over the implementation of the Customer Services Integration Project (CSIP) based on the Yarra Valley Melbourne Australia <http://www.yvw.com.au/> business model. Senior management claims only technological changes have taken place as a result of the new system and the Customer Service Representatives (CSRs) in the new Contact Center are not doing additional or more complex work. Local 2019 has argued that the ~30 CSRs, among the lowest paid of District employees who have the extra misfortune of being in one of the most stressful and unsympathetic work groups, are doing the work of 8 additional departments on top of their traditional bill and payment tasks. Senior management is unwilling to spend \$60,000 a year on direct labor costs (which would be divided by the group of 30) in acknowledgement of the reality of the more difficult work duties as a result of the CSIP. A state mediator has been called in to do shuttle negotiations between the 2 sides.

Finally, the Executive Boards of Locals 444 and 2019 will be meeting in March to set an agenda for a joint meeting of the 1,400 workers of both unions. Probable topics for this special meeting, which would be nonbinding in terms of making and passing motions, would be the 2007 contract negotiations, the concept of a merger between the 2 unions, and timing options for an attempted merger if desired vis-à-vis 2007.

In Solidarity,
Jay Morgan

Did you know...?

...that the District is going to sharply increase its monitoring of employees' Internet usage? Big Brother will train his eye on you starting March 1st.

...that high school students are eligible for labor-based college scholarships? The California Labor Federation is announcing its 55th annual scholarship competition. High school seniors who are graduating in June 2005 and who plan to attend an accredited college or university are eligible. A reference sheet and application form can be found on the following website at www.calaborfed.org/Scholarship2005.htm.

Interested candidates must submit a completed application form, a sealed copy of their transcript, and an essay of no more than 1000 words on the topic found on the application form. The deadline for submission of all materials is April 15, 2005.

If you have any questions, leave a message on the scholarship hotline at 510-663-4026.

California Public Employees Under Attack

We have seen the beginning stages of an organized attack on public employees. These initiatives were submitted to the Attorney General's office and are positioned to appear on the special election Schwarzenegger will likely call in early summer:

“The Fair Competition and Taxpayer Savings Act” – would prevent the Legislature from encroaching on the rights of schools, cities, counties, transit districts, and other public agencies from contracting with private enterprises to perform public services.

“The Fiscally Responsible Public Employee Retirement Act” – would prohibit all public agencies from having a defined benefit retirement plan for new employees and would only allow new employees to enroll in a defined contribution plan. It also allows existing employees to transfer into the defined contribution plan for a period of 6 months.

“The Public Employees’ Right to Approve Use of Union Dues for Political Campaign Purposes Act” - a rehash of Proposition 226 from 1998, would make a public employee labor union get written permission from their members if it wants to use any of their dues, agency shop fees, or any other fees paid by members, or individuals who are not members, to support political activities.

“The Repealing of Prop 63, Mental Health Services Act” - would repeal Prop 63, the Mental Health Services Act, passed in November 2004.

Governor Schwarzenegger, in his State of the State address, called for a special session of the legislature to focus on his reform agenda, which is an attack on working families and core democratic values. He will propose constitutional amendments to focus on four main areas:

Reforming the State's budget process by implementing a spending cap.

Reforming the pension systems for future government employees by changing from a defined benefit to a defined contribution plan.

Reforming education by proposing that teacher pay be tied to merit.

Reforming the process of drawing California's legislative, congressional, and Board of Equalization districts by having a so-called “independent” panel of retired judges determine California's legislative and congressional districts.

Written by Willie L. Pelote, Sr., Chief Lobbyist for AFSCME Local 2019 in Sacramento

Pension Privatization?

Privatizing Pensions Will Cost State More, Hurt Public Services

Under a proposal by Assemblyman Keith Richman, Californians could see pension costs rise and benefits fall. ACA 5 would scrap current pension plans for all public employees including teachers, firefighters, police, nurses, school and local employees, forcing all new employees into a 401(k) style, defined contribution (DC) plan, run by private, for-profit investment companies.

Pension experts at the California Public Employees Retirement System (CalPERS) note that this proposal will not help balance the state budget, and in fact will cost the state more to set up and run new defined contribution plans. “Converting to defined contribution plans will require the state to pay start-up costs, while continuing to pay the costs of running defined benefit plans for existing employees” said Pat Macht of CalPERS. “The unfunded liability will only get bigger, causing the state to pay more at a time when we already face an \$8 billion budget deficit.”

The average state employee retires at age 60, with 19.5 years of service, and a benefit of \$1,673.82 a month. “Can you imagine how this is going to impact hiring and recruiting procedures for public agencies”?, said George Cleveland, EBMUD employee and AFSCME Local 2019 shop steward. “Who would want to work for a company that ties its retirement package to the volatile animal that is Wall Street?”

Administrative costs for defined contribution plans average 2% of assets, compared to .18% for defined benefit plans. Typically, 80 cents of each dollar in defined benefit plans are spent on benefits, compared to 50 cents of each dollar in defined contribution plans. “This is a bad idea,” said George Cleveland. “Why should we allow Wall Street financiers to have control of our pensions? Those folks make enough money as it is; there’s no need for public employees to help make them even wealthier.”

ACA 5 is opposed by public employers as well as employees. Both know that salaries in the public sector cannot compete with the private sector, and quality benefits are vital to recruiting and retaining workers to teach our children, keep our homes and streets safe, and monitor the water we drink and air we breathe.

Written by Michelle Gilliam of AFSCME California

Pensions Myths and Facts

Defined Benefit (DB) vs. Defined Contribution (DC) Retirement Plans

Myth: Defined Contribution Plans are cheaper to administer.

Fact: Administrative costs of DC plans are higher than DB plans. The average administrative cost for a DC plan is 2% of assets, compared to .18% for DB plans. Typically in a DC plan 50 cents of each one dollar is spent on benefits; in a DB plan 80 cents of each one dollar is spent on benefits.

Myth: The state and local governments will save money by changing to a DC plan.

Fact: The conversion to DC plans will **cost** the state and local government money. They will have to pay start-up costs to set up DC plans, while still bearing all the costs of running the DB plan for existing employees. They must also pay the unfunded liability for existing employees. Stopping all new entrants into the DB plan eliminates the continuous flow of younger members used to fund benefits. The state and local governments will have to pay more as DB plan members get older and retire, and will also incur costs to train employees on how to invest funds. Changing to DC plans will result in greater costs to the state and local governments and bigger budget deficits.

Myth: Employees do better under DC plans than under DB plans.

Fact: Numerous studies show that employees fare far worse under DC plans due to lack of investment experience, high fees and administrative costs, and underperformance in down markets. DC plans provide no protection against inflation, no disability benefits, and no death benefits. A study by Dalbar found that the average stock fund investor had a 5% annual gain from 1984-2000, while the S&P stock index had an average gain of 16% over the same period.

According to Watson Wyatt Worldwide, DB plans outperform DC plans in down markets. The bottom line is, DC plans require employees to gamble 100% of their retirement nest egg in the market and force taxpayers to bail them out.

Myth: Public employees receive excessively high retirement benefits.

Fact: The average state pension is \$1,673.82 per month for a worker at age 60, with 19.5 years of service. DC plans will reduce the advantage of public sector retirement and make it hard to recruit and retain skilled workers.

Information provided by Michelle Gilliam of AFSMCE California

AFSCME Political Rebate

As April 15th begins looming ahead, we all begin our yearly gathering of receipts, statements and documents, wanting to make sure we don't miss a single deduction. But April 15th is not only the deadline for the IRS; it is also the deadline for requesting your political rebate from AFSCME. Yes, I know the process can appear to be complicated at first. And I know the rebates are slow to come (I still haven't received mine from 2019 for last year!) But its your money, you're entitled to it, and if you feel that it not being used in your best interest, you have a moral obligation to request it back.

As members of 2019 we are united in our common goals of improved working conditions, a safe and secure workplace and equitable treatment by Management. We do not need the divisiveness that comes from forced participation in partisan political activities.

Note that I am not saying political action is a bad thing. It is absolutely necessary for our welfare as a Country and as a Labor Union. One of my favorite websites is: <http://www.leginfo.ca.gov/bilinfo.html> where one can find and follow the Bills that are moving through the California Legislature. I encourage you to pay attention to what is going on in Sacramento; it is in your best interest. Then take action.

But I don't want anyone to forcefully take my union dues and use it to promote a political agenda. Any political agenda. I know the argument will be made that "its in your best interest". Maybe I am just stubborn, but I firmly believe that I am the one to best determine what's in my "best interest". If you want my money for political purposes, you need to ask. Politely.

You can find the AFSCME rebate procedure at:

http://www.afscme.org/publications/public_employee/2005/pejf0522.htm

Or just go to the AFSCME website, click on "search" and type in the word "rebate". If you want more information, contact me at khangman@sbcglobal.net (put 2019 in the subject line).

Kevin Hangman

Recommendations for Improvements

EBMUD is well known for innovative improvements in water and wastewater treatment, energy production, water conservation strategies, reclaimed water usage, and joint regional water delivery systems. Let's face it—we're good.

Most of these changes were incremental improvements or extensions of currently existing systems. There is, however, a downside to improving business practices through incremental changes. Let's take an example from the cowboys operating the cattle leases on watershed lands surrounding our reservoirs.

When cowboys, known for their practicality and lack of vision, discover that their horse is dead, they simply dismount. A bureaucracy like ours, committed to incremental improvement and change, wouldn't give up that easily. Putting its best and most creative management minds to work, it would try many potentially viable options before simply walking away from the problem:

1. Buying a stronger whip
2. Changing riders
3. Appointing a committee to study the horse
4. Arranging to visit other countries to see how other cultures ride horses
5. Lowering the standards so dead horses can be included
6. Re-classifying the dead horse as "living impaired"
7. Hiring outside contractors to study or ride the dead horse
8. Harnessing several dead horses together to increase their speed
9. Providing additional funding or training to increase the dead horse's performance
10. Doing a productivity study to see if lighter riders would improve the dead horse's performance
11. Declaring that the dead horse contributes substantially more to the District's bottom line than live horses because it carries lower overhead and no longer gets overtime meals. (The arbitrary denial of stand-by pay is being grieved)
12. Re-writing the expected performance requirements for *all* horses
13. Promoting the dead horse to a supervisory position.

That's the difference between an average, shortsighted cowboy and a great public agency. And that's why we need an employee excellence program—to reward the large variety of creative ideas that make life at EBMUD so entertaining.

Submitted by "Cowboy Critics Anonymous"

AFSCME Local 2019

Our Mission

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E-mail:



AFSCME
In the Public Service.

Visit us on the web at
WWW.AFSCME2019.ORG

To promote the welfare of the membership and to provide a voice in the determination of the terms and conditions of employment. We are committed to the process of collective bargaining as the most desirable, democratic, and effective method to achieve this. Both as union members and as citizens, we shall employ available legislative and political action.

To unite the Clerical, Technical, Service and Inspection, and Professional employees of EBMUD into a single cohesive labor union.

DISCLAIMER: Any opinion expressed by a contributor about a controversial subject is to be considered his/her own personal opinion, not the opinion of Local 2019 as a whole and should not be considered as an endorsement.

Upcoming Events

The Executive Board meetings are normally held on the 1st Thursday of every month.

**Next Executive Board Meeting: Thursday, March 3,
5:30PM, NAB, Conference Room 7A/B**