



Mail Handlers Local Union No. 323

1602 Selby Ave., Suite 5 St. Paul, MN 55104
(651) 646-2827 Fax (651) 646-0991 Local323@ix.netcom.com

Minutes of the Local Union 323 Executive Board Meeting ST. PAUL, MN March 28, 2013

Jeff Larsen

Local President

Kathy Schultz

Vice President

Dean Abatte

Recording Secretary

John Frey

Treasurer

State Executive

Board Members

Shane Ryden

Minnesota

Brock Engstrom

North Dakota

Branch Presidents

Dean Abatte

Minneapolis

Gerald LaBarre

St. Paul

Mike Straiton

BMC

Gary Tollefsrud

Fargo

Local President Jeff Larsen called the Executive Board to order at 11:28 a.m. Roll call was taken by Recording Secretary Dean Abatte.

IN ATTENDANCE:

Local President: Jeff Larsen

Vice President: Kathleen Schultz

Recording Secretary: Dean Abatte

Treasurer: John Frey

MN State Representative: Shane Ryden

ND State Representative: Brock Engstrom

The Local Executive Board reviewed the previous meeting minutes from December 27th 2012. ND State Rep. Brock Engstrom motioned to accept the minutes and was seconded by MN State rep. Shane Ryden. There were no objections and the motion carried unanimously.

Local President Jeff Larsen reports: (see attached for full report)

- Fiscal year change
- Local 323 Dental Plan
- American Income Life Insurance
- Branch President's Meeting
- Semi- Annual Meeting of the Local Unions (SAMLU)
- Branch Activities
- Mankato Consolidation Status
- Saint Cloud Consolidation Status
- Duluth Consolidation Status
- Labor Management Meetings
- North Dakota Branch Issues

Upcoming Events:

- SAMLU – Apr 4th-6th
- St. Cloud Branch Meeting – May (TBD)
- General Membership Meeting – (TBD)
- Announcement of the 2013 Local 323 Scholarship - May

Local President Jeff Larsen submitted for review his Expense Report and Time Sheet. Vice President Kathleen Schultz moves to authorize the Local Presidents expenses for the time frame reported. MN State Rep. Shane Ryden seconded, motion carried unanimously.

Treasurer John Frey reports:

Treasurer John Frey submitted for review the Local's Profit and Loss Statement. MN State Rep. Shane Ryden motioned to authorize the expenses of the Local for the time frame enumerated. The motion was seconded by ND State Rep. Brock Engstrom, motion carried.

Next meeting is scheduled for June. Specific date (TBD)

President Larsen opens the floor for general discussion, comments, questions, hearing none, Vice President Kathy Schultz motions to adjourn the Local Executive Meeting.

Brock Engstrom seconds, Motion carries meeting adjourns at 12:53 pm.

Respectfully Submitted,

Dean Abatte
Recording Secretary Local 323
National Postal Mail Handlers Union

cc: Local Union Council
Branch Leaders
File



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March 28, 2013

Local President's Report

Local 323 Complement:

The current Local 323 career complement as of PP-04-13 is 631 (574 MN & 57 ND) with Membership at 574.

Local Activities:

- **Fiscal Year Change**

January 1st represents the beginning of a new fiscal year for Local 323. This triggers numerous activities which the Local Union must take in order to remain in compliance with the Uniform Local Union Constitution as well as with the various applicable laws and regulations. The initial phase begins with the issuance of W-2's to employees and 1099's to vendors for the previous fiscal year.

With respect to W-2's, the Officers and Representatives of Local 323 are required by law to be classified as employees. During the course of a year the Local Union must withhold Federal taxes, State taxes, Social Security, and Medicare from employee wages when issuing payroll. The Social Security and Medicare taxes must be matched by the Local Union. The W-2 form identifies the withholdings of each employee and must be mailed to each individual by the end of January. Subsequently, W-2's and a summary W-3 form are provided to the Social Security Administration. Copies of the W-2's are also mailed to the States in which employees reside. For the last several years Local 323 has been filing W-2's with the State of Minnesota electronically, while W-2's provided to other States are sent by mail.

The issuance of 1099's is a simpler task which involves providing a 1099 to vendors of professional services (e.g., attorneys, arbitrators, accountants, etc.) which have been paid \$600.00 or more during the course of the year. Similar to the W-2, these are mailed by the end of January. Afterwards, the 1099's and a summary 1096 form are filed with the IRS.

Jeff Larsen

Local President

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Vice President

Dean Abatte

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John Frey

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The issuance as well as filing of all items related to the W-2's and 1099's are handled internally. The accuracy of our filings is subsequently reviewed by the accountants during the annual audit.

That brings us to the second phase of activity, preparing for the annual audit. This involves the uploading of the company files from our accounting software to our accountants through their web site and assembling the documentation which will be examined during the audit. Providing our computerized files prior to the audit provides for a more thorough and expeditious process when our accountants come to the Local Office. Accountants from Legacy Professionals conducted the audit on February 25th and 26th.

The completion of the annual audit sets in motion the third phase of the fiscal year change. This involves filings with the Department of Labor, the IRS, and the States of Minnesota and North Dakota. These filings have specific dates by which they must be completed. The first due date is for the LM-2 form which must be filed with the Department of Labor by March 31st. In this regard, Local Treasurer John Frey and I completed this task by uploading our LM-2 to the Department of Labor web site on March 25th. Our additional filings with the IRS as well as the States aren't due until May 15th and some require that we provide copies to the governing body (the Local Executive Board) for any comments they may have prior to filing. As things are progressing well, I do not anticipate any problems as we move forward to ensure that Local 323 remains in compliance with all applicable laws and regulations.

The fourth and final aspect of the fiscal year change is oversight. That involves having Legacy Professionals attend a meeting of the Local Executive Board once everything has been completed. This provides the Local Executive Board with the oversight which not only ensures that Local 323 has completed all required filings, but also that all required filings have been completed correctly. This will occur during the second Local Executive Board meeting of the year.

- **Local 323 Dental Program**

The beginning of the year also marks the start of the enrollment period for the Local 323 Dental Program. Local 323 offers the Dental Program to the Regular Membership as well as Postal and Federal employees who chose to affiliate as Associate Members. During late January of each year the Local Union begins a process of billing Associate Members dues which are required to maintain eligibility for the program. That process is currently in its second round and it will be completed during the next couple months. I continue to serve as the plan administrator for this program.

- **American Income Life Insurance**

For many years Local 323 has been working with the Union insurance company American Income Life to provide a no cost accidental death and dismemberment benefit to our Membership. Our National President John Hegarty and LIUNA President Terry O’Sullivan both serve on the labor advisory board to this organization. What originally began as a \$1,000.00 benefit has increased over the years to the current amount of \$3,000.00. In order to ensure that the Membership is aware of the availability of this no cost benefit, a mailing will be sent to the Membership within the next month.

- **Branch President’s Meeting**

In late February I convened a meeting of the metro area Branch Presidents. The purpose of this meeting was to coordinate our efforts in implementing the 2011 National Agreement. This meeting was helpful in identifying and clarifying issues for current and future action. The sweeping changes made to several provisions of the new contract have raised many questions and has required us to seek some clarifications from the National Union. It has become clear that this will be an ongoing process and additional Branch President meetings will be scheduled if needed.

It should also be noted that during this meeting I reminded the Branch Presidents of the requirement to hold Branch as well as Steward meetings as outlined in the Constitution.

- **Semi-Annual Meeting of the Local Unions (SAMLU)**

The first SAMLU of 2013 is scheduled to be held from April 4th through the 6th in Las Vegas Nevada. This represents the first SAMLU since the announcement of the arbitration award setting the terms of the 2011 National Agreement. As such, the agenda is slated to include extensive discussions of the new contract as well as a training session regarding local negotiations. Several Local 323 representatives will be accompanying me to this SAMLU in order to facilitate implementation of the 2011 National Agreement and to prepare for local negotiations.

Branch Activities:

- **Rochester Consolidation Status**

The consolidation of mail processing operations from Rochester into the Saint Paul P&DC has been implemented and the Mail Handlers excessed from that facility have been reassigned to the NDC. This has resulted in significant cross craft grievance activity for Rochester Steward Jim Crawley and I have assigned MN State Executive Board Member Shane Ryden to assist with grievance processing. This appears likely to be an ongoing endeavor.

- **Mankato Consolidation Status**

Article 12 meetings continue to be held concerning the partial consolidation of the originating mail from Mankato into the Minneapolis P&DC. There is currently no definite date for this move; although, it is anticipated that it will occur in June or July. This event primarily impacts tour 3 operations and 3 Mail Handlers have been identified as excess to the needs of the installation. While this represents a partial consolidation, management has indicated that the Mankato installation remains identified for a full consolidation at some future date.

- **Saint Cloud Consolidation Status**

Article 12 meetings concerning a potential consolidation of Saint Cloud operations into the Minneapolis P&DC began in late February. These meetings were suspended when management indicated that no action regarding this facility would be taken during 2013. However, yesterday I was informed that Saint Cloud was back on the table for a partial consolidation similar to Mankato for some time around September. As this just occurred yesterday, I don't have any information other than Article 12 meetings will be resuming in late April.

- **Duluth Consolidation Status**

Like Saint Cloud, Article 12 meetings concerning a potential consolidation of Duluth operations into the Saint Paul P&DC began in late February. Again like Saint Cloud, these meetings were suspended when management indicated that no action regarding this facility would be taken during 2013. The Duluth consolidation remains in this status as of the date of this report.

- **Duluth Branch Meeting**

On March 16th Vice President Kathy Schultz and I were in Duluth for a Branch Meetings. The Members in Duluth expressed their frustration with both the uncertainty in the future of their facility and the current requirement to work significant (and often unwanted) hours of overtime.

- **Labor-Management Meetings**

I'm continuing to attend Labor-Management meetings in the Minneapolis, the NDC, and St. Paul Branches as my schedule permits. So far this year I've attended several monthly meetings at the NDC and numerous weekly meetings in Saint Paul.

- **North Dakota Branch Issues**

Grievance activity in the North Dakota Branches remains brisk. ND State Executive Board Member Brock Engstrom has been busy addressing issues in Bismarck, Grand Forks, and along with Branch President Gary Tollefsrud, in Fargo. The primary cause of these grievances appears to be inadequate staffing. At least, none of the North Dakota Branches are slated for consolidation.

Upcoming Events:

SAMLU – April 4th – 6th

Saint Cloud Branch Meeting – May (to be scheduled)

General Membership Meeting – May (to be scheduled)

Announcement of 2013 Local 323 Scholarship – May

Fraternally,

Jeff Larsen
Local President

cc: All Branches
File