



Mail Handlers Local Union No. 323

1602 Selby Ave., Suite 5 St. Paul, MN 55104
(651) 646-2827 Fax (651) 646-0991 LocalOffice@local323.org

Minutes of the Local Union 323 Executive Board Meeting ST. PAUL, MN October 10, 2018

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

NDC

Gary Tollefsrud

Fargo

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

Local President Jeff Larsen called the Executive Board to order at 10:09 a.m.

Review of the June 21, 2018 minutes. A motion was made to accept the minutes by NDSR Engstrom and 2nd by Treasurer Frey. Motion carried.

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

Local issues:

- Local Union Administration (HRSSC issues – New members pending)
- Contract Admin
- RI 399
- SAMLU
- Call for contract proposals
- Open season prep
- Local 323 Dental Plan

Branch Activities:

- Northland District Safety Committee
- Metro Area Facilities
- Labor management meetings

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

Review of the Local Presidents leave hours for 2018



Retirement letters: Disseminated and reviewed.

Committee of the future discussions:

- Convention costs

Postal Updates:

- President Trump's postal task force on Postal Reform
Possible release date after mid-terms
- S. Res. 633
- H. Res. 993

GAO

- Postal retiree health benefits unsustainable?
- Finances need to be addressed

Treasurer's report:

Local Treasurer John Frey submitted the Local's Balance Sheet and Profit and Loss Statements. NDSR Engstrom motioned to authorize the expenses of the Local Union for the time frame enumerated. The motion was seconded by Vice President Schultz, motion carried.

President Larsen opens the floor for general discussion, comments, questions.

NDSR Engstrom motions to adjourn the Local Executive Meeting.

The motion was seconded by VP Schultz. Meeting adjourned at 12:24 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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October 10, 2018

Local President's Report Local Executive Board

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Local 323 Complement:

The Local 323 career complement as of Pay Period 19-18 is 619 (544 MN & 75 ND) and the MHA complement is 108 (93 MN & 15 ND). Combined Membership is 648.

Local Issues:

- **Local Union Administration**

Since the last meeting of the Local Executive Board I have been continuing with computer upgrades in the Branch offices. Specifically, new computers have been installed in the St. Paul and Duluth Branches. There may be some additional upgrades necessary in the future; but for the most part, this may be it for 2018.

- **Contract Administration**

The conversion of MHAs continues moving forward since the cancellation of the Article 12 events earlier in the year. This process has not been without its pitfalls; however, the Representatives in each Branch are continually monitoring the situation in order to ensure that things keep moving along.

In addition, numerous grievances continue to be processed in all Branches covering the gamut of contractual issues.

- **Regional Instruction 399 Update**

In late June, the NPMHU, the APWU, and the USPS, reached an agreement to update the provisions of the RI 399 Dispute Resolution Procedures. This is the procedure which governs jurisdictional disputes between the Mail Handler craft and Clerk craft. Since the announcement of this update, I've participated in a couple of national teleconferences



and disseminated the information as well as materials to the respective Branches.

The updated process has been initiated in most installations; although, a couple of locations have yet to schedule meetings. I'm continuing to work at getting the process going in those locations. In addition, the updated agreement provides for training of the Representatives involved in the process. As of the date of this report, however, no schedule for this training has been finalized.

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

From August 13th through the 15th I was in Washington, DC, for the SAMLU. In light of all the recent activities, the agenda covered numerous topics. The issues covered included:

- An update on the financial condition of the USPS, including information from Q3 FY-18 reflecting a net loss of \$1.5 billion for the quarter, a net loss of \$3.4 billion for the first three quarters of 2018, and a total mail volume decline of 1.2%. The Postal Service is projecting an overall decline of 33% in mail volume over next ten years;
- A discussion concerning the Postal Rate Commission (PRC) Regulatory Review. The NPMHU has intervened in support of the Postal Service and filed comments with the PRC in support of elimination or at least greatly relaxing the rate cap;
- A discussion concerning the USPS Board of Governors. There are currently no Postal Governors besides the Postmaster General (PMG) and the Deputy PMG. President Trump has nominated three individuals for the Board and the NPMHU along with other Postal unions have been lobbying for other individuals to be nominated;
- A discussion regarding President Trump, Amazon and the Presidential Task Force on the Postal Service. The discussion centered on the Executive Order creating the Task Force that is charged with evaluating the operations and finances of the USPS covering topics such as pricing, USPS policies, workforce, and costs, as well as President Trump's incorrect contentions regarding companies like Amazon causing postal deficits.
- A discussion regarding the Office of Management and Budget (OMB) reorganization recommendations. In a June 21, 2018 report, OMB released a plan entitled "Reform Plan-and Reorganization Recommendations." Buried in the report is a Presidential plan to restructure the USPS into a "sustainable business model," and thereby prepare it for future conversion into a privately held corporation. In response to this report, the National Retail Foundation, the top retail group representing major retailers like Walmart and Target, has joined

with other businesses, including Amazon, to create the National Package Coalition, a lobbying group seeking to educate and give facts about the state of the USPS package business and to oppose privatization of the Postal Service;

- A discussion regarding the USPS Function 1 Scheduler, which has resulted in the Postal Service declaring 82 Installations as having Mail Handlers “excess to the needs of the Installation.” At one point there were more the 2,200 Full-Time Regular (FTR) Mail Handlers subject to the threat of excess. Through the efforts of our Regional Directors working in conjunction with Local Presidents, Branch Presidents and Stewards, the number of facilities and FTRs subject to impact has been reduced to 1 installation and 36 FTRs. The NPMHU requested copies of the Function 1 Scheduler Reports for each installation and ultimately filed charges with the National Labor Relations Board over the USPS' failure to provide this information. The Board investigated our charges and issued a complaint against the USPS, resulting in a settlement that produced most of the documents that the Union had requested;
- A discussion regarding the continued threat of closing and consolidations of Postal Installations;
- A discussion of critical issues pending in the U.S. Congress, including a status report on Congressional activity relative to possible postal reform legislation and bi-partisan support for potential legislation, and;
- The RI-399 Global Settlement. The NPMHU, APWU, and USPS have entered into a settlement that resolves most of the pending national disputes (except the disputes on the AFCS and SPSS) and provides for a “status quo” agreement on who was performing work in the installation on September 1, 2017. The agreement also requires the updating of existing inventories and/or development of new inventories in all installations, withdrawal of all disputes pending in the RI-399 process as of September 1, 2017, changes to the RI-399 procedure; and a financial settlement to the Members of the craft.

In addition, the report of the Contract Administration Department included.

- Implementation of the 2016 National Agreement;
- Wages under the 2016 National Agreement;
- Holiday Pay for MHA's;
- Article 34 Grievance on the F-1 Scheduler;
- Audio/Video Recording on Postal property;
- Small Parcel Sorting System (SPSS) update on National Arbitration Process;
- Flats Postal Automated Redirection System (FPARS);
- Automated Delivery Unit Sorter (ADUS);

- Revision to Management Instruction EL-110-2016-3 Administering EEO Official Time;
- Autonomous Guided Vehicles (AGV's);
- Revisions to EL-801 Supervisor's Safety Handbook;
- Cases Pending National Arbitration;
- Article 12 Task Force, and;
- Step 4 Appeals.

The last day of the SAMLU involved a round-table discussion regarding goals for the upcoming round of contract negotiations.

- **Call for Contract Proposals**

Recently the National Union issued the call for the submission of bargaining proposals. Bargaining begins significantly prior to the expiration of the National Agreement and is preceded by our preparations for bargaining. This allows Members from across the country to provide their input into the changes they would like to see in the future. The 2016 National Agreement expires on September 20, 2019.

Proposals can generally be separated into two categories. Economic proposals and work rules. Economic proposals consist of things such as general wage increases, cost of living adjustments, as well as work clothes and uniform allowances, while work rules consist of the contractual provisions that identify the rights of Mail Handlers on the work floor. This includes the composition of the workforce, hours of work, the selection of employees for overtime and holidays, the principles of seniority and bidding, leave provisions, the grievance procedure, and higher level assignments. In short, anything that is not an economic issue falls into the category of work rules.

Anyone who has been through this process before knows that our focus at the Local level will be on proposals to change work rule. The reason for this focus is that everyone knows that Mail Handlers desire a wage package which contains general wage increases and the continuation of COLA's.

Proposals must be submitted to the National Union by January 18, 2019, in order to be considered. You may submit your proposals directly to the National Union or through the Local Union. Any Member seeking assistance in formulating their proposal may contact me directly at the Local 323 office. In addition, we'll be discussing contract proposals at the upcoming Branch Meetings throughout the Local.

- **Open Season Preparations**

Local 323 is currently gearing up for another season of marketing the Mail Handlers Benefit Plan. Vice President Kathy Schultz recently attended this year's MHBP seminar and will be

sharing all the information she gleaned from this event with the other members of the marketing team.

- **Local 323 Dental Program**

Along with our preparations for open season, Local 323 is preparing to offer our Dental Program to the Regular Membership as well as Postal and Federal employees who chose to affiliate as Associate Members. Vice President Kathy Schultz and I will be meeting with HealthPartners later this week to discuss any changes to the plan as well as to determine a marketing strategy.

Branch Activities:

- **Northland District Safety Committee**

Local 323 has partnered with our fellow Postal Unions and Postal Management in the Northland District to look at issues related to safety. This program will focus on ensuring safe practices and will be implemented through the facilities in the District. Minneapolis Branch Member Daniel Ansa will be serving as the Local 323 Representative to this committee.

- **Metro Area Facilities**

I continue to be frequently in the metro area facilities for meetings, Representative support, and even some Member activities. Recently, I had the privilege of speaking at a retirement gathering held for Charlie Brown at the Minneapolis P&DC. Mr. Brown served the Minneapolis Branch as a Representative for more than two decades and will be missed by all. Congratulations Charlie.

- **Labor – Management Meetings**

Since the last meeting of the Local Executive Board I've been in attendance in numerous Labor – Management meetings at the St. Paul P&DC. I will continue my attendance at these meetings as time permits.

Upcoming Events:

Local 323 Dental Program Strategy Meeting – October 12th
St. Paul Branch Meeting – October 13th
NDC Branch Meeting – October 20th
Fargo Branch Meeting – October 27th
FEFA Retirement Seminars – November 11th & 13th
FEHB Open Season November 13th through December 11th

Fraternally,

Jeff Larsen
Local President

cc: All Branches
File