



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 June 27, 2019

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 10:31 a.m.

A review of the previous minutes from March 28th, 2019. A motion was made to amend the minutes to reflect NDSR Engstrom to be in attendance. MNSR Ryden 2nd, motion carried. A motion to accept the minutes as amended by Treasurer Frey and 2nd by NDSR Engstrom, motion carried.

The meeting opened with Legacy Professionals LLP certified public accountants. Copies of the audit were disseminated for all to review.

Managements recommendation letter

In the memorandum, Management Response:

The Executive Board has discussed the options concerning the Local obtaining the capabilities of preparing statements that would not require significant changes by the auditor. The Board has decided that it would not be cost beneficial to hire another employee to perform such a task or train current employees to be able to do so. The Board believes it is in the best interest of the Local to retain the auditing firm to prepare the Local's financial statements in conjunction with the year end audit.

Motion to accept Managements response was made by John Frey to accept Legacy's Managements Response and 2nd by Kathy Schultz. Motion carried.

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

- Local 323 Compliment

Local Issues

- Semi Annual Meeting of the Local Unions (SAMLU)
- District Labor Management Meeting
- American Income Life (AIL)
- Legislative conference
- Local Web Site
- Federal Employees First Alliance (FEFA) Retirement seminars
- MHA conversions
- Metro area picnic

Branch Activities:

- Mankato Branch Members event
- Branch Meetings
- LMM

American Income Life (AIL)

M4NP filing for 2016

Workers Comp. Ins.

- SFM – The work comp. experts

Record retention

- What to do with files and cases building up in each office. Decades of paper.

Presidents expense report

Local President Jeff Larsen submitted for review his Expense Report and Time Sheet. NDSR Engstrom moves to authorize the Local Presidents expenses for the time frame reported and was second by Recording Secretary Abatte. Motion carried.

Review of Local Presidents Leave Hours

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 Recording Secretary Abatte, motion carried.

Review of retirement checks

American Cancer Society Letter

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

Vice President Schultz motions to adjourn the Local Executive Meeting.

The motion was seconded by NDSR Engstrom. Meeting adjourned at 1:32 p.m.

Respectfully Submitted,

Dean Abatte
Recording Secretary Local 323
National Postal Mail Handlers Union

cc: **Local Union Council**
Branch Leaders
File



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June 27, 2019

Local President's Report

Local 323 Complement:

The Local 323 career complement as of Pay Period 12-19 is 625 (544 MN & 81 ND) and the MHA complement is 111 (97 MN & 13 ND). Combined Membership as of Pay Period 11-19 is 672.

Local Issues:

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

In late April I journeyed to Atlantic City, NJ, to attend the first SAMLU of 2019. I have chosen to describe this as a journey because it entailed flying into Philadelphia and then driving across New Jersey to Atlantic City. Regardless of the travel requirements, it was a worthwhile journey as this event addressed numerous important issues.

Of significance, was the report of National President Hogrogian concerning the current financial condition of the Postal Service. The Postal Service reported a net loss of \$1.5 billion for the 1st quarter of fiscal year 2019 and a net operational loss of \$103 million for the first quarter of this year. The most troubling aspect of the operational loss is that it occurred during what has historically been the most profitable quarter of the year. This period included the holiday mailing season and the midterm elections.

Turning to the issue of mail volume, it was reported that the parcel business continues to grow; although, at a greatly reduced rate of 5.4% in quarter 1 of 2019. It is also concerning that the rate of parcel growth has declined in four consecutive years from a 14.3% growth rate in 2015, 13.7% in 2016, 11.4% in 2017, and 6.5% in 2018. First-class mail continues to decline, and this is hurting the bottom line more than parcels are helping.

Additional discussions concerned the USPS Board of Governors, the Postal Rate Commission, the Presidential Task Force, and the Office of

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Management and Budget's reorganization recommendations. Regarding the Board of Governors, a discussion was held regarding the continuing threat of closings and consolidations. Considering a projected shortfall of \$125 billion over the next 10 years, the Board of Governors has directed the Postmaster General to develop a strategy to offset these losses.

A significant amount of time was spent discussing the upcoming round of negotiations as well as our strategies and objectives. The negotiations over the terms of the 2019 National Agreement commence on June 27th.

The meeting then turned to National Secretary Treasurer Hora for a detailed overview of the financial statements of the National Union.

The SAMLU also included reports from the Legislative Director, the Women's Committee, the Mail Handlers Benefit Plan, and the Contract Administration Department.

The final day involved the first of a two-part Leadership Training program. The second part of which will be held at the first SAMLU of 2020.

- **District Labor Management Meeting**

On May 14th I was in Minneapolis for the semi-annual Northland District Labor Management meeting. Also attending this meeting from Local 323 were Vice President Kathy Schultz, Recording Secretary - Minneapolis Branch President Dean Abatte, MN State Executive Board Member Shane Ryden, NDC Branch President Mike Straiton, and St. Paul Branch President Gerald LaBarre. Much of the discussion concerned the District's and USPS financial performance, mail delivery standards, safety, and upcoming changes.

- **American Income Life (AIL) - Accidental Death and Dismemberment**

On May 22nd I met with representatives of AIL to continue and expand the no cost accidental death and dismemberment benefit that we provide to our Membership. Local 323 has been working with American Income Life for close to 30 years to provide this benefit. Our initial benefit amount of \$1,000.00 has increased to \$3500.00 over the years. A change implemented this year allows our Membership to continue carrying this no cost benefit after retirement. The familiar mailing will be sent soon to inform newer Members of this benefit and to inform current Members of their post-retirement coverage.

- **Legislative Conference**

The 2019 NPMHU Legislative Conference was held the first week of June in Washington, DC. Mail Handler Representatives from across the country visited their Congressional Delegations to provide information and garner support on Postal issues.

Chief among these, of course, is the removal of the requirement that the Postal Service pre-fund the future health benefits of its retirees' decades into the future.

Recording Secretary and Minneapolis Branch President Dean Abatte, ND State Executive Board Member Brock Engstrom, and I, visited several Congressional offices to ensure that the voice of our Membership was heard on Capitol Hill. Pictures of the Local 323 team in action can be viewed found on the Local 323 web site.

Our visit to Capitol Hill seems to have been well timed considering some preliminary proposals in the Postmaster General's 10-year plan. Proposals concerning changes to retirement contributions, leave benefits, Medicare integration, and changing delivery frequency to 5-days, have recently been revealed. These things cannot be accomplished without Congressional action; so, the Postmaster General's 10-year plan is as much a legislative plan as a business plan. Certainly, we want to see the Postal Service on a sustainable path moving forward; however, we will oppose any effort to accomplish this by placing the burden on the back of our Membership.

- **Local Web Site**

Speaking of the Local web site, I continue working on updates to our web site. Recent additions include a page with information about the NPMHU Political Action Committee. Enrollment information for the PAC is also available. Moreover, and in addition to regular monthly updates, I'm currently working on adding the updated RI-399 inventories for each Branch to the Steward's Resource Center. This is one of those tasks which isn't particularly difficult or complex; just time consuming.

- **Federal Employees First Alliance (FEFA) Retirement Seminars**

Since the last meeting of the Local Executive Board several FEFA retirement seminars have been held in Local 323. In addition to the metro area, seminars were held for the first time in Fargo and St. Cloud. Feedback concerning these events continues to be positive. There are currently no seminars scheduled; however, I anticipate that we'll be working with FEFA on scheduling for later in the year.

- **MHA Conversions**

Branches in both States continue to make progress in the conversion of MHAs to regular. Recently, there have been some "advanced conversions" in the metro area. An

advanced conversion occurs when MHAs are converted directly to unassigned regular rather than into a residual duty assignment. The Branch Representatives are to be commended for their efforts in this regard. The newly converted regulars in all Branches are being slotted into regular schedule or selecting from residual duty assignments. This process is nearing completion as we continue working on the next batch.

- **Metro Area Picnic**

The Local 323 picnic was held on May 22nd at Como Park in St. Paul. This was held at a different location within the park and the spot worked well. Many people helped with the planning and implementation of this event. I would like to express my thanks to Dean Abatte, Kathy Schultz, John Frey, Shane Ryden, Jerry LaBarre, Jonta McPherson, and Eddie Yun, for their efforts in making this year's event a resounding success.

Branch Activities:

- **Mankato Branch Members Event**

On April 13th I attended a dinner held for the Members and guests of the Mankato Branch. Most of the Branch Members were in attendance and an evening of solidarity was enjoyed by all. The Local 323 Bylaws allows Branches of less than 100 Member to request funds to hold an annual social event. Any Branch interested in having an event should contact me at the Local 323 office.

- **Branch Meetings**

The day after my journey to Atlantic City, I journeyed to the great State of North Dakota for a meeting of the Fargo Branch. This meeting was held later in the day than usual; and, that resulted in better Membership turn out. Some of the topics discussed were, attendance, overtime, job postings, national negotiations, and grievance payouts. Membership involvement and good discussions made this trip an enjoyable journey.

On May 11th I attended a meeting of the NDC Branch in Eagan. This meeting was poorly attended and basically turned a Member chatting with 3 representatives.

On May 18th I attended a meeting of the St. Paul Branch. This meeting was better attended with many Representatives and several Members in attendance. Branch President LaBarre held discussions concerning the newly installed spider, higher level, annual leave, and 1.6 grievances. Discussions were productive and the St. Paul Branch Representatives continue to work hard addressing numerous issues.

All future metro area Branch Meetings will be held at the Local 323 office.

- **Labor – Management Meetings**

Since the last meeting of the Local Executive Board I've attended a couple Labor – Management meetings at the St. Paul P&DC.

Upcoming Events:

Opening of National Negotiations – June 27, 2019
SAMLU Washington, DC – September 30th – October 2nd

Fraternally,

Jeff Larsen
Local President

cc: All Branches
File