PROFESSIONAL VIEW
PEA'S NEWSLETTER FOR JANUARY--MARCH, 2003

FROM THE PRESIDENT

Now that the Professional Association's two negotiation committees have reached contract agreements with the School District and the City of Saint Paul I had hoped the executive committee might have some time, until the next round of negotiations are ready to start, to put our efforts into looking toward the future. I would like the executive committee to assess the long term goals (i.e. where should we focus our efforts during the next two to four years) and review and update the constitution and by-laws. We also should assess the training/educational needs of the stewards and executive committee. Unfortunately, the economy and the budgets of the State, School District and City are going to temporarily derail these efforts.

The negotiation process takes a tremendous amount of time from both the negotiation committee and the executive committee members. For those executive committee members who also serve on the negotiation committee the time commitment is compounded. The executive committee members not only have to continue their routine executive committee duties, but they must add numerous night negotiation meetings, conduct necessary research and analysis of contract proposals, attend negotiation meetings with the employer, pursue regular contacts with their members to ensure they are representing their interests at the negotiation table, as well as continue a host of other activities.

Last week, the week of March 10 through March 14, eleven (11) City employees who are PEA members were either laid-off, accepted transfers to other departments or were reduced in title and salary. None of these employees are particularly young nor are they new to their City careers. In fact, several employees are in their forties and fifties with up to 35 years of City experience. Unless you have experienced it, you can only imagine how devastating a job loss can be when you have spent 15, 20, 25 or even 35 years in your chosen career with the same employer and are told you are no longer needed by your employer.

The loss of a job, especially for an older employee, is extremely painful. For some people it can be a devastating moment. A job loss not only includes the loss of income but it can affect your self esteem and create emotional burdens upon other members within the family. Although I cannot fully identify with the loss of a job, I did experience the pain of a job reduction in 1992. Even though I was not laid off, my family and I, nevertheless, had to reconfigure our lives. We changed what we purchased, how we spent our leisure time, what we did for and with our children. We took on more work projects at home. We tried to make repairs to our car and house. Many times the perceived savings were obliterated when repairs had to be done a second time by a professional. It took almost three years for our family to get back on an even keel. I have seen the results of layoffs and reductions. Consequently I want to assure each member that PEA will do everything we can to ensure the City protects jobs, follows all of the required Civil Service lay-off rules and recall rights. We will also encourage the City to rehire laid-off workers as quickly as possible. Our business agent, Mike Wilde and I have contacted every PEA employee who has been laid-off , transferred or reduced in title. Based upon the conversations I had with these employees, I was surprised at the many years of service the laid-off PEA employees have worked for the City. It appears some of our most experienced employees are being laid-off. This is very disappointing. I am sorry the City hasn't done a better job of trying to eliminate positions that would not affect our long term employees. From someone like me who is on the outside looking in, it appears the goal of the budget cuts was to target experienced employees to save the most money.

If this is the City's policy it will have more harmful effects for the City and its citizens in the long term. Younger employees will not have senior employees to look to for advice and leadership. Experience must learned. Leadership must be earned. Losing experienced City employees will take years for recovery. If we don't remember the mistakes of the past we are condemned to repeat them. Ultimately, the citizens will pay for mistakes that could have been avoided.

As I write this article on March 18th, 2003, the Mayor indicated on March 3rd he intends to offer an additional $11,000,000 in cuts for 2003/2004. I have heard rumors from three or four other PEA members who have been told they may be in the next round of cuts. I am hoping there won't have to be any more employees who will have their lives turned upside down because of lay-off. For the past three to four weeks thoughts about those who were being laid-off have intruded in my thoughts at all hours of the day and night. I can see their faces so clearly and know that they each must be struggling with the impact the lay-off will have on their lives. I would ask that you remember your co-workers on lay-off and keep in touch with them, if possible.

I want to encourage each Professional Employee member, whether working for the City or the School District, to watch that new employees are not being hired to take the jobs of our laid-off members. In addition, please let us know if there are temporary employees or interns that are being kept on the payroll and performing the work of other City employees. We must be diligent in affording our members the protections provided by the contract and the Civil Service rules.

My hopes for a quick economic recovery go to each of you, and especially those employees who have been laid off. We want and need to hire back those employees who have become our friends and co-workers as soon as possible.

Steve Roy, President

THE CORNER

Submitted by Mike Wilde, Business Agent

The only thing constant is change. I've heard dozens of people talk about how much has changed since the late 1990's. When it comes to the economy it seems like it was only yesterday when unemployment rates were so low that both the City and the ISD were scrambling and struggling to fill vacancies. The Information Services department even needed to implement a pilot project to pay our technical professionals higher than scale because wage rates were not competitive. At the same time, some politicians boasted that the government needed to send money back to taxpayers because we were just too flush with good fortune. Despite all of the analogies to the household economics, its sad nobody thought to save for a rainy day. Well, the rains have come.

Layoffs have begun in the City. The first round of cuts directly affected nearly a dozen PEA members. Worse yet, we know a second round of cuts are fast approaching. Our labor contract has seniority protection that is better than many, but that doesn't help the employee who receives the "pink slip" and learns he or she has nowhere to bump. Some laid off members are relatively new employees and others are seasoned professionals with 25 or even 30 years of service.

Layoffs seem to be cyclical. I've been told that there were serious cuts in the early 1980's and, to a lesser degree, in 1994. That degree of infrequency leads to more confusion and questions than you might imagine for both employers and unions. Some of the questions it raised for PEA and the City related to forced retirement.

The City initially notified the laid off employees with 20 or more years of service that they would have to retire and begin drawing their PERA pension benefits. The City held the opinion that an employee separated from employment must draw on their pension in order to preserve the employer's contributions to retiree health insurance benefits. They reasoned that in order to collect retiree health insurance an employee must move directly from active employment into retirement so there was no lapse in coverage. Apparently a lapse in coverage is prohibited from the insurance carrier's requirements.

This approach was extremely harsh to our laid off members for several reasons. First, a retired person would be forced to waive his or her recall rights if there is any rehiring in the next two years. Second, a premature retirement before satisfying the Rule of 90 or reaching the age of 65 results in a permanent reduction in monthly pension benefits. The reduction equals 3.0% for every year you are short of age 65. Third, retirement would mean that a qualified employee forfeits the qualified unemployment benefits that are intended as a 26 week safety net for anyone who loses their employment. Fourth, retirement instead of layoff causes a laid off employee to also miss out on a .75% offset on their early retirement pension reduction that PERA grants following a layoff. Lastly, an employee forced into retirement surrenders the possibility of finding alternative public employment that would further increase their PERA account.

PEA called emergency meetings with the City's labor relations, human resources and risk management departments to address these problems. After scores of phone calls and two urgent meetings, we were finally able to negotiate a more

favorable arrangement. The laid off employees are now able to take the lay off instead of immediate retirement on the condition that they continue insurance coverage through COBRA laws for up to 18 months. This postpones the retirement decision for up to 18 months and will avoid up to 5.25% of the early retirement pension reduction that they would otherwise suffer.

There are no advantages to being laid off. But PEA hopes this minimizes some of the economic disadvantages and gives our laid off members more options for their future.

ARTICLE 23

Submitted by Jamel Anderson, Parks/Office Steward

I have read and heard over and again that change is the only constant in life on this earth. During this time of budget deficits, budget cuts, layoffs, and reorganization, I hope the every PEA member affected will utilize the resources and services provided by their Association. I can think of only one other issue that has captured some attention in my section. I am referring to the issue of payment or reimbursement of professional licensure recertification education costs.

One can traverse many directions on this topic. However, I would hope that the City is meeting its obligation to supply a good faith effort to fulfill its commitments to its current contract agreement with the Association. Further, if times of limited supply are made known, I would hope that those affected by this issue are making a collective attempt to seek out creative ways to fulfill their licensure requirements, as best they can, without compromising the integrity of this quest or the contract agreement standards.

This issue should be one that can be resolved without any disputes rising to a level of great significance. In any case, I would urge all members to keep the Association abreast of all issues of discomfort large or small as they make themselves apparent, in this time of change.

TAX TIPS

Summarized by David Peterson, PEA Treasurer

Most people have probably already spent their tax refund from their 2002 taxes, but for the procrastinators:

1) Late filing

If you owe additional taxes you should either file your return by the deadline, or apply to get an automatic extension until Aug. 15.

Either way, you can defer paying your tax bill until later. You will be charged interest, but the current rate is only 0.92% a month. If you do nothing, you'll be penalized to the tune of 5% of the unpaid balance per month, up to a total of 25% (after five months) plus interest. Consider charging your tax bill on your credit card.

2) New dependents

If you have a child who was born last year, don't forget to sign them up for a Social Security number before filing. It's required to claim your rightful personal exemption write-off ($3,000 for 2002). What happens if you file without? the number? The IRS will disallow the exemption, recompute your tax, and either send you a bill or mail you a lower-than-expected refund.

3) Head-of-household (HOH) filing status

A common mistake is filing as a single taxpayer when one qualifies for the much more favorable head-of-household (HOH) filing status. Say you're single and your unmarried child lives with you. If you pay more than half the household's costs, you qualify. This is true even if your child had too much 2002 income (over $3,000) to be claimed as a dependent. You may also qualify if you are still married and lived with your child but apart from your spouse for at least the last half of 2002. Finally, if you are single and can claim your parent as a dependent, you can probably file as HOH. This is true even if your parent has his or her own place. You are the HOH if you pay more than half the cost of your parent's home.

4) Refinancing the mortgage

If you refinanced the mortgage on your home and paid any points, you have been slowly amortizing the cost of those points over the life of the loan. But if you sold your home in 2002, you can deduct the unamortized balance in the year of sale. Use
the write-off on Schedule A as "qualified residence interest."

5) Car donation deduction

If you contributed a used car to charity last year, you are on shaky ground with the IRS. But you can firm things up: attaching a statement to Form 8283, Noncash Charitable Contributions. In it, describe the car's age, condition and mileage, and include photocopies of classified ads for comparable cars.

Many taxpayers have been claiming excessive deductions for donated cars. So the IRS is now more likely to scrutinize any return with a used-car donation.

WE'RE LOOKING FOR A FEW GOOD PEOPLE

Submitted by Mary Ann Miller, City Negotiations Chair

I will NOT be seeking reelection in June 2003.
Steve Roy, currently serving as President, will be retiring in 2004 Steve Olson, currently serving as Vice-President, will be retiring in 2005. Now is the time for all good people to come to the aid of their union !!!!!!!!!!!!!!!!

Serving on the Executive Committee is an exciting and challenging endeavor. Are you looking for an opportunity to get more involved in your union???? If you are interested in running for any position on the Executive Committee, please contact Mike Wilde, Business Agent, to have your name put on the ballot for the June Elections. Need to more about what the job duties are before you decide????, contact Mary Ann Miller (651-642-0411(wk) or maryannm@ci.stpaul.mn.us) for a job description.

I have really enjoyed the past six (or is it seven?) years that I have served on the Executive Committee, first as Secretary and the past year as the City Negotiations Chair. During the time I was Secretary, I also served on the Negotiation Committee. I understand that sometimes life has put too much on our plate to take on another commitment. For many years as a single mom, it was impossible for me to step up the plate as far as the union was concerned. Working two nights a week and going to school two nights a week did not leave me with much time to devote to the union.....family came first. Hopefully, there are some of you out there who have reached a place in your life where you are now available to take on some extra commitments. As I start positioning myself for retirement, I look forward to seeing new faces on the Executive Committee.

SOME WORDS FOR PEA MEMBERS FROM THE ISD

An old slogan comes to mind: **United We Stand, Divided We Fall** especially during these difficult times.

Negotiating a new contract will certainly be a challenge for the PEA members of the District at the end of this year. It will require input from all of our members, an imaginative approach, an open mind and creative brainstorming to come up with a new approach. If you have ideas, suggestions, or comments, please call me or email me at lyla.griffin@spps.org

Lyla Griffin, ISD Steward

PEA MEETINGS IN 2003

PEA Executive Committee Meetings

The PEA Executive Committee will meet Monday evenings on the first Monday of the month through June, 2003. The remaining dates are: 4-7-03, 5-5-03 and 6-2-03.

Executive Committee Meetings for the remainder of 2003 will be scheduled after the General Membership meeting in June.

PEA General Membership Meetings

Thursday, June 19th, 2003

Wednesday, Dec. 3, 2003 (at Mancini's)

SEVERANCE......THREE CHOICES FOR 2003..........

Submitted by Mary Ann Miller, City Negotiations Chair

The year 2003 is a transition year which will offer PEA employees who leave City employment due to lay-off or retirement the option of choosing between three different severance packages. In 2004, ONLY Plan 3 will be available.

To be eligible for ANY of these an employee must meet the following requirements:

1. Be voluntarily separated from City employment or have been subject to separation by lay-off or compulsory retirement.
2. Employee must file a waiver of re-employment that waives all claims to reinstatement or re-employment.
3. Employee must have accumulated a minimum of 640 hrs of sick leave (Plan 1 or Plan 2) or 700 hours (for Plan 3)

Severance pay is granted in an amount equal to one-half of the daily rate of pay for each day of accrued sick leave (up to the maximum amounts for Plan 1 and Plan 2). Plan 3 pays a specified amount depending upon the total hours accumulated.

Severance Plan 1:

Additional requirements: 10 yrs of consecutive service
Maximum benefit: $7,000

Severance Plan 2:

Additional requirements: 20 yrs of consecutive service
Must be 58 years of age or be eligible for pension under PERA (rule of 90).
Maximum benefit: $10,000

Severance Plan 3:

No minimum years of service requirement
700 hours of sick leave = $6,000
800 hours of sick leave = $7.000

For each additional 100 hrs of sick leave, severance is increased by $1.000 up to a maximum of $17,000 for 1800 or more hours of sick leave.

For ALL severance packages, the City will contribute an extra 5% when money is put into a Post-Employment health plan. As part of the contract agreement, ALL severance monies will be distributed in this fashion.

Some examples to illustrate the choices:

Example One: After 11 years of service with the City, Joe Cool, age 37, got his pink slip last Friday. Lucky for Joe, his brother has been badgering him to join a new business venture. Joe has accumulated 700 hours of sick leave and was earning $22 an hour. Joe decides to waive reinstatement rights and get his severance package. Choosing Plan 1 would net Joe a cool $7,000 plus 5% ($350) in a Post-employment health fund that will enable Joe to pay his medical expenses while he and his brother get the new business off the ground. (Choosing Plan 3 would only get Joe $6,000)

Some examples to illustrate the choices: (con.)

Example Two: Martha Marvelous, age 63, has 20 years of service with the City. She has managed to only accumulate 670 hours of sick leave because of time off for some surgeries. Martha has decided to retire in 2003. Martha currently earns $20 hour. Martha does not qualify for Plan 3 because she has less than 700 hours of sick leave accumulated. Although Martha has the 20 years of service requirement for Plan 2, she still will only receive $6700 in severance (670 hrs x $20=13,400 divided by 2 = $6700 plus 5% $335). If Martha waited until 2004 to retire, she would need to accumulate an additional 30 hours of sick leave before she would qualify for the $6000 minimum under Plan 3)

Example Three: Sally Strong, age 56, has 30 years with the City. She currently earns $30 an hour. She has accumulated 710 hours of sick leave. Sally wants to retire. She does not qualify for Plan 2 because she is not over 58 years of age and has not reached her "rule of 90" for PERA. Choosing Plan 1 would get her $7000 plus 5%. . If Sally were to wait until 2004 to retire, her only option would be Plan 3 which would pay her only $6,000 plus 5%..

Example Four: Willie Well, age 58, with 32 years with the City is also planning to retire. He earns $32 an hour and has 2000 hours of sick leave accumulated!!! Under Plan 2 he would be eligible for the maximum $10,000 (plus 5%) but by choosing Plan 3, Willie will walk away with a neat $17,000 plus 5% ($850)!!!!!

The moral of this story: 2003 is a year of opportunity. If you are nearing retirement, it might pay you to look at how these plans work for you, especially if you have less than 700 hours of sick leave accumulated. If you are laid off and have over 700 hours of sick leave accumulated, that would be another occasion to take a careful look at the new severance package. But remember, you must waive reinstatement rights if you take the severance package!!!!

Steve Olson will be getting more information on the Post-Employment Health Fund for our members. If you have a question, please contact him (LIEP 266-9139 or Steve.Olson@ci.stpaul.mn.us).

NOTE:

Sick leave is accumulated at a rate of 120 hours per year....provided you do not use any of it!! So to reach the 700 hours needed for Plan 3, a person must work 5.83 years without using any sick leave.

2002-2003 EXECUTIVE COMMITTEE

PRESIDENT:	STEVE ROY	LIEP - 350 ST. PETER ST., #300	266-9140
VICE PRESIDENT:	STEVE OLSON	LIEP - 350 ST. PETER ST., #300	266-9139
TREASURER:	DAVID PETERSON	SCHOOLS - 360 COLBORNE 55102	696-9626
SECRETARY:	BRIAN KRAWIECKI	LIEP - 350 ST. PETER ST., #300	266-9134
NEGOTIATIONS (CITY):	MARY ANN MILLER	LIBRARIES - ST. ANTHONY	642-0411
NEGOTIATIONS (SCHOOL):	JABER ALSIDDIQUI	SCHOOLS–360 COLBORNE 55102	767-8352
PERSONNEL:	KARIN ANDERSON	CITY ATTY OFFICE. - 400 CITY HALL	266-8765

STEWARDS

OFS:	CORRINE HAAS	160 CITY HALL, 15. W. KELLOGG, 55102	266-8815
CAO:	KARL STROHMEIER	500 CITY HALL, 15 W. KELLOGG, 55102	266-8740
TECH & MGMT	BRUCE RIEBE	700 CH ANNEX. 25 W. 4TH ST., 55102	266-6091
FIRE:	PAULA PETERSON	100 E. 11TH, 55101	228-6203
PUBLIC HEALTH	KAY WITTGENSTEIN	555 CEDAR ST., 55101	266-1285
LIBRARIES			
CENTRAL	SUSAN HENRY	MMC, 2109 WILSON AVE., 55119	501-6305
PT's	SUSAN McMAHON	HIGHLAND PARK, 1974 FORD PKWY, 55116	699-6754
BRANCHES	SHEILA WINDERLICH	MMC, 2109 WILSON AVE., 55119	501-6310
LIEP	FRANK BERG	350 ST. PETER ST., 55102.	266-9072
PARKS & REC:			
OFFICE:	JAMEL ANDERSON	300 CH ANNEX, 25 W. 4TH ST., 55102	266-6361
LABOR:	DAVE SUNDMARK	1120 N. HAMLINE AVE., 55108	632-2429
P.E.D.:		1300 CH ANNEX, 25 W. 4TH ST., 55102	
	JIM ZDON	1100 CH ANNEX. 25 W. 4TH ST., 55102	266-6559
POLICE:	MARSHA PANOS	100 E. 11TH ST., 55101	292-3781
PUB. WORKS OFFICE:	MIKE KASSAN	700 CH ANNEX, 25 W. 4TH ST., 55102	266-6249
WATER:	KOU K. VANG	8 EAST 4TH ST., 55101	266-6266
SCHOOL DISTRICT:	LYLA GRIFFIN	PURCHASING, 360 COLBORNE, 55102	767-8288
	RHONDA ZURN	COMMUNICATIONS, 360 COLBORNE, 55102	767-8104

STAFF: **MIKE WILDE, BUSINESS AGENT** **651-293-4433**

651-293-4410 *(fax)*

E-mail: mwilde@minn.net

MAILING ADDRESS: **P.E.A.**

360 NORTH ROBERT ST., SUITE 424

ST. PAUL, MN. 55101