



HEARTLAND



A Newsletter for Region 8
Public Employees' Federation
"The HEART of PEF"
BOX 12414, ALBANY, NY 12212-2414

VOL.8, NO.1

February, 2000

LAWSUIT CONTINUES DESPITE NEW SICK LEAVE BUY BACK POLICY

By Richard Bojman

In a letter to Executive Board members sent in September, PEF President Benson announced he would continue the lawsuit against former officers of PEF from the Sheedy administration claiming the new policy did not cover all the money that was spent to buy time from GOER for those officers.

The new policy, passed by an overwhelming majority at the August 1999 Executive Board meeting, went back to August 1, 1999 and provided for the buy back of sick leave time that would have been accrued by statewide officers on union leave had they remained in full time state service. Such accruals are frozen at the time leave is granted.

However, in what Benson called "double dipping", some officers had time purchased in excess of what they would have accrued since the start of the policy. This was due to Former President Sheedy purchasing time all the way back to 1980. In formulating the policy in August, the current administration claimed that records did not exist prior to August 1991. However, records were later found in a warehouse which have been used to document the alleged overcharge.

The used of terms such as "double dipping" or "being paid for time used" by Benson was heatedly challenged at the December Executive Board meeting by Stanley Byer (Division 169-En Con) who claimed that Benson was deliberately using pejorative terms for political purposes. Benson denied this and repeated his charge against the former officers. Several speakers spoke afterwards calling for compromise in the spirit of unity. The board was clearly divided on this issue and was becoming increasingly raucous when debate was closed.

continued on page 5

THOUSANDS OF STATE WORKERS PROTEST STATE OF STATE ADDRESS

By Richard Bojman

On January 5, 2000, while Governor Pataki was giving his annual State Of The State address, nearly 18,000 state workers were protesting the lack of a contract in a peaceful but very loud manor.

12,000 CSEA & PEF members from NYC, who rode buses for more than 3 hours, joined thousands from the Capitol District, to brave sub-freezing weather and mounted police to jeer the Governor. The crowd and the protest were peaceful, despite fears of "another Seattle". Those fears proved unfounded and the 300 State Police and Albany Police riot squad were not needed.

The large contingent of police, which many felt were meant to intimidate the crowd did nothing to quiet the crowd, which yelled, chanted and blew whistles creating a din so loud it was heard by witnesses at windows inside buildings on Washington Avenue.

There was no confrontation with police, though at one point, protesters did knock down a fence keeping them out of West Capitol park. No one was arrested and there was only 1 injury, a woman who hurt her ankle stepping off a curb. Police were generally sympathetic to crowd but did follow orders and restrict the crowd from areas otherwise open to the public.

The protest was originally scheduled to be held in Lafayette Park, across the street from the Capitol and adjacent to the Assembly chamber where the speech was given. At the last minute, despite having the necessary permits, the protest was moved by the city of Albany to the far end of the Empire State Plaza, nearly 1/4 mile away. A compromise was reached and the protest was held between the Legislative Office Building and the Law building in the Plaza.

continued on page 10

COORDINATOR'S CORNER

SICK LEAVE BUYBACK THE SAGA CONTINUES

By Jeff Satz

Several Heartlands ago I wrote an article and a subsequent clarification on what I deemed to be an inappropriate purchase of State sick leave for the Statewide officers of Jim Sheedy's administration on the last day of that administration.

A case can be made for purchasing State sick leave for PEF's elected officers or for State workers appointed to PEF staff positions in circumstances where these individuals are on a "union leave" arrangement with the State. While such individuals get leave from PEF and other benefits, their State accruals are frozen. When they return to their State jobs they can be down considerable amounts of leave credits that they would otherwise have earned. This impacts on retirement and health care.

My main objection was to the willful manner in which an obligation with an immediate cost of around \$62,000 but having a potential to balloon is around \$700,000 was incurred. The \$62,000 was spent to purchase State sick leave at 1997 rates for the five statewide officers in the Sheedy administration and for one individual in a union leave staff position. The purchase of the sick leave went back to the early 1980's for some individuals. There are many other ex-officers and staff of PEF who could make claims that their leave accruals were frozen in the 1980's and 1990's. If some receive a benefit, why shouldn't they? Thus granting the \$62,000 benefit had the potential to cost PEF up to \$700,000.

Additionally, PEF's Executive Board was not given the opportunity to vote on a sick leave buyback policy prior to its unilateral implementation by Jim Sheedy and Pat Ford. The Executive Board has a responsibility for approving PEF budgets and it sets PEF policy between conventions. I am an officer of PEF and only became aware during Roger Benson's administration (1997) that during the latter stages of Howard Shafer's administration (1994), PEF had arrived at an understanding with GOER allowing PEF to purchase State sick leave. This was as a result of the Sheedy administration's final act coming to light.

Early in his administration, (1997 or the beginning of 1998) Roger Benson proposed a compromise wherein PEF would purchase sick leave back to August 1, 1991. Thus, some of Sheedy's officers would not get

all of the sick leave that Sheedy's action afforded them, but the benefit would also be extended to Howard Shafer's statewide officers and staffers on union leave (including Roger Benson) and the Benson administration's statewide officers and staffers. The approximate cost of Benson's compromise was \$300-\$350,000. I'm as opposed to the compromise as I was to the original action. The compromise effectively sanctioned an improper act by reducing the ill-gotten gain for some and buying the support of a larger group of PEF insiders. It sends the message that the dubious price of peace and harmony within PEF is to have policy-setting bodies effectively legitimize a variation of a fait accompli that bestows a retroactive benefit on both sides of PEF's political spectrum.

Going back to January 1994, the Executive Board should have been informed about the understanding with the State regarding sick leave buyback. The Executive Board could have freely determined whether it wished to participate in buying back State sick leave, and if so, from what point in time, past, present or future. The Board could then have made budgetary provisions, and such policy decisions, as to how to prevent "double dipping."

Once Sheedy's act was discovered the issue remained temporarily dormant.

One reason was a motion I made to deal with "transition report" issues (which included sick leave buyback) prior to discussing sick leave buyback as a separate issue. That impediment was removed when the Executive Board later voted to "receive" the transition report. This put to rest potentially embarrassing issues

continued on page 8

HEARTLAND

A newsletter by and for the members of Region Eight of the Public Employees' Federation, AFL-CIO

Publisher	Jeff Satz
Editor in Chief	Howard G. Baumgartner
Managing Editor	Richard Bojman

Articles and letters may be sent to: Heartland, Box 12414, Albany, NY 12212-2414. Articles and letters appearing in this publication do not necessarily represent official policy of either Region Eight or the PEF, AFL-CIO. Copyright (c) 1999 by HEARTLAND. Permission is granted to Division Leaders to reproduce this publication in whole or part for distribution to PEF members.

LETTERS

The Green Wall of Silence

The on-going and ever-changing world of electronic communications has resulted in new challenges for unions - and a whole new arena in which to grapple with management. Not surprisingly, much of it deals with the rights of employees and unions to communicate via e-mail: Who "owns" the e-mail system? What rights and expectations do employees and union stewards have to privacy in communication via e-mail? The questions keep coming, but the answers are slow in arriving. It is a field ripe for battle, and the following story illustrates that very well.

On July 3, 1998, James Close sent an e-mail to the Chief Steward of his Division at the Department of Environmental Conservation, Don Johnson, advising him of out-of-title work in the unit where he worked, and asking him to consider bringing a PEF-initiated out-of-title work grievance against the Department. Under the procedures developed by PEF for PEF-initiated grievances under Article 17 of the Contract (which addresses out-of-title work), such grievances are filed only after discussion and consensus; therefore, Johnson, also the Council Leader for Division 169, forwarded the e-mail describing the alleged out-of-title work to all the stewards in Division 169 for input and feedback. Those stewards are governed by the By-Laws and "Rules of Procedure for Shop Stewards" which states:

"Information pertaining to grievances is confidential and is not to be discussed publically. If a Steward breaches confidentiality, that person will be requested to resign."

On July 10, Close was called into the office of his Bureau Director (an NYC employee), and, when seated, was asked, "What's with this union e-mail?" Close was shocked, and for the next hour and a half was interrogated, without union representation, about why he had sent the e-mail, and was told (in so many words) that his chances of getting promoted, as a result, were "nil". It was a very uncomfortable hour and a half for Close.

When it was over, Close immediately went back to Johnson and advised him of what had happened. Johnson checked his e-mail and ascertained that he had, indeed, sent the e-mail to stewards only. So how did it come into the hands of management?

While Close was being interrogated, he asked the Bureau Director, "How did you come to receive this?" He was told that it had been read to him. Close asked, "Who read it to you?" The Bureau Director

refused to answer. Close then asked, "Did you receive this by virtue of management surveillance of the e-mail system?" Answer: "No".

Armed with these facts, Close made a preliminary determination that the e-mail had been leaked by one of the stewards. He went to Johnson and asked Johnson to conduct an investigation. Johnson subsequently went to the Bureau Director and asked him if he had received the e-mail from a steward. Answer: "No." At the next meeting of the Albany Steward Council (which consists of the Central Office stewards only, not all of the stewards of Division 169), he asked if any of those present had leaked the e-mail. No one responded.

Close subsequently asked Johnson to pursue the matter further. Johnson refused, stating simply, "The matter is dropped". In the meantime, PEF filed an Improper Practice charge against the Department, alleging that the Department has interfered with Mr. Close's rights to communicate with his union. A settlement was reached in that matter on January 19, 1999, with the State agreeing that it would not interfere with Mr. Close's right to communicate with his union.

Several months after the e-mail incident, Close learned from a co-worker that he had seen the e-mail to Johnson being printed out from a printer that he shared with two other co-workers. Close subsequently found out that the recipient was another co-worker who worked in the unit where the alleged out-of-title work was performed. Close asked this co-worker if he was the one who had read the e-mail to the Bureau Director, and was told, "Yes". The co-worker explained that he was upset that Close had alleged out-of-title work in the unit.

Close then asked him who had sent him the e-mail to him. He refused to answer.

What is important about the observation of the first co-worker is that that he saw the e-mail being printed. What this means is that the e-mail was not purloined from someone's desk or in-box, but that it was transmitted electronically. Given that the e-mail was sent only to the PEF stewards in Division 169 initially, simple logic dictates that one of those recipients breached the confidentiality of that communication.

Mr. Close clearly paid a price for the ease and simplicity of communicating by e-mail. But PEF members should now know that the ease and simplicity of communicating by e-mail is a two-edged sword: A few simple keystrokes can send a confidential communication in to the wrong hands, and wreak untold damage on a member's career. Such was the case here.

continued on page 4

LETTERS - CONTINUED

This story also illustrates that PEF needs to develop a means by which it can investigate union wrongdoing without the proverbial "Fox in the henhouse" syndrome. A body accused of wrongdoing cannot be expected to fairly and impartially investigate itself. That, in effect, may be the real moral of this story.

Submitted by:

James E. Close
September 15, 1999

The Editor,

Joe Califano, our executive team representative from Coxsackie Correctional Facility, suggested that I get in touch with you about an article for your region 8 newspaper, "Heartland".

I have for the last 5 years had my Senator and Assemblyman put in a mini bill for me to return to my original retirement tier. This of course, didn't really achieve the stated goal, but after the legislature received enough of them, they put forth a bill to return all state workers to their original retirement tier. This was a shadow copy of the teacher's retirement bill that was passed in early 1998 and signed into law by Governor Pataki. It is now sitting on someone's desk awaiting the Governor's signature... since June 22, 1999 when it was passed by the legislature. The bill number is 85944, and was proposed by Senator Liebell and Assemblywoman Wienstien.

I have emailed several letters to the Governor, speakers, senators, and assemblypersons and have received only one response and that was a computer-generated response.

It aggravates me that as a teacher in corrections with the very same credentials as my peers, I am not afforded the same benefits. It is a little silly to think a 57-year-old could transfer to the public sector at that age. I have informed many of the union representatives of this bill, and was surprised to hear they knew nothing of it. I intend to bring it up to the attendees at the CAYSA conference on November 3-5.

Any publicity you could get out on this bill is important. If it is not signed by December 31, 1999, it will have to be passed by both houses... again!!

Thank you for your time and consideration.

Fred Barnett

COPE, FACT & FICTION

by Kevin E. Jones, Esq.

This is written in response to the ongoing debate between PEF presidential candidate Jim Israel and those representing the incumbents with regard to COPE and PAC. Israel simply opined that PAC was good and COPE was bad. This drew fire from the PEF administration which has spent a significant amount of its member's dues in promoting its COPE program.

PEF's Political Action agenda is primarily promoted through its Political Action Committee (PAC). The PEF PAC is funded with approximately one million dollars of member dues money per year, or five cents out of every dollar of dues collected. PAC does endorsements, makes contributions to endorsed candidates, supports candidates through in kind contributions such as phone banks, and lobbies elected officials. PAC has brought about many beneficial legislative enactments that have improved terms and conditions of employment for PEF members. COPE is a fund that has been sold as the only way that PEF can support candidates for federal office. That is because PEF is legally prohibited from using dues money to support such candidates. Thus, legally these moneys can only be collected by PEF as a voluntary deduction from the paychecks of its members.

While COPE has been around for a while, significant efforts to drum up member support did not begin until the Sheedy administration. After this campaign began it was pointed out that many of the top officials of the Sheedy administration were not contributing themselves.

Roger Benson, then a candidate for PEF president, attacked Sheedy's COPE campaign saying that it was a "back door dues increase" and that if Sheedy felt he needed a dues increase, he should ask PEF's convention delegates to approve one. Sheedy denied that COPE moneys were being funneled back into the PEF treasury and continued to maintain that these moneys were being used exclusively for federal elections.

Upon Benson's taking office, rather than halt COPE enlistment activities, Benson redoubled PEF efforts. Benson now has lured PEF members contributing over \$100,000.00 of after tax moneys to COPE each year. He has staff who work full time on these efforts. Advocates will now mention that these moneys can be used for "member education." Member education appears nowhere in the PEF budget.

This is not to say that PEF never uses this money for the purpose it is allegedly donated for. It dropped \$20,000 into Assemblyman Vitaliano's doomed

continued on page 9

LAWYERS ARE ROTTEN EXCEPT FOR MY ATTORNEY

By Jeff Satz
Region 8 Coordinator

PEF's Executive Board is, if nothing else, consistently inconsistent.

The travail of the long-suffering and sainted Heartland Five brought an outside attorney into play. This was certainly reasonable since the Heartland martyrs were charged with violation of the Landrum-Griffen Act and threatened with fines. Our use of an attorney was not without resentment by a segment of Executive Board members. After all, it's easier to bully and intimidate by charging legal violations. Those preferring the charges can put their own interpretation on those charges. The burden is then on the accused to rebut the allegations.

The law, however, is more complex than violation of PEF rules. It is subject to interpretation. The full law needs to be read and its intent needs to be dissected. Case law also is an important part of any interpretation of statute.

All of the foregoing is why lawyers have become a cottage industry in the United States.

After the charges against the Heartland Five were dismissed, PEF's officers, and later its Executive Board, reviewed a draft of revised PEF election rules for the year 2000. Lo and behold, outside attorneys were prohibited from contesting alleged election rule/law violations. I made an issue of this, for all of the reasons mentioned earlier in this missive.

Arguments in favor of barring outside attorneys included that PEF has its own legal staff. The problem with that logic is that PEF lawyers work for the incumbent administration. They are certainly not advocates for those activists who fall afoul of whoever PEF's administration may be. Another argument was that the Heartland Five attorney confused the Executive Board. This argument is disingenuous when juxtaposed against the contention by some Board members that the Executive Board is capable of dealing with violations of union election rule or law, without outside attorneys.

If Bob Waters, the illustrious counsel for the Heartland Five can confuse so august an assemblage as PEF's Executive Board, the case is made for allowing outside attorneys to appear in those instances wherein legal violations are alleged. There is, after all, more than one side to any story and various interpretations can always be made about any law.

While I didn't prevail on the issue of allowing outside counsel to appear before PEF Tribunals, I did get a chuckle out of the patent hypocrisy of many of my PEF Executive Board colleagues.

PEF's August 1999 Board meeting featured an acrimonious debate regarding a lawsuit by PEF against the former PEF officers: Jim Sheedy, Pat Ford, Maggie Litzenberger, Phil DelPiano and Ken Robertson.

PEF, as an organization, retained Marge Karowe as its attorney in this instance. The in-house PEF Counsel was not utilized in this lawsuit due to consideration of ethical conflicts.

No sooner did the debate commence than those opposing the lawsuit most strenuously demanded that former PEF General Counsel and the representative for Sheedy/Ford, et al., Richard Casagrande, should be allowed to make a presentation to the Executive Board. Secretary-Treasurer Jane Hallum made the point that a few short months ago the Executive Board, in its wisdom, disdained having outside lawyers appear before the Board. I chuckled to myself that perish the thought, but after all PEF's Executive Board could conceivably become confused.

Needless to say, that those most antagonistic to Bob Waters appearing on behalf of the ' Heartland Five, and who subsequently supported writing PEF's rules to exclude outside lawyers, were most vehement in advocating that former PEF Counsel Casagrande be allowed to baffle PEF's Executive Board. One speaker, in fact, cited the Heartland Five use of Counsel in a lame attempt to justify having Casagrande appear.

All of this serves to demonstrate that PEF's decision-making bodies function in a rarified atmosphere of tortured and convoluted logic too often evolving from the politics of the moment.

PEF's penchant for consistent inconsistency based too often on politics and cronyism, militates against the good of the organization and the members it is supposed to serve.

SICK LEAVE BUY BACK - CONT'D

The calls for unity were ironic according to some as earlier that day, Benson had announced the formation of a "unity committee" so that PEF could speak with one voice.

Benson claimed that at least \$15,000 of the original \$62,000 was still owed but in a subsequent letter this figure was increased to \$23,000.

PEF CONVENTION REPORT

by Charles Adams

The 1999 PEF Annual Convention was held in Rochester, NY at the Riverside Convention Center. The date of the convention was Oct 17-20. The convention schedule was similar to previous years. Arrival was on Sunday. The first plenary session began Monday and was scheduled for Monday morning and afternoon. A plenary session was scheduled for Tuesday morning and afternoon and the final session was scheduled for Wednesday morning with expected adjournment on Wednesday at noon.

Having arrived on Sunday, I registered for the convention and reviewed the vendor exhibit area. The vendor exhibit area is traditionally a collection of vendors who either deal directly with PEF or with PEF's members. Examples of vendors present include PEF membership benefits, PEF Health and Safety, PEF Legal, PEF Legislative Dept, PEF Public Relations, PEF retirees, PEF pride Store, PEF Travel Corp, Empire Blue Cross, MVP, Davis Vision and CDPHP. In all around 40 vendors were represented. The purpose of the exhibit is to make the delegates aware of the vendor's products and any special programs currently being offered.

The first day of plenary sessions for the convention opened with the Welcome, adoption of rules and agenda. Guest speakers for Monday were William Faucette (representing the Mayor of Rochester), Andy Stern (President of SEIU), Senator Charles Schumer and Mark Shields. Mark Shields is a political satirist. Other speakers for the day included President Roger Benson, Dr. Eric Miller and Joe Buckley. Dr. Miller and Joe Buckley spoke on the status of the contract negotiations. During the day a motion was made to allow PEF to institute any job actions necessary to acquire an acceptable contract. President Benson asked the member to allow PEF's legal department to review the motion and then he would present it to the convention on Tuesday.

Tuesday began with a rewritten motion to empower PEF to take whatever actions are necessary to obtain an acceptable contract. It passed. We then heard from Alan Lubin (V.P. from NYSUT) and Secretary Treasurer Jane Hallum. These speeches were followed by a contract rally outside of the convention hall. Speakers at the rally included Regional Coordinator Linda Devito, PEF Trustee Arlea Igoe, Secretary Treasurer Jane Hallum, President Roger Benson, Executive Board member Doug Bullock, a representative from the regional labor council and a representative from the Postal Union. The afternoon continued with a discussion of the two proposed constitutional amendments. The first

amendment requested a change in the constitution to allow the annual convention to be held any time within the period September 1 through November 30. This expanded the previous period from October 1 through November 30. I voted for this amendment. It passed.

Wednesday began with a speech from First Lady Hillary Clinton. Mrs. Clinton was very well received by the delegates. Her speech was oriented to the labor movement with emphasis on workers rights, health care, industrial development for upstate NY and job development for NYC. Mrs. Clinton hinted very strongly about running for the US Senate. She fell short of making a commitment. She promised an announcement after the beginning of the year. She did make a statement that we can expect to see a lot of her next year.

The plenary session continued with discussion concerning the second constitutional amendment. This amendment would limit conventions to be held every other year instead of the current every year cycle. This amendment was in turn amended to postpone this amendment until after a new PSTP contract has been signed. After lengthy discussion, the amendment was voted down.

The original amendment was quickly dealt with by a negative vote. At this point the convention was closed.

This convention differed from previous conventions on several significant points.

-The time taken up by speeches was longer than ever before. (The speeches ended Wednesday morning.)

-We didn't discuss any of the resolutions submitted by members. (28 resolutions were submitted.)

-We held a rally, which some people describe as a picket against ourselves.

-The main point of the Secretary Treasurer's report was a recap of her grand daughter's fight with food poisoning contracted at the Washington County Fair. (The Secretary Treasurer was using this story as an example of situations when we should break the rules.)

-We held a standing vote count on a constitutional amendment, which was conducted in violation of the rules on how to hold standing vote counts.

-The normal hospitality rooms were eliminated on all nights except Monday. On Monday night the hos-
continued on page 7

CONVENTION REPORT - CONT'D

pitality room was limited to closing at 11PM. This room was also catered by the hotel, where in the past, the regional coordinators took responsibility for the food and drinks. When the coordinators take responsibility for the supplies and service, the actual cost is reduced from one fourth to one tenth the cost charged by hotels.

-The farewell dance held on Tuesday night also had limitations this year not experienced in previous years. Members were limited to one drink. Additional drinks were available at a cash bar. Soda was free.

Special comment on the Grade 23 and above lawsuit concerning overtime.

This lawsuit was first initiated about 7 years ago. PEF won the original lawsuit. We lost on appeal, not because of the merits of the case, but because it was ruled we had presented our case in the wrong court. At the convention, the PEF legal department presented to the delegates a written report about this lawsuit. It has been ruled in court that we can neither present this case in State court or in Federal court. The PEF legal department believes only the U.S. Department of Labor can present lawsuits on our behalf for this case. The PEF legal department has stated the U.S. Department of Labor is unwilling to do this. I asked the Secretary Treasurer about this matter and she reported to me and the other delegates the legal department is preparing a report on this lawsuit to be reported in the November issue of the Communicator. The administration was not forthcoming with additional information on this topic.

SYNERGY, THE POWER OF WORKING TOGETHER

by Dennis Anderson

"I'm a professional. I don't need a union" may have been true a quarter century ago, but our society has evolved over the last 25 years and we now live in a global economy. If—as Hillary Clinton asserted—upstate New York ranked 49th out of the fifty states in job creation, more than blue collar workers should be concerned. Any parents, who doubt this assertion, can look at their own college-age children. They graduate from college and are forced to move out of the area to find professional employment.

Fortunately, as more State workers are educat-

ed about how the state of New York is really run, that obsolete, isolationist attitude is being replaced by one of enlightened mutual interest. In politics, public perception often has the persistent habit of becoming the reality. That's why politicians and special interest groups are keen to influence public perception. Most State workers don't think of their unions as special interest groups, but they should. Just for a moment, consider why Governor Pataki was so upset by the union demonstrations at the New York State Fair. Those demonstrations helped shape a negative public perception of Governor Pataki in a way that neither he or his staff could control or stop.

There should be no doubt in anyone's mind that the replacement of the 4 zeros with 4 threes was a direct result of that successful demonstration. Another indication of the impact of union demonstrations is that the Governor's daily schedule is not published until after 3:00 PM, thus curtailing the Governor's press coverage and the possible negative effects of further union demonstrations. No doubt the union hobbling of the gubernatorial staff's ability to control public perception of Pataki's activity is an unwelcome and frustrating development for an appointed staff powerless to prevent it.

My dictionary defines "union" as, "An organization of wage earners formed for the purpose of serving their collective interest with respect to wages and working conditions". Unions are more than service delivery organizations funded by dues. Unions are more than their elected officers, field staff, and legal staff, and to the extent that they have power, they are "an organization of wage earners" acting together to achieve a common goal.

The power of working together to affect the public perception of elected leaders is one area that the repressive Taylor Law did not dare to touch. That power is derived by the vigorous exercise of the freedom of speech and the right to assemble. Those freedoms are protected by the United States Constitution. State employees are realizing in increasing numbers that member participation is an effective exercise of political power that brings tangible results over time.

As PEF President Roger Benson said, "If we keep on doing what we did in the past, we will keep on getting what we did in the past." The power to change what we got in the past is ours to exercise if we care enough and dare enough to use it. If you really care about getting a fair contract, do something. Come to a rally. Call the Governor at 1-877-373-7920 (the AFL-CIO hotline) and tell his staff you want a raise. If you don't tell the Governor, who will? To paraphrase another courageous president, ask not what your union has done for you, but rather ask what you have done to get a fair contract.

COORDINATOR'S CORNER - CONT'D

for Sheedy and Pat Ford without the Board taking any positive or negative action.

In the meantime, Jane Hallum was pursuing recovery of monies expended through legal action. This came to light in newspaper articles last summer. The articles generated considerable anger among activists, many of whom had been allied with Sheedy. Some considered that PEF was publicly airing dirty laundry. Others speculated on possible political motivations. Still others felt it made PEF look bad, especially during contract negotiations. Some felt that ex-officers should not be "penalized." Those on both sides with memory of PEF's early days recall that PEF's first President was convicted of felonies, some of which involved his uses of PEF monies.

Roger Benson adamantly stated that his administration had nothing to do with the newspaper articles. Jane Hallum cited her fiduciary responsibilities in pursuing the lawsuit to recover the money.

The issue came before the Executive Board in August of 1999. Prior to the meeting, Board members received a letter from former President Sheedy which included correspondence from former PEF Counsel and Executive Director Richard Casagrande to Marge Karowe (PEF's retained counsel for transition issues). Casagrande was providing legal assistance to Jim Sheedy and his former officers.

Jim Sheedy and Richard Casagrande raised a number of arguments against the lawsuit and in favor of the purchase of sick leave. Arguments included the following:

- Sheedy alleges that investigation by retained attorney Marge Karowe, which was funded by PEF, was not unbiased. Sheedy and his officers were not provided with an opportunity to present their side of the issue.

- Sheedy believes that allegations of wrong doing by the former PEF officers should have been dealt with initially as part of PEF's ethics procedures.

- Sheedy and his attorney criticize the lack of delineation of individual roles and responsibilities of the former officers in the allegations.

- Sheedy believes that absent an Executive Board policy, it's arguable that membership ratification of PEF's contract authorizes PEF's President to purchase State sick leave per contract article 4.8 (union leave) and in accordance with Section 46 of Chapter 283 of the laws of 1972.

- Sheedy and Casagrande cite letters and memoranda regarding PEF's 1994 understanding with GOER that sick leave could be purchased prospectively and that GOER was prepared to enter discussions regarding retroactive purchase.

- Sheedy cites his power as President to set policy between Executive Board meetings.

- Sheedy argues that the \$62,000 expenditure fell within the latitude of the Secretary-Treasurer since it was within ten percent of various budget lines.

- The lawsuit was inappropriate since PEF's Executive Board had arrived at no conclusion after several desultory discussions subsequent to the purchase of sick leave by the Sheedy administration for its officers.

- Sheedy and Casagrande believe that the former officers have no standing (as officers) to recover the payments to GOER. They contend that if PEF's Executive Board determined that the sick leave buy back payments were inappropriate, they were prepared to cooperate with the current PEF administration to seek restitution.

In my opinion the position on use of PEF's ethics procedure is arguable.

Jane Hallum, pointed out, however that it is not unprecedented for PEF to litigate matters with a fiduciary impact without using the PEF ethics procedure. She mentioned an action of which then Secretary-Treasurer Sheedy had knowledge or involvement concerning what was alleged as a low cost purchase of a PEF vehicle by former President Condell as he was leaving office.

I believe that it is ludicrous to argue that member ratification of PEF contracts, including article 4.8 provides assent for selective retroactive sick leave purchase. How many members knew in 1995 that they were voting to open up Pandora's box with a potential liability of nearly \$700,000 late in July of 1967? The \$62,000 that was paid could result in claims by many others who served PEF in a union leave capacity since its early days. It is fair to say that members should be cognizant of what they vote for. Most people saw this article as payment for statewide officers and a few staff members in union leave arrangements per past practice. I don't recollect change in article 4.8 language in the last few contracts that would signify change of past practice to members when they vote on contracts.

If this argument held water, how come it was never implemented in the past, based on prior member ratifications? Why then did the Shafer administration feel the need to come to an understanding (on paper) in January of 1994 to allow purchase of sick leave

continued on page 10

MEMBER MOBILIZATION CONTRACT NEGOTIATION: MISSED OPPORTUNITIES

by Kevin E. Jones, Esq.

In the five years since PEF negotiated a contract, PEF has ruined PEF's relationship with the Governor such that now it is the most despised of all state unions.

In or about May of 1999, GOER offered PEF four zeros. It was clear to all but the blind that PEF was at impasse with the State. PEF's Contract Team Chair Dr. Eric Miller recommended that PEF declare impasse. This call was rejected as were all subsequent calls to declare impasse. Albeit, little or no progress has been made at the table since that date.

When impasse is declared, the parties proceed to mediation, fact finding, and finally a joint legislative hearing. The joint legislative committee makes a recommendation to the Senate and the Assembly, and the Legislature then imposes a one-year contract in the same manner as it would pass any other legislation. PEF could now be readying its arguments for the joint legislative committee, but it still has not declared impasse, despite the fact that all but the dead can see that we are there. Why has Benson not declared impasse?

Benson has also engaged in an expensive media campaign to "get PEF's message out." Ironically, when PEF President Rand Condell was conducting a similar campaign, Benson stated that such efforts could only be reasonably assumed to be for internal, rather than external, consumption.

What was the message delivered by PEF's State-of-the-State mass demonstration? Did PEF and CSEA bring the State to its knees? No. The morning after conclusion was that the soccer moms and middle-aged dads who showed up to beg the Governor for a fair contract were met by the New York version of the Praetorian Guard. In other words, rather than project power, the unions projected powerlessness despite bringing 16 to 18,000 members to demonstrate, at a cost in excess of \$100,000.00.

What is most distressing is that the confluence of events that have occurred this year represent a huge lost opportunity for PEF. The Legislature just gave themselves 38% pay raises; unlike the Governor, we are on good terms with the Legislature; there is a huge budget surplus; and the legislators are up for re-election. These events are not likely to reoccur during the careers of present day state workers.

However, rather than cry over missed opportunities, PEF still needs to reach a contract accord. Conservative stalwarts John Faso and Paul Vandenberg have stated that a successor agreement should grant state workers raises in the range of 3 1/2 to 4 percent per year. It is clear that the Governor is not impressed with our power. It's also clear that, while this Governor has been better for state workers than any governor since Rockefeller in terms of job security, for some reason he does not deign to give us comparable compensation to that of the power elite.

Whether that is due to personal animosity between Benson and the Governor or some other reason we will probably never know.

What we do know is that we've wasted the past 8 months sitting at the bargaining table with nothing to show for it. Let's not continue to compound the errors.

COPE, FACT & FICTION - CONT'D

effort to become a Congressman from the Republican stronghold of Staten Island and \$10,000 into the coffers of Jean Bordewich for her doomed effort to replace Gerry Solomon in the gerrymandered Congressional district which runs through every Republican stronghold between Poughkeepsie and Lake Placid. To the best of my knowledge, Cope has not contributed to Republicans seeking federal office. Thus some have dubbed this program DOPE (Democratic party Operating fund for Political Expenditures).

Those who wish to voluntarily support COPE can contact the PEF Political Action office at (518) 432-4003.

HEARTLAND WANTS NEWS!

In the hope of publishing a little MORE NEWS, and a little LESS DEBATE, we solicit the following material:

For a **BULLETIN BOARD**, we request Division leaders to send us notice of upcoming Division activities and events and such other information as they would like to share with our members.

For **DIVISION NEWS**, we request copies of Division Council minutes. These will be reviewed for items which might be of interest to members of other Divisions within the Region.

For **COMMITTEE REPORTS**, we request copies of Region 8 Committee minutes. Division Committees may also submit reports, if they feel them to be of general interest.

STATE REPLACES CHIEF NEGOTIATOR IN STATE TALKS

by Richard Bojman

In a letter from Linda Angello, Director of GOER, it was announced that it's chief negotiator in talks with PEF & CSEA, Robin Bramwell, resigned December 16, 1999 and was replaced by Rebecca Caudle on December 30, 1999.

Ms Bramwell, who until her appointment as chief negotiator had no experience in contract negotiations, resigned to pursue opportunities in the private sector, according to GOER. It was Bramwell who made the offer of 4 consecutive years of zero increases to PEF and later CSEA. That act energized union members as never before according to PEF President Roger Benson. Bramwell also was renown for deriding any PEF proposal as "crap". She often complained of a "gazillion proposals" from PEF. Of 71 proposals made, only 2 were accepted by GOER.

In contrast, Ms Caudle was involved in the successfully concluded negotiations with the Thruway and Mass Transportation Authorities which resulted in a 12% raise over 3 years for TWU Local 100 workers. She had also been an Associate Council with PEF from 1985 to 1991, and is highly regarded at PEF.

Benson sent out a letter expressing optimism at the new appointment and hope that the talks will progress when they resume January 11, 2000.

STATE OF STATE PROTEST - CONT'D

Inside the chamber, legislators were asked to wear ribbons in support of the unions. Only one did, the others were warned not to do so by Assembly Minority Leader John Faso (R-Kinderhook). No Democrats wore the ribbons either.

The protest began at 12 PM after a rally inside the Pepsi Arena at which the turnstile counts were 12,000. The Governors Office and the city of Albany disputed those counts, saying only 6,000 people attended. The rally ended at 2 PM, but police delayed protesters returning to NYC by rerouting buses from their normal routes and allowing them only on Madison Avenue. City streets, such as State Street were empty of cars, CDTA buses and customers for local businesses, giving the downtown area the feel of a ghost town.

The state has meanwhile named a new negotiator, replacing Robin Bramwell, who after receiving a 60% raise herself, offered state workers 4 years of zeros. Bramwell, 28 years old, had never been involved in contract negotiations before.

COORDINATOR'S CORNER - CONT'D

prospectively and to discuss the potential for retroactivity?

Why did Jim Sheedy also justify his selective implementation during his last days in office as being in his purview of setting policy between Executive Board meetings even though he would not preside over the subsequent Executive Board meeting where such policy making could be reviewed (and possibly rejected or modified). This was an improper use of the President's power to set policy between Executive Board meetings. The policy was not designed to sanction "lame duck" actions with no urgency that would preclude the issues being brought before PEF's Executive Board prior to implementation.

It is interesting that the Shafer and Sheedy administrations never chose to make public the January 1994 understanding with GOER. It was never brought to the Executive Board with a proposal for implementation either prospectively or retroactively. I can only suppose that no one deemed it to be politically propitious. There was real potential for a proposal for retroactive implementation to become a campaign issue to the detriment of the incumbents who proposed it and would benefit from it.

Even if the \$62,000 fell within the ten percent latitude of the Secretary-Treasurer, as stated before, the selective retroactive purchase opened up future purchases and the potential for others to come forth and argue that they too should have sick leave purchased since they served PEF going back to the early 1980's. The potential retroactive liability was estimated to be in the area of \$700,000, which was far less likely to fall within the 1 0% (of budget line) latitude granted to PEF's Secretary-Treasurer.

Whether Jane Hallum's contention of a precedent for going directly to litigations or Jim Sheedy's regarding a mandate to use PEF's ethics procedure is correct, the former officers should have been given an opportunity to present their side of the issue if this wasn't done.

I believe that the Sheedy administration's willful action is contradicted by Jim's sudden willingness now for the Executive Board to rule on his fait accompli.

Perhaps fear of the possibilities inherent in the lawsuit contribute to this. There is always a possibility that the Executive Board will sanction his very questionable actions and wipe the slate clean. This could occur for nostalgic reasons, or to project a picture of unity, or because others on the board may smell a way to obtain a benefit for themselves (whether proactively or retro-

continued on page 11

COORDINATOR'S CORNER - CONT'D

spectively). It is easy to make a wrong seem right by allocating a healthy dollop of members' dues money to cover problems and to spread the gain to the other side of PEF's political divide.

Roger Benson reported on the lawsuit at the August 1999 Executive Board meeting. He indicated his chagrin over the newspaper articles and the divisiveness this affair has engendered. He indicated, however, that he supports the lawsuit and that sometimes harmony can come at too high a price.

A motion was made to drop the lawsuit which Roger overruled. This ruling was challenged and Benson narrowly lost a roll call vote.

Howard Shafer moved that sick leave buyback policy be dealt with prior to further discussion of the lawsuit. This motion carried. Roger Benson moved from the podium his compromise proposal of earlier in his term which would retroactively purchase State sick leave for all affected back to August 1, 1991 and, of course, prospectively.

I opposed this motion and moved to amend that PEF purchase sick leave beginning with the next administration (August 2000). I believed that all of those who were on union leave in the past knew or should have been aware that PEF didn't purchase State sick leave. These individuals willingly took various of the PEF benefits which were far more generous than those provided by the State. My motion would have allowed for setting up systems to monitor that there was no abuse and to budget prospectively and reimburse the State in an arrangement paying for sick leave at the rate at which it was incurred. There would have been no purchase of sick leave incurred in 1982 at 1997 rates. There would have been no retroactive bestowal of benefits.

I asked for a roll call vote but Board members on all sides did not want to be accountable and my request was defeated. With the immunity deriving from anonymity, my amendment was not adopted.

Richard Collins requested a roll call vote on the main motion to implement a sick leave buyback program commencing August 1, 1991. Board members disdained to have their votes recorded and they voted overwhelmingly to pass this motion. With the policy safely adopted, a number of beneficiaries selectively asked to be recorded in the minutes as abstaining. Some of those who joined me in opposition were Bill Parolari, Pat Baker, Dick Collins, Ron Goldstein, Pat Leanza, Alan Schulkin and Roy Bailey.

A colleague told me that this episode left her feeling unclear. Despite the close roll call vote by which the Chair was overruled, I believe that if the Benson supporters had held firm they easily had the support to force roll calls on motions and amendments that tended to clarify this issue.

I contend that exposure to light of day and membership scrutiny by roll call votes might have turned this sordid chapter into a victory for sound union administration. The clear message would have been that transitions between union administrations shouldn't result in the picking of PEF members' pockets.

If the Benson administration was unsuccessful in preventing the Executive Board from passing bad policy, the roll call votes would have provided them a good campaign issue. They would have been on the side of angels. Alas, this strategy was not pursued. Benson clearly wished to dispose of a divisive issue. Some have also suggested that the Benson administration strategy may have been scripted to provide political cover for a benefit that some in Benson's administration coveted. Others have suggested that the limited pursuit and exposure of Sheedy and his officers had the effect of preempting political opposition from that quarter.

Despite my strong feelings on this issue, I didn't relish seeing litigation pursued against the former officers and members of PEF. It is possible that Jim's actions occurred in the context of hard feelings too often engendered by PEF's political campaign. He may well have tried to do what he deemed to be right for the people with whom he served. This does not make his actions more acceptable from the PEF organization's perspective.

Ironically, the offer by Jim Sheedy and his colleagues to help PEF obtain restitution in the event the Executive Board rejected their action could have been a sensible way to put this affair to rest. Had Sheedy offered to help recover the monies from GOER without a Board vote, PEF's board could subsequently have deliberated without the complications of Sheedy's fait accompli held over PEF's head.

The Board deliberated in an atmosphere of emotionalism, confusion and some had fears of PEF manifesting public disunity during a protracted contract negotiation. They missed the point that the way this issue was handled was too high a price to pay for an ephemeral peace. PEF's politics and perpetual peace and unity are just too great a contradiction.

Regarding the attempt to portray past PEF Statewide officers and staff persons as having made sacrifices due to having State accruals frozen, I point to
continued on page 12

COORDINATOR'S CORNER - CONT'D

such benefits they received such as extra pay in most cases, car allowances, ability to sell back some vacation time, etc.; as to sick leave buyback, life is often unfair. Babe Ruth's heirs don't get special infusions of cash and benefits because Ruth couldn't command the compensation that Mark McGuire and Sammy Sosa obtain today. Past and current officers of PEF knew the terms and conditions of PEF office. If the terms and conditions weren't adequate, they could have chosen not to run. Alas, there has never been a dearth of candidates for PEF office or staff jobs.

REGION 8 PAC HOSTS LOCAL LEGISLATORS

by Richard Bojman

On November 22, 1999, the Region 8 PAC attended a dinner with Assembly Minority Leader John Faso (R) Kinderhook, at Nicole's on Delaware Ave in Albany. Faso spoke about some of the concerns he felt state workers had and then took questions. Most of the discussion involved the ongoing contract talks. Faso said he would try to communicate our concerns to the Governor.

Faso also spoke about budget issues, such as the surplus in this year's budget and that it had already been accounted for in the spending plan. He was concerned about the high cost of energy and its negative impact on the State's business climate.

On December 9, 1999, the Region 8 PAC attended a dinner with Senator Neil Breslin (D) Albany, at the Schuyler Inn in Menands. He spoke about contract issues and the recent rally on the steps of the Capitol at which he and Assemblymen Jack McEneny (D) Albany and Ron Canestrari (D) Cohoes, also spoke on the contract in support of PEF.

He took questions from the audience which mostly involved parking in Downtown Albany and how his stance was opposed to PEF's. It was pointed out that his bill, which would allow the City of Albany to impose a permit parking system which penalizes non-residents, would hurt our members but he said he felt he had to protect the interests of the community.

On January 4, 2000, the PEF Region 8 PAC held a regular meeting. Discussed were new proposed rules for local endorsements, rules regarding who could attend special function of the PAC and the a recommendation to the Statewide PAC that they endorse Senator John McCain for President in the primaries, particularly in the New York Primary. None were approved.

EXECUTIVE BOARD MEETING

by Bob Harms

Listed below is a brief summary of the Executive Board meeting held December 1, 1999 at the Quality Inn, in Albany. The printed agenda for this meeting was approved with several changes. Minutes from the August 1999 meeting were accepted with several changes.

Guidelines for Political Contributions—A proposal to establish guidelines was reviewed by the Board. After much discussion, proposed changes and amendments, a motion was approved to establish a set of guidelines for political contributions. Highlights include: Candidates may receive funding only if they have been endorsed by PEF; The amount allowed to each Region (for a 2-year cycle) has been increased from \$1,000 to \$2,000.

Roger welcomed officials and staff from SEIU. Anna Burger, an Executive vice-president gave a rather long presentation on SEIU's President's Committee 2000" Roger presented Jonah Triebwasser to the Board. He is a PEF member, from DEC, who was the winner of the George Meaney Award for service to our youth. He is an Assistant Scoutmaster for a troop in his area.

Presidents Report: Roger cited an example from the State Insurance Fund, showing the value of having an active union, looking after our members interests.

He laid out three of his power strategies:

Mobilization—Need to build our power. He gave an update on where we are with mobilization. We are currently at 5.28% of our membership, and we are ahead of schedule on our goal (goal is 10%).

Political Action—COPE sign ups are up 21%. We need to continue to push for a higher voter registration rate among our members.

Unity—Roger will be forming a "One Voice Committee" to identify things that could be changed, so that all areas and units within PEF can work in the same direction, instead of against each other. He gave us an update on the administration's efforts with regard to their priority issues.

Job security—Cited several examples of successes. In particular, he was very pleased with success in OMH.

Contract activities—Talked about contract initiatives. Stated the need to keep up the pressure. We need to work with CSEA (He has contingency plans, depending on how their election works out over the Winter). He

continued on page 13

EXECUTIVE BOARD - CONT'D

reminded all about the (hopefully very large) rally, scheduled for Jan 5.

Retirement Reform—"COLA 2000" is moving forward. He cited other issues we are pushing for, but was not optimistic on several.

He mentioned the topic of the Hillary Clinton / Rudy Gulianni NY Senate race. It was felt that it would be in our best interest to wait until Spring before we consider any possible endorsement.

His report was followed by a question and answer period.

A proposed "Public Service Platform Plank" for the 2000 Democratic National Convention was approved.

Eric Miller and Joe Buckley gave separate presentations on the current round of negotiations. Of note: Only a few very small agreements have been agreed to; There are 10 more negotiating sessions scheduled; They requested a large turnout for the Jan 5 rally; Joe felt our Team was starting to jell, each with a voice, and fighting for our issues; we were reminded that more participation (from our members) meant more power. This was followed by a question and answer period.

The proposed "Special Rule of Order on Transition" which had been tentatively approved at our last meeting, was brought up for the Board's consideration. In order for it to become policy, it had to be approved again at this meeting, with no changes.

An amendment regarding the purchasing of PEF property was approved. The policy was then approved, with the amendment. It will now have to be approved (as is) again at our next meeting, for it to become policy.

Dave Berke (D.O.T. Downstate) gave a brief presentation on an issue of "Prevailing Wages". He is looking for PEF support. Because of the lateness of the day, Roger stated that he would respond in writing, with copies to the Board.

The meeting was adjourned at 4:02 p.m.. (With much of the proposed agenda not being addressed!) Our next meeting is scheduled for March 1 & 2, at the Albany Quality Inn, where some of the main issues will be: Budget Approval Convention Delegate Apportionment, Agenda, and Travel, for year 2000 Convention Locations for 2002 / 03 / 04.

WHY NOT MILITARY ORGANIZATION FOR UNIONS?

by The Raving Sergeant
(Michael A. Dreibelbis)

I don't know the Army (The military in general) has had a list of successes a mile long. 200 + years of nearly undefeated activity. Union, AFL-CIO etc can not claim so stellar a record. It wasn't until labor organized on a large scale, and forged a brotherhood, acting with concerted effort, on fronts physical and political, that they finally started to win. Once they strayed from that path, Organized Labor began to decline. Unions have been acting like resistance cells, or semi organized mobs. Organization is the key To ignore the organizational ability of the military is moronic. Is winning to be a union goal?

Every INFANTRYMAN knows... beg, borrow and steal... Lie, cheat and steal... achieve your aims by whatever means necessary. To run unions, without the ideas of Sun Tzu, is to lose on every field... being pathetic and whiny has NEVER worked. Give me a company of baton wielding, riot shielded soldiers, and I can break a disorganized rabble of 4-10 times my unit's size. Unions are being run like resistance movements and rabbles, those never last for long. We must ORGANIZE and STRUCTURE ourselves, or we will lose. We know the enemy... we do not know ourselves... that is a fundamental weakness.

As to the issue of consolidation... it's a good idea! 40 here, 30 here, 15 over there is disorganized. With a centralized command structure, we can use 85, instead of three separate groups of 40, 30 and 15. Surely anyone can see the advantage of having the organized 85, who can be strategically employed by a central command, over the disorganized idea of three separate groups, attempting to make their numbers go the furthest. As any veteran of a Combat Arms occupation knows, large units are more effective than several disjointed small units. Taking 4 small units, putting them under a central command, allows for coordinated activities which, SURPRISE, leads to VICTORY. Coordinating activities is what Roger Benson is doing, and ultimately, it could be successful... instead of just regions, and divisions, we have a union, segments of which are activated for battle Pataki in NYC. There is NYC PEF, Pataki in Detroit, PEF strike team... and with an appeal to higher, SEIU troops to back us up. There is a precision at work here... again, ORGANIZATION is the key. Obviously, Organized Labor is like Military Intelligence, an OXY-MORON. Having attended the Albany Labor Council meeting, I found the ideas expressed here roundly criti-

continued on page 14

MILITARY - CONT'D

cized by those more willing to whine than to fight, too afraid of centralized organization to achieve a true victory. It is sad that it has come to this.

Years ago, Unions were Mob strongholds... Mobsters ran the Teamsters. And does anyone remember what was thought of the Teamsters? Thugs, criminals, bully boys, etc. But can anyone deny their successes, both in the arena of politics, and in the true physical arena, winning wages, concessions, etc. from management? Can we deny that the Teamsters were respected and feared? Perhaps I am romanticizing the success of Jimmy Hoffa, and I do not suggest a return to the days of Mafia control, but the Mob was organized, with a common goal. Seems the Teamsters had a long history of VICTORY!

Shed your 1960's loathing of the military, folks! It's not all bad, it's not all stupid. The military understands organization, and that no mere disorganized mob can win in the larger battle. Only an organized, disciplined... ARMY... can win in the trenches. Only through organization can we truly bring management to heel. When they understand that they face a unified front, a

group prepared to meet them at the table, and on the field, and in the ballot box, they will be forced to deal in good faith. Think like a SOLDIER! Or at least try. Victory is achieved by effort, not by good intentions. If a frontal assault doesn't work, then perhaps a flanking movement. If one group is bogged down, call for support. This epitomizes what Roger Benson has been doing as PEF President: leading, organizing, sending troops to do battle (in the sense of "go and protest everywhere Pataki goes"). And as crazy as this may sound, it might just work... We all know what the old system of capitulate and kiss-ass got us... maybe the military example might be a better course. Stand up, stand firm! PEF has the power to make change.

Think of it like this: the Senate is controlled by the Republican party by a slim margin. If PEF goes out and votes, and begins to shift the power, we could hardly be ignored. Democrats control the Assembly. If PEF goes out in support of Republicans, and again causes a shift in the Assembly, How could we be ignored, by any party, Governor, Assemblyman or Senator?

Better to die with boots on, gun in hand, fighting to last; than to kneel and beg and scrap and lick the hand of the new master.

THE LIFESTYLE FINANCIAL MANAGEMENT PLAN: A TOOL FOR ASSISTING ELDERLY RELATIVES WITH THEIR FINANCIAL AFFAIRS

By: Robert L. Fisher

Shop Steward and Chairman of the Statewide Pre-retirement Planning Committee of the Public Employees Federation.

Many state workers at some time in their lives will confront the need to assist elderly parents or other adult relatives with their financial affairs. Typically, this need arises when the relative presents obvious symptoms of incapacity in dealing with their affairs because of physical or mental illness that may be age related. Sometimes, however, the relative is simply looking for assistance in financial affairs but is able to live an independent life. Providing financial management assistance to anyone is difficult work requiring the utmost in tact and patience. However, providing lifestyle financial management assistance, which is what most elderly people really want and need, is especially difficult because, as even professional money managers know, there is little written guidance available. Most written material is about tax and estate planning—important subjects but not the same thing as lifestyle financial management.

LIFESTYLE FINANCIAL MANAGEMENT VS. ESTATE PLANNING

Before I go any further, I need to define "lifestyle financial management" by clearly differentiating it from

tax and estate planning. The aim of "lifestyle financial management" is to allocate one's resources to assure that, to the extent possible, one can live an independent life within one's resources. Tax and estate planning are concerned with maximizing one's assets by tax strategies and estate planning strategies, including such well known mechanisms as establishing trusts for heirs and distributing assets before death so that they are not probated. The choice of the techniques for "lifestyle financial management" given its aim may be different from that of tax and estate planning. For example, it may make more sense for people who can handle a stream of money better than a lump sum distribution once a year to have "layered" certificates of deposit, (i.e. C.D.s that mature sequentially every few months) rather than a bond mutual fund that declares an annual dividend of interest on the bonds and capital gains. The latter may yield a higher return than the layered certificates of deposit, but may not be desirable for people who need a steady stream of income and/or cannot resist the temptation to spend big lump sum distributions.

continued on page 15

FINANCIAL PLANNING - CONT'D

Now that it is clear what "lifestyle financial management" is about, what sort of advice can I offer? Frankly, most of what I will say from here on is of the "common sense" variety, based on personal experience and that of the few articles I have come across on this issue. The two themes that I will emphasize are (1) start early and (2) put the lifestyle management plan in writing.

START EARLY

The best time to start talking about and planning the lifestyle management of the elderly relatives is as soon as possible. Begin by asking them if they have a "lifestyle financial management plan." If they give you blank look as if to say "What's that?" then you know that they don't have a plan and need one. Explain the advantages of a lifestyle plan to them in a frank conversation. Don't be discouraged if at first they seem not to be receptive. Continue to raise the issue at opportune moments. For example, they may be more receptive when a major life change is imminent, such as a spouse going into a nursing home. Keep the message simple: lifestyle financial planning is important and everyone has got to do it. Its purpose is to help people live the most fulfilling life they can on their incomes and assets. It is not about leaving a lot of money for heirs.

Besides explaining to the elderly relative the importance of the lifestyle financial management plan, explain the concept and basic ideas to other relevant persons. Perhaps the elderly relative has a close friend, or other children. Explaining the purpose and basic ideas to them will make them allies in convincing the elderly relative to cooperate in creating a plan.

PUT THE PLAN IN WRITING

Once the elderly relative has accepted the need for a plan, it is important to formulate the plan and put it in writing. The plan should cover several issues: (1) sources of income, (2) amounts of income, (3) a budget that assures that necessary expenses will be paid (such as home mortgages, income taxes and food), (4) strategies for conserving assets that will permit the necessary expenses to be paid, and (5) investment strategy for surpluses so that funds will be available for the future and if possible for guaranteed minimum bequests to heirs.

The emphasis in the plan is clearly on assuring that topics 1-4 are adequately addressed. Item 5, where estate planning is taken up is distinctly secondary in importance in the lifestyle financial management plan. That is, it is only after such issues as adequate

allowances for medical expenses and other necessities are provided for, that the plan should consider how to maximize the surplus so that there is an estate to distribute after the death of the relative. It is not absolutely necessary in preparing this plan that a professional financial planner be consulted, but it may be desirable, especially if there is a large amount of assets to be managed, (a quarter of a million dollars or more). This is because other relatives are more likely to accept a disinterested professional. There are two things to keep in mind.

First, be sure that the professional planner understands clearly that she is to prepare a lifestyle financial management plan and not strictly a tax and/or estate planning plan. Take the time to explain to the professional planner what the plan's intent is and what sorts of technical assistance she is expected to provide.

Second, before making any agreement with the planner to develop the plan, explain to the elderly relative that you are bringing in a professional planner to prepare the plan and that the elderly relative will have to pay for the work being performed. Remember, it is essential that the elderly relative agree to the particular planner as well as the idea of an outside expert.

Prior to initiating the work, the relative needs to understand that this kind of professional assistance does not come at a small price. A lifestyle financial management plan prepared with assistance from a professional planner can easily cost over a thousand dollars and may cost two or three thousand dollars depending on the amount of work involved. It is best to seek out a fee only planner since, especially in the lifestyle plan, it is quite possible that the investments that the plan will recommend may not be the sort that commission paid planners sell. Either they will not accept you as a client, or if they do, they may have a conflict of interest that is detrimental to producing a suitable plan.

Be aware that over time the lifestyle financial plan will need to be modified as the elderly relative's health and other relevant aspects of his/her situation change. If professional assistance is sought when modifying the plan, of course additional expenses are incurred. A written plan should be kept with the will and other essential papers in a safe place in the house where it can be accessed easily by executors of the estate and/or legal guardians and persons with limited or full power of attorney for the elderly relative.

Despite the time, effort and expense involved in developing a lifestyle financial management plan, professional financial planners generally agree that it is worth the cost. Such a written plan clearly helps the elderly relative to live a fulfilling life given their age and physical and mental health status.

PEF REGION 8 HAS A NEW WEBPAGE

PEF Region 8 has it's own webpage at URL = <http://WWW.PEFREGION8.FREESERVERS.COM>. The site has announcements for Region 8 members such as discounts available for River Rats games and other events at the Pepsi Arena, meetings of the Region 8 Stewards Council, meetings of various committees such as PAC, Parking and Civil Service. It also has reports for some of those committees.

In addition, many articles found in Heartland can also be found at this site. A link to PEF's main webpage

is also provided. E-mail can be sent to the Region from the home page. Since it's start , over 200 hundred visitors have been logged. The site was created and is maintained for Region 8 members but is available to members of all regions.

Please visit the site and send us your comments using the e-mail feature. If there is something you would like to see at this site,links or information, please let us know. Contributions are welcome.

Get a Free Personal Domain Name!!!
[http:// mydomain.8m.com](http://mydomain.8m.com) **Click Here Now**

Freeservers.com email me stats sign up login

PEF

Region 8 Homepage

Serving the 14,700 members in the Capital District

- [News For PEF Region 8](#)
- [Committee Reports For PEF Region 8](#)
- [Send us E-mail](#)
- [New York State PEF Homepage](#)

"New York Works Because We Do"

The New York State Public Employees Federation
AFL-CIO

REGION 8, NEW YORK STATE
PUBLIC EMPLOYEES FEDERATION AFL-CIO
1168-70 Troy-Schenectady Road PO Box 12414 Albany, NY 12212-2414
(800)342-4306 (518)785-1900

You are visitor number 203 to this site.

This page created by Web/Graphics