

Secretary-Treasurer's Report

Union advances tempered by health cost increases

By ROME ALOISE

The first half of 2002 is over and it seems as though we have had a whole year's worth of work, problems, and successes already!

We held a historic Special Call Convention and instituted the biggest single dues increase in the history of the Union. We organized many new companies and members have ratified a number of contracts. But at the same time, we are hearing the unfortunate news of major price increases our suppliers charge our health and welfare plans.

Health and welfare costs

Health care benefits are at the heart of our union contracts. Most Local 853 plans provide full coverage medical, hospital, dental and vision care for members and their families, as well as for retirees, at no cost to the member. This package of benefits is one of our greatest achievements as a union.

Increasingly, however, maintaining these benefits has been one of the hardest battles we face. The cost of the insurance premiums paid by our Trust Funds to Kaiser, HealthNet, Delta Dental, and oth-

ers is rising at astronomical rates. In my 27 years as a Trustee, I have never seen such large increases in such a short period of time. We're looking at increases of 20% or more for next year.

It's a genuine crisis, faced by all union families. Employers argue that they can no longer absorb these costs. Money that might have been used to increase wages may have to be directed at maintaining health benefits.

Our response to this crisis will be a measure of our union's strength, creativity and maturity. Our approach must be flexible, creative and innovative, but always committed to maintaining the health and economic security of our members and their families.

Our country needs national health care. Without government involvement, these increases will continue and more non-union workers will lose coverage. Our plans will pick up the cost—directly, by covering uninsured spouses and indirectly, having to pay overall cost increases.

Be prepared, this issue will certainly

impact you in the near future.



Dues increase

As you know by now, the International Constitution was amended to include a new dues formula, a new per capita formula that is paid to the International, and most importantly, a dedicated Organizing Fund and a Strike Fund. We've created a strike fund that you can depend on if you ever need to strike over your contract or respect a sanctioned picket line.

I am firmly convinced that union dues are still the best investment a working woman or man can make.

Local 921 to merge

The members of Local 921, who work mainly as newspaper drivers at the *San Francisco Chronicle*, voted overwhelmingly to merge into Local 853. The official merger will probably be October 1, or whenever it is approved by the IBT. We welcome these new members to Local 853.

Organizing

In the last few months, our organizers have been successful in winning a number of union elections. Workers at True World, Half Moon Bay Building Supply, Summit Ready Mix, CenCal Ready Mix and Allied Ready Mix (formerly Bedrock) have voted to be represented by Local 853.

These workers know first hand the disadvantages of working without protections, paying for all or most of their health care costs and having no pensions. Once they get their first contract, these are usually our most loyal members, because they know the difference between having representation and having nothing.

Several companies voluntarily recognized Local 853 as the bargaining representative for their workers. These employers understand that Local 853 has a reputation for honesty and integrity, that we support our members' employers, and that we won't go away.

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As the summer comes to a close, I hope you were able to take some time off to relax and enjoy your family. We'll be gearing up for the elections after Labor Day, so stay tuned.

Don't shop at Wal-Mart!

Wal-Mart is an **anti-worker, non-union company**, that uses **cut throat business practices** to unfairly compete with good, unionized employers. Wal-Mart pays most of its employees **minimum wage salaries** or just above. More than 70% of Wal-Mart workers have **no health insurance**. Those who do, pay almost the entire cost of the premiums.

Stay out of Wal-Mart.

Studies show that everywhere that Wal-Mart opens, 150 **good paying jobs are destroyed** for every 100 underpaid workers that they hire.

Shop Union stores, such as **Safeway**, **Albertson's**, **Ralph's** and **Costco**. Local 853 members work at the Hayward, Redwood City, South San Francisco and Fairfield Costco stores. Many **Rite-Aid**, **Walgreen's** and **Long's** are also Union stores.



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Teamsters Local 853
2100 Merced Street, Suite B
San Leandro, CA 94577

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Local 853 – organizing and building a stronger union

Local 853 members in action



Chaplan and Hoffa at National Building Trades Conference

Promoting construction careers for women

Local 853 member Debra Chaplan had an opportunity to meet President Hoffa before she made a presentation about women in construction at the National Building Trades Annual Legislative Conference in Washington, D.C. last April.

In addition to her duties as Local 853's newspaper editor, with Beagle and Bleiweiss Communications, Chaplan also works for the State Building and

Teamsters and Boy Scouts celebrate the 4th

By day, Local 853 member Juan "Bean Bandit" Perez is shop steward and low-bed heavy duty transport operator at Edward Andreini & Sons Grading and Paving in Half Moon Bay. But on July 4, he helped

decorate the truck, loaded it with a troop of Boy Scouts (troop 255 based in Montara), and won "best overall" float in Half Moon Bay's Ol'Fashion 4th of July parade.



Construction Trades Council. Here, her duties include developing programs to recruit women to the Building Trades and to help them stay on the job successfully.

In May, she coordinated "Women Building California," a statewide confer-

ence for women in the trades held in Sacramento. The conference, planned in collaboration with Tradeswomen, Inc., brought together more than 200 tradeswomen. For more information, go to www.tradeswomen.org.



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As health care costs skyrocket, Local 853 members will feel the squeeze

Health care costs are going up—not just for Local 853 members, but for all Teamsters, all union members and non-union workers as well.

“It’s across the board...a national epidemic,” says Secretary-Treasurer Rome Aloise. “Our members are going to feel it, if not right away, then when their next contract comes due. We would have normally put this money into wages or pensions, but now we need it to maintain the benefits that we’ve enjoyed for years.”

Cost history

Throughout the 1990’s, health care costs remained relatively low and stable—in some cases, there were no rate increases for six years. During those years, most members chose to funnel money into their pensions and 401(K) plans.

This will prove to have been a good decision. Costs started to jump in 2000 and future increases may be eaten up by the health plans.

“We are now looking at 15 to 20% increases in our active plans along with increases to maintain the Retiree plans,” Aloise reported.

Costs are going up for a number of reasons, experts say. Throughout the 90’s,

“Unless something is done by the federal government to control health care and prescription drug costs, we will continue to see spiraling cost increases in our plans...”

HMO’s kept costs down by squeezing doctors and hospitals—but they eventually squeezed all the fat out. The doctors and the hospitals fought back by consolidating and are now bigger than the HMO’s. In the last few years, the medical groups have gained the leverage and they’re demanding big increases.

At the same time, Medicare unilaterally reduced payments to hospitals and doctors. The result is that many plans no longer accept Medicare patients, and those that do

have raised their rates substantially.

In addition, the cost of drugs is increasing 18-20% each year.

Political action needed

“Traditionally, our Local 853 plans have had more than adequate funding, good management, and good administration. But unless something is done by the federal government to control health care and prescription drug costs, we will continue to see spiraling cost increases in our plans,” said Aloise.

To this end, Local 853 encourages its members to participate in the political process through registering to vote and by supporting the Teamsters’ International political action fund, DRIVE.

In the next month, Local 853 will step up its efforts to get every member registered to vote and signed up for DRIVE. Local 853 political coordinator, Jesse Casqueiro, will be contacting all Shop Stewards to appoint job-site coordinators and to push voter registration.

TeamMSters walk to raise money for a cure for MS



The TeamMSters raised more than \$41,000 on April 7 for MS research.

The 2002 TeamMSters Walk team was one of the top ranked teams in the nation. Organized by Local 853 Office Manager Janine Vanier, the 38-member team raised more than \$41,000 on April 7 for research for a cure for Multiple Sclerosis.

Vanier, who lives with MS herself, couldn’t be more proud. “This annual Walk gives people an opportunity to contribute to the well-being of others. The response was phenomenal—from members, employers and providers. We’ll be working to raise even more next year.”

Benefits Announcements

SIP merges into 401(k) plan

As of December 31, 2002, the Supplemental Income Plan will merge into the SIP401(k). This merger will happen automatically with all individual SIP accounts going into the 401(k) Plan.

Each member who now has only the SIP will become a participant in the 401(k). Those who already have 401(k) accounts will see their funds from the SIP transferred into their 401(k) account.

As of July 25, 2002, there is a new Stable Value Fund choice, which has a guaranteed interest rate.

There are various options that you can pursue concerning this merger. For more information, call: 1-800-4-PRETAX, and ask for Ray, Tony or Glenn.

WCT Pension Trust makes changes

The Trustees have implemented the following changes that will benefit the members of Local 853 and other Western Region Locals that participate in the Western Conference of Teamsters Pensions Trust Fund. These changes are:

- ◆ Beginning in January 2003, a retiree who is over 60 years of age will be able to work up to 85 hours per month in covered employment without having his or her pension benefits suspended. Members who are under 60 years of age are still limited to 49 hours.
- ◆ The Plan now allows a member who is working at age 65 to collect his or her pension and continue to work. However, until this new change, there was a requirement to have less than 50 covered hours within a month, before this was possible. With the new change, it will no longer be necessary for a member over the age of 65 years of age to have a month with fewer than 50 covered hours. This means that a person age 65 or over can continue to work and collect their pension and social security. A note of caution: some contracts (freight, some grocery) restrict a member's right to remain on the seniority list once they receive pension.
- ◆ Effective June 1, 2002, a person 55 years of age or older in a newly organized unit can vest after one year of covered employment, provided that he or she has four years of past service with the employer. Similarly, a person 54 can vest with two years of coverage if he/she has three years of past service, and so on until age 51, which then would require the full 5 years of vesting.

WCT Pension Plan Q&A

On the second Wednesday of every month, representatives from the Western Conference of Teamsters Pension Administrator come to Local 853's San Leandro offices to answer your pension questions. To make an appointment, call 510-895-8853 or 800-400-1250.

Voice of the members

What impact does the economic downturn and corporate fraud have on your life?



George Brown
Southern Wine & Spirits

"I don't see it or feel it..but I don't get caught up in that crap. If the CEOs are going to steal the money, they should share it."



Randy Bernard
Southern Wine & Spirits

"There's a long-term impact on my retirement and 401(k). I don't feel a short term impact, and it doesn't seem to be affecting our company."



Juan Torres
Southern Wine & Spirits

"With unemployment and welfare up, a bad economy affects everyone. We need more jobs for people—especially in the Bay Area."



Donnie Stuart
Southern Wine & Spirits

"My stocks have fallen daily. They need a better regulatory system—they needed it beforehand. Now we have the cart before the horse."

Teamsters Local 853

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Beagle & Bleiweiss Communications • Debra Chaplan, Editor

Saying aloha to two great Teamsters

Gomes and Gemma celebrate retirement

Two Local 853 officers have stepped down from their Executive Board positions to enjoy their hard earned retirement. Vice President Pete Gemma and Trustee Harvey Gomes retired recently. A luncheon was held on Friday, July 12, at Francesco's Restaurant to honor both long-time Teamsters. Gomes is Hawaiian and Gemma was known to wear a Hawaiian shirt every Friday, so flowered shirts and mu-muus were the party's theme.



Harvey Gomes with Local 853 staffers Jan Johnson, Janine Vanier and Jennifer Payne.

Harvey Gomes

Harvey Gomes first joined Local 853 when the workers at Gillig Corporation voted to be represented by the Teamsters in 1976. The members there immediately elected Harvey to serve as the Chief Shop Steward and he participated in the very first Local 853/Gillig negotiations. (This effort started with a month long strike and resulted in many improvements that are still in the contract today.) Harvey was appointed to the Local 853 Executive Board in 1981, and has been re-elected to that position in each election since.

Harvey is best known for his calm presence, his slow and melodic voice, and his unwavering support and loyalty for Local 853 and its members. "Harvey is part of the old breed," says Secretary-Treasurer Aloise. "Be loyal to your Union, negotiate a good contract, be loyal to your employer, and do an honorable day's work for an honorable day's pay. He brought a strong and dedicated rank and file principal to our Board. I am going to miss him."

The members of Local 853 wish Harvey a happy and healthy retirement.

Pete Gemma

Pete Gemma retired as the Vice President and Construction Division Director of Local 853 at the end of March, after almost 40 years as a Teamster member.

Pete started as a member of Local 85 in San Francisco and transferred to Local 70 with a change of operations for Neilson Freight Lines. He was elected to serve as a business agent in Local 70, worked as a business agent in Local 624, and was Secretary-Treasurer of Local 291, prior to that Local's merger into Local 853.

As Chairman of the Norcal Teamsters Construction Committee, Pete was a strong force in bringing back the respect to the Construction Local unions in the Bay Area.

Bode Gravel Shop Steward Terry Post wrote to Pete upon his retirement: "I was surprised to hear you had retired...seems there should have been a parade or something (maybe you could retire one of your flowered shirts)... I wanted to thank you for your years of dedication, your chairing of the recent ready mix agreement, your knowledge, your humor and your friendship. Your ability to stand up to the employers was a key feature in winning the contract we all enjoy today. Hope you have a great retirement, you earned it."



Rome Aloise celebrates Pete Gemma's Teamster career.

New Appointments to Local 853 Executive Board

With the retirement of Vice President Pete Gemma and Trustee Harvey Gomes, the Executive Board made appointments in compliance with the IBT constitution, to fill their unexpired terms.

Tarantino named VP for Construction

Phil Tarantino, former Secretary-Treasurer of Local 216, and current Local 853 construction Business Agent, has been appointed Vice President and Director of the Construction Division. Phil joined the Teamsters in 1969 as a freight driver

in Local 85, and began his career as a construction driver in 1970. He brings a wealth of experience and enthusiasm to the position.

Belunza appointed Trustee

Jeff Belunza, Shop Steward at Gillig Corporation, has been appointed to the Trustee position. He has been a Local 853 member and Gillig employee since 1981. Jeff has participated in the last two Gillig negotiations and has proven himself to be a loyal and active member of Local 853.

Organizing victories and new contracts

Contract at Double D

After nearly 12 weeks of very hard bargaining, Double D Transportation Services signed a historic contract with Local 853 in May. This company has operated non-union for almost 25 years.

Double D did not respond kindly to their employees' desire to join a union. They fought back with unfair labor practices, including threatening to close the facility and firing a long-time worker.

In the end, a close vote for union representation forced the company to come to the bargaining table. Bo Morgan and Phil Tarantino and Shop Steward Mike Hedger represented the union.

Negotiations started slowly, with the company obviously dragging their feet. Secretary-Treasurer Rome Aloise joined the negotiating committee and told the company to expect pickets at every DeSilva-Gates job in Northern California, if they didn't get serious. The negotiations suddenly began to move more quickly.

The first time contract, ratified by the 25 workers in May, includes a huge wage increase, Teamster pension, SIP 401(k) plan, and the Teamsters health and

welfare plan. The company also settled their unfair labor practices.

"The company started out afraid of the union, but once we proved that we were reasonable and would not put them out of business, they negotiated a fair contract," said Aloise. "We are now encouraging construction companies to patronize Double D, so that they reap even more benefits of being union."

The new members gave Local 853 a plaque with the following inscription: "The transport drivers of Double D

Transportation express our thanks and sincere gratitude to Bo Morgan, Phil Tarantino, Rome Aloise and Mike Hedger for the many long hours of deliberation and argumentative conversations with the powers of Double D on our behalf. In just a few words, you have all made our standard of living something we can be proud of and look forward to—with security and peace of mind."

More ready-mix is union

After successful organizing drives, Local 853 got two more ready mix rental companies to the bargaining table. Business Agent Stu Helfer signed Summit Ready Mix to a first time agreement in May, while CenCal, another rental company, finally recognized Local 853 after union members starting picketing their facility. Locals 386 and 439 are presently negotiating with them for a new contract.

By continuing to organize the industry, we ensure that the companies our members work for cannot be underbid, protecting all of our union contracts.



Picketing follows election victory

Local 853 is participating in a joint organizing campaign with Operating Engineers Local 3 at Half Moon Bay Building and Garden Supply. The employees voted for both unions in an NLRB election, but the employer is appealing. The unions sponsor occasional picketing to disrupt the company and to inform the public of their unfair labor practices. Above, Local 853 Business Agent Pete Easton, Organizer Ormar Locklear and Local 85 Secretary-Treasurer Van Beane on the picket line.

Voice of the members

What impact does the economic downturn and corporate fraud have on your life?



Dave Ortiz

Southern Wine & Spirits

"The stock market is like gambling—that's why I switched my 401(k) to the stable fund. Our industry doesn't get impacted—when stuff gets bad, more people drink."



Maurice Rodgers

Southern Wine & Spirits

"It's just wrong. I've definitely lost money in my 401(k). Those CEO's need to get fired—at least."



Will Kaeck

Southern Wine & Spirits

"I've tried to be prepared, with a 401(k), pension and life insurance. But with the cost of living going up and the economy going down, what we have doesn't go as far."



Mike Costa

Georgia Pacific

"Management has to work with integrity—as a family—on behalf of the whole company, not just for the personal gain of a few."