

2019 – Year in Review



Jeff Greenlee
Secretary/Treasurer

First of all I hope you had a Joyous and Safe Holiday Season... but now it is back to business....

Business of the Local

Let me define what a “Labor Union” is as it relates to the Unions business responsibilities.

A labor union is an association of workers who have combined to protect or promote their interests by bargaining collectively with their employers to secure better working conditions, wages, and similar benefits, and to resolve grievances against employers.

Labor unions protect the rights of workers in specific industries. A union works like a democracy in that it holds elections for its members that seek to appoint officers who are charged with the duty of making decisions for union participants. A union is structured as a locally-based group of employees who obtain a charter from a national organization. Dues are paid by the employees to the national union, and in return, the labor union acts as an advocate on the employees behalf.

The Local as a Business

It is important to understand that although the “Business” of the local is representation, the Local must also be run AS a business to remain financially viable and enable the officers to represent the members to their fullest ability.

It must be understood that every Check, Electronic Funds Transfer (EFT), ePay, deposit, bill, invoice, charge to the Union Debit Card, has a paper trail with a voucher or authorization attached.

NO expenditure is made without such authorization. The authorization comes from the President, Vice President, or the members and is only done with the approval of the membership.

90% of the expenditures on the financial report are on each report every month, just as you have many of the same monthly bills, so does the Union. These bills include such items as officer salaries, labor organization dues, deposits to funds, payroll and other taxes, phone bills, electric bill, water bills, office equipment leases, building security, etc., and the amounts may vary slightly but only by small amounts, and some of those do not change at all.

Every check I write as your Secretary Treasurer, every deposit, every electronic transfer to cover these expenses

is reported at the General Membership Meeting where each expenditure is open to review and discussion.

The financial records of the Union are inspected once each quarter by your elected Trustees, three from the Clerk Craft and one each from Maintenance and MVS. Your Trustees certify each transaction looking for proper paper trail, authorizations and check management. The Trustees work closely with the Treasurer to identify any discrepancies and how to better resolve issues that may arise. They also make recommendations for consideration on how to better report transactions, improve transparency and attempt to resolve any financial disputes or misunderstanding.

Needless to say, to properly maintain the financial records of the Union takes time and that is where the local pays the Secretary/Treasurer to maintain the financial records and the Trustees to monitor and review. The financial records of the Union are open for inspection by any member because it is important that transparency and accountability be the foundation of any organization, especially your Union.

I am proud to report that, at this time, the financial health of the Local is good and promising. In order to maintain that financial health it takes discipline and common sense which will allow this Local to continue to be financially strong. A financially sound Union enables your leaders to be strong advocates for your contractual rights.

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The first thing about the 2019 finances is that it was a wild roller-coaster ride.

At the beginning of the year I reported a budget to the membership that, if based on the expenditures of 2018 we would effectively run out of money sometime in February. A large amount of the 2019 projected deficit was due to the cost of a Full –Time Vice President and his benefits. It is important to remember that we had a net loss of \$73,000 in 2018.

The members, and the administration, then took measures to head off the insolvency, not the least was the Vice President’s volunteering to return to the workroom floor. By the end of the first quarter I reported that the projected deficit for 2019 had now been reduced to approximately \$25,000 (based on 2018 spending). We still had a ways to go financially.

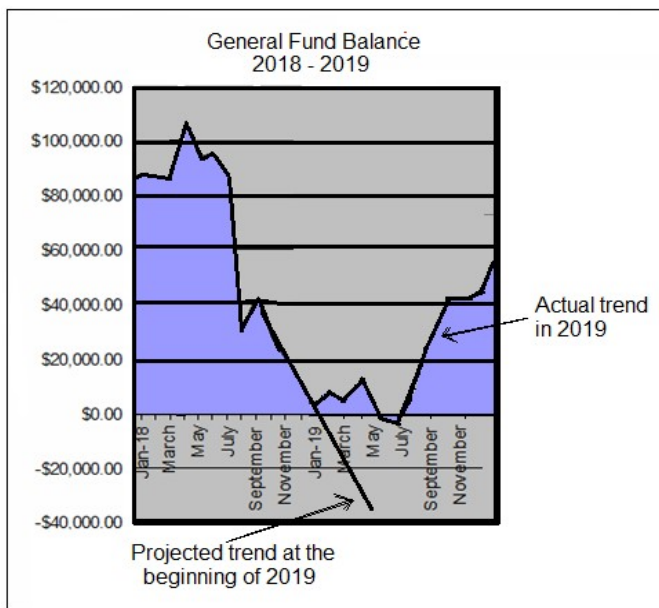
The members and officers took further measures to abate any deficit the Local may run by limiting the expense of Conventions and Seminars, LWOP/Admin pay and also passing a motion to increase the Union dues by \$5 per PP. All things considered I project that the Local will have a budget surplus of approximately \$66,000 (the year is not

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quite over as of this Dispatch deadline). It must be emphasized that the \$5 dues increase amounted to a net income increase of approximately \$40,000 for the year (it became effective PP19).

The cost saving measures are dramatically demonstrated in our General Fund Balance which at the beginning of 2019 which I projected would go negative sometime in February if cost savings measures were not implemented.

The General Fund has rebounded to approximately half of what it was in May of 2018 and is trending up at this point. Please remember that the General Fund is used for the everyday operation and expense of the Union and should not be confused with the Security Service FCU Special Funds that has money set aside and used for specific purposes such as Conventions and Seminars, Building Maintenance, Emergencies, Officers Leave, Scholarships, etc.,. Please see the chart below:



2020 Looking Forward

So what does this say looking forward to 2020?

At first estimate, based on 2019 expenditures, and 2018 Conference and Convention expenses, projected income, and in consultation with President Rincon, and with the understanding that we still have the \$5 dues increase in effect, I am projecting a surplus of approximately \$144,000 (\$125,000 of which is the dues increase).

It is important to realize that this projected surplus is very fluid and can be changed dramatically by any number of motions from the floor or something that may happen in the pending lawsuit we are currently involved in. It must also be realized that the building is over 10 years old and that unforeseen maintenance costs may arise.

Once again I am stressing that I am proud to report that the financial health of the Local is good and promising. In order to maintain that financial health it takes discipline and common sense which will allow this Local to continue to be financially strong. A financially sound Union enables your leaders to be strong advocates for your contractual rights. We as members and officers have a responsibility to maintain fiscal responsibility in the allocating of Union funds and ensure that such allocations are in the best interest of ALL members.

Lastly, as your Secretary Treasurer, I can give you the numbers, projections and figures, but it is ultimately your decision on the direction of your Local. You pay for the right to participate, vote, and attend your Union meetings. Use that right that you pay for to voice your opinions.

If you have any questions, or concerns, please do not hesitate to contact me, I am normally at the Union Hall Tuesday and Wednesday mornings.