



General Membership Meeting Held on September 22, 2011



September 22, 2011 Membership Meeting

On September 22, 2011 CWA Local 1039 held their membership meeting at the Boathouse Marina in Mercer County Park in Hamilton. The turnout was quite large given the fact that members are anxious to hear details of the new contract with the state of New Jersey.

Thomas Palermo, President of CWA Local 1039, greeted the audience with an opening prayer emphasizing the struggles that state workers have had this year with the Christie administration. After the welcoming message from Mr. Palermo, Shay Jarman informed the audience that there would be a Christmas party for the membership on Friday December 9, 2011. It is being held at the Trenton Marriott near the Local.

First on the agenda was Lionel Leach who is the Political and Legislative Director at the Local. Lionel spoke first about the status of layoffs at the Commission for the Blind and Visually Impaired within the State. CWA Local 1039 and the affected employees were ultimately able to stop the layoff of twenty ten –month instructors within the Commission. It was a difficult battle, but in the end the Union was victorious by mobilizing its members and addressing the issues through the political and legal arenas.

Lionel then spoke on two other entities within the Department of Community Affairs, the Urban Enterprise Zone (UEZ) and the Committee on Affordable Housing (COAH). The Urban Enterprise Zones were targeted by the Christie administration to be dismantled. UEZs are invaluable to the many cities in New Jersey assisting the residents in the community as well as the state by providing tax incentives for businesses to set up with in these communities. However, Lionel stated that there is a bill in the works which would increase the tax rate from 3.5% to 7%, further discouraging businesses from participating . COAH is specifically set up to help low-income families find affordable housing. Any reduction in this funding will have a direct adverse effect on the residents of those communities.

Next, Tom presented the latest updates on contract negotiations with the state. He expressed real concerns when speaking on the status of the new contract. Hopefully, there is not an impasse with regard to negotiations.

He also stated that the Governor and his staff are still not willing to negotiate in good faith; however, we are still fighting to negotiate. The pension and cost-of-living adjustment issues were the first matters to be discussed. Tom stated that the June Legislation PenBen Bill increases members contributions to their pensions by 2% over seven years, thus eliminating the cost of living increase on pensions for up to 30 years. It eliminates collective bargaining for health care from collective bargaining and replaces it with the SHB Plan Design Committee. (PDC)

The committee is made up of six Governor's appointees and six Union appointees. CWA has one of the Union seats on the committee.

Tom informed the membership that the Committee had several meetings over the summer. The Committee discussed the Employee Group Waiver Program (EGWP), which would have allowed the state to take advantage of National Healthcare to lower costs for retiree prescription drugs. The Committee also discussed creating new health care plans in order to provide choices for employees and also to comply with the law.

Tom stated that we intend to keep moving forward, and with this strategy we will win the lawsuit on collective bargaining/contract negotiations.

Tom informed the membership of the following changes in the Pension system:

- **Employee Pension Contributions** - will increase from 5.5% to 6.5% as of July 1, 2011, then increase again to 7.5% over a period of 7 years.
- **Cost of Living Adjustments** – for all current and future retirees will be suspended until the pension fund reaches 80% of the full funding level (which will take an estimated 30 years).
- **Retirement Age** – for new members of the pension system will be age 65 (vs. 60 or 62). New members will be able to retire early if they have 30 years of credited service (vs. 25 years). Current employees will remain subject to the retirement age and years of service requirements that previously applied to them.
- **Formula Change** – will not change in calculating the retirement benefits.
- **Employer-Employee Committee** – will decide on future changes to the benefit and contribution levels once the fund reaches a ratio of 80%.
- **Contractual Rights** – if the State of any other employer fails to make its required contribution, employees may sue to enforce their contractual right to have contributions made. The State will be allowed to continue underfunding the system for the next 7 years while the full contribution level is phased in.

Tom felt the need to continue building the Local's relationship with the NAACP, the oldest civil rights organization in the world. He also stated that the NAACP began to lead lawsuits targeting disenfranchisement and racial segregation early in its history. Tom stated that this was an important part of history.

Finally, Tom presented the Treasurer's report to the membership. He informed the membership of the assets and debits for FY 2010-11. He was glad to state that the Local is well above projected outcomes.

All in all it was a successful meeting with the membership.

Written by Brett Richter