

The Philadelphia POSTAL WORKER

Vol. 28 No. 1

A Member of the APWU Postal Press Association

March/April 2009

Postal Workers Are Under Siege



Gwen Ivey,
President

Most of us have worked the majority of our lives for the postal service. We take a great deal of pride in serving our communities, in providing a cheap, affordable service that enables every single

citizen of this country to communicate with each other no matter where they live. We have a vested interest in the Postal Service and its survival, which is why it is so devastating to us that we are being attacked by the very entity that we are trying so hard to keep in business.

Because we feel a duty to maintain a high standard of service and integrity the APWU came forward and shed light on what, in our opinion, were some issues concerning manipulation of the mail count and fraudulent management activities.

Tour Compression

The Local officers met with postal management on March 4, 2009. At that meeting they informed us they would be moving forward with a new bid matrix. The new bid matrix would involve the elimination of day work hours in virtually all work sections, and it would also affect some jobs on Tours 1 and 3. After that meeting I formed and appointed several people to work on a special committee to help formulate our best defense to fight this attack.

Contractually, whenever the postal service makes a change of this magnitude they are required to give the union six months notice prior to implementation so the union can bargain over the proposed changes; this contractual language also affords us an opportunity to give them some real input on the changes they are proposing. We asked at this meeting if this was our six month notification, they stated no. This is a direct violation of our collective bargaining agreement, and we are addressing this issue accordingly. We were informed that they are moving forward immediately due to the state of the economy and the financial hardships the postal service is suffering. The Local officers met with employees on all three tours to inform them of the information we learned at this meeting and to let everyone know that we don't agree with these changes and we are fighting against this violation.

As every American is aware, our economy has taken a drastic downturn. The Postal Service has not been able to avoid the effects of the

failing economy, and as a result our mail volume has fallen dramatically. Much to my dismay the Postal Service is trying to hide behind its financial woes to justify an attack on its workforce. You need look no further than the two tour initiative that is taking place right now in our own facility. Management is in the process of eliminating over 100 day work jobs at the Lindbergh facility. To date, management has not provided the union with any study or report to justify their decision or shows this move would save the USPS any money. In fact, during the employee briefings managers have said that even if it doesn't save money in Philadelphia it may save money at Headquarters. Do they really think we are that stupid to think that if this move costs them more money in Philadelphia that it will save money in Washington??? Maybe their accounting methods mirror their mail counting methods...if you don't like the numbers, just change them.

I want to reiterate to every member of the Philadelphia PA Area Local that in no way, shape or form did the union agree with management when they decided to move forward with their tour compression scheme.

Article 12 Update

The Local officers, along with Eastern Region Coordinator Mike Gallagher, recently had a meeting with postal management to discuss the Article 12 situation in the Philadelphia Bid Installation.

I want to report that the number of clerk craft employees who were going to be impacted has decreased. Originally, the number of affected level six clerks was 162; it is now down to 127. There were also seven level seven clerks identified to be impacted and that number is now down to zero. Although we are pleased with this progress, I assure you the Local will not be satisfied until all of the identified junior clerks have jobs within the Philadelphia Bid Installation.

We do not agree with management's decision

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The opinions and views expressed in this paper are those of the writer and do not necessarily represent the opinions of the Editor or the Executive Board of this Local.

Send all communication to the Editor at the above address or via e-mail to dstevenson@phillyapwu.com.

Articles must be submitted by the second Thursday of the month. They must be typed. Letters must be signed. Name withheld upon request.

Visit our web site at
www.phillyapwu.com

Under Siege

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to excess any employees outside of the Philadelphia bid installation. The fact is the Local feels that management has taken these initiatives in an effort to force employees to either retire or quit. It is no secret that the Postal Service wants to cut its work force; Postmaster General Potter has testified in front of Congress that he'd like to trim over 100,000 employees from the rolls.

Committee on Political Action

The APWU's Committee on Political Action (COPA) has set an ambitious goal: to raise \$2 million in 2009. So, according to the goals laid out by the national committee, our Local's goal is \$16,952.

The best way for members to donate to COPA is through a payroll deduction. You can set up this ongoing allotment online using PostalEASE, or with recurring credit card payments or electronic fund transfers. These methods allow members to contribute a modest amount on a regular basis. However, you can also donate to COPA by personal check or money order. If you need further assistance please contact

our COPA specialist, Mike Evangelist, or Tour One Chief Steward Nick Casselli.

Our nation's new political landscape offers a unique opportunity to advance legislation that we desperately need. One of the most effective tools is to provide financial support to legislators who will stand up for the interests of postal employees and working families.

Employee Free Choice Act

The Employee Free Choice Act is probably the single biggest issue that working people need to support. No matter how strong an economic stimulus plan we enact, it will not result in broadly shared, lasting prosperity unless we also restore workers' freedom to join unions and bargain with their employers for a better life.

That's why we need the Employee Free Choice Act - to turn around America's economy and rebuild the middle class. President Obama has

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General Membership Meeting

Thursday, April 16, 2009

7:30 p.m.

864 Main Street
Darby, PA 19023

Shuttle Service from Lindbergh
to the
Union Hall Available

Light Refreshments Will be Served

Following Meeting: May 21, 2009

Financial Report



**Stacey
Franklin,
Treasurer**

The union's Certified Public Accountants have submitted the results of our 2007-2008 fiscal year audit. The union's financial position remains strong, and we will continually make changes to strengthen our financial foundation.

To the Officers and Executive Board of the American Postal Workers Union AFL-CIO Philadelphia, PA Area Local, **Darby, Pennsylvania**

We have audited the accompanying statement of financial position of the **AMERICAN POSTAL WORKERS UNION AFL-CIO, PHILADELPHIA, PA AREA LOCAL** (a non-profit organization) as of June 30, 2008, and the related statements of activities, net assets, and cash flows, and schedules of expenses for the fiscal year then ended. These financial statements are the responsibility of the Union's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **AMERICAN POSTAL WORKERS UNION AFL-CIO, PHILADELPHIA, PA AREA LOCAL** as of June 30, 2008, and the changes in its net assets and its cash flows for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

LEIBOWITZ & GOLD, PC
Certified Public Accountants
Huntingdon Valley, Pennsylvania

October 24, 2008

INDEPENDENT AUDITORS' REPORT

AMERICAN POSTAL WORKERS
UNION AFL-CIO

PHILADELPHIA, PA AREA LOCAL
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2008

ASSETS

CURRENT ASSETS

Cash - Notes 3 and 8	\$1,046,863
Dues Receivable - Note 8	55,466
Deposits Paid	9,931
Others Receivable	10,926
Prepaid Expenses - Note 4	<u>24,704</u>

TOTAL CURRENT ASSETS \$1,147,890

EQUIPMENT AND REAL ESTATE - Note 5

Furniture and Fixtures	47,550
Office Equipment	175,059
Building and Improvements	1,748,453
Land	<u>138,442</u>
	2,109,504
Less: Accumulated Depreciation	<u>213,559</u>

NET EQUIPMENT AND REAL ESTATE
1,895,945

TOTAL ASSETS \$3,043,835

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	\$ 123,565
Withholdings	<u>6,596</u>

TOTAL CURRENT LIABILITIES
\$ 130,161

NET ASSETS

Unrestricted: Operating	<u>2,913,674</u>
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TOTAL LIABILITIES AND
NET ASSETS \$3,043,835

AMERICAN POSTAL WORKERS
UNION AFL-CIO

PHILADELPHIA, PA AREA LOCAL

STATEMENT OF ACTIVITIES

JULY 1, 2007 TO JUNE 30, 2008

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Financial Report

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page 3)

REVENUE

Dues	\$ 695,895
Interest	50,081
Organizing Incentives	<u>465</u>
TOTAL REVENUE	\$ 746,441

EXPENSES - SEE SCHEDULE I

Salaries	434,907
Officers' Expenses	76,519
Per Capita and Dues to Affiliates	12,730
Election, Education, and Convention Expenses	50,751
Payroll Taxes	41,305
Newspaper Publication	7,822
General and Administrative	<u>341,395</u>
TOTAL EXPENSES	<u>965,429</u>

CHANGE IN NET ASSETS BEFORE DEPRECIATION (218,988)

DEPRECIATION EXPENSE 41,294

CHANGE IN NET ASSETS \$ (260,282)

SCHEDULE I

AMERICAN POSTAL WORKERS UNION
AFL-CIO

PHILADELPHIA, PA AREA LOCAL

SCHEDULE OF EXPENSES

JULY 1, 2007 TO JUNE 30, 2008

SALARIES

Full Time Officers	\$189,349
Craft Officers, Negotiators, Elected Officers and Others	170,439
Office Staff	<u>75,119</u>
TOTAL SALARIES	<u>\$434,907</u>

OFFICERS' EXPENSES

Officers' Benefits	\$ 49,758
Pension Plan	14,201
Steward Refund - Part Time Officers	<u>12,560</u>
TOTAL OFFICERS' EXPENSES	<u>\$ 76,519</u>

PER CAPITA AND DUES TO AFFILIATES

Pennsylvania AFL-CIO	\$ 1,634
Pennsylvania Postal Workers Union AFL-CIO	3,750
Philadelphia Council AFL-CIO	6,000
APWU National	946
Philadelphia POSH	225
CBTU	75
CLUW	<u>100</u>

TOTAL PER CAPITA AND
DUES TO AFFILIATES \$ 12,730

ELECTION, EDUCATION, CONVENTION AND TRAVEL EXPENSES

Election	\$ 15,060
Education	9,137
Conventions and Travel	<u>26,554</u>

TOTAL ELECTION, EDUCATION
AND CONVENTION EXPENSES \$ 50,751

PAYROLL TAXES \$ 41,305

NEWSPAPER PUBLICATION \$ 7,822

GENERAL AND ADMINISTRATIVE

Awards and Bonds	\$ 1,035
Building - Cleaning, Repair and Maintenance	17,761
Contributions	
- Charities	600
- Labor Organizations	3,869
Christmas Party and Open House	11,824
Flowers and Miscellaneous	2,956
Food, Beverage and Meetings	14,668
Insurance	28,619
Interest Expense	5,929
Legal, Arbitration and Audit	47,262
Moving Expense	22,481
Office Staff Benefits	
- Hospitalization	6,774
- Pension Plan	5,303
Office Supplies and Expenses	47,085
Organization Expenses	
- Labor Day and Rally's	2,689
- Aprons, Caps, T-Shirts, Etc.	1,625
- Calendars	3,371
- Other	3,494
Organizing Incentives	1,800
Professional Fees	
- Actuary Services and Other	5,580
- Deaf Interpretive Services	3,002
Postage	19,451
Rent	4,333
Steward Refunds	15,986
Taxes	17,190

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Financial Report

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Telephone	12,827
Utilities	<u>33,881</u>
TOTAL GENERAL AND ADMINISTRATIVE	<u>\$341,395</u>

AMERICAN POSTAL WORKERS UNION AFL-CIO

PHILADELPHIA, PA AREA LOCAL

STATEMENT OF NET ASSETS

JULY 1, 2007 TO JUNE 30, 2008

NET ASSETS - JULY 1, 2007	\$3,173,956
CHANGE IN NET ASSETS	<u>(260,282)</u>
NET ASSETS - JUNE 30, 2008	<u>\$2,913,674</u>

AMERICAN POSTAL WORKERS UNION AFL-CIO

PHILADELPHIA, PA AREA LOCAL

STATEMENT OF CASH FLOWS

JULY 1, 2007 TO JUNE 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Members	\$ 685,993
Cash Paid to Suppliers and Employees	(956,344)
Interest Received	50,081
Interest Paid	(5,929)
Other Income Received	<u>465</u>

NET CASH PROVIDED BY/ (USED IN)
OPERATING ACTIVITIES \$ (225,734)

CASH FLOWS FROM INVESTING ACTIVITIES

Decrease - Mortgage Receivable	1,100,000
Purchase - Furniture and Fixtures	(33,198)
Increase - Improvements (Darby)	<u>(1,292,862)</u>

NET CASH PROVIDED BY/ (USED IN)
INVESTING ACTIVITIES (226,060)

NET INCREASE/ (DECREASE)
IN CASH (451,794)

CASH - JULY 1, 2007	1,498,657
CASH - JUNE 30, 2008	<u>\$1,046,863</u>

RECONCILIATION OF CHANGE
IN NET ASSETS TO NET

CASH PROVIDED BY/ (USED IN) OPERATING ACTIVITIES

Change in Net Assets	\$(260,282)
Adjustments for Non-Cash Items:	
Add: Depreciation	<u>41,294</u>
	<u>\$(218,988)</u>

Changes in Assets and Liabilities:

(Increase)/Decrease -	
Dues Receivable	(1,268)
Others Receivable	(8,634)
Prepaid Expenses	(5,595)
Deposits Paid	(9,931)

Increase/ (Decrease) -	
Accounts Payable and Accrued Expenses	21,249
Withholdings and Payroll Taxes	<u>(2,567)</u>

NET CASH PROVIDED BY/ (USED IN)
OPERATING ACTIVITIES \$(225,734)

AMERICAN POSTAL WORKERS UNION AFL-CIO

PHILADELPHIA, PA AREA LOCAL

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 1. ORGANIZATION AND NATURE OF ACTIVITIES

The American Postal Workers Union AFL-CIO, Philadelphia, PA Local (APWU) was organized on July 1, 1971, when five unions located in Philadelphia joined together as one. The purpose for which the APWU was formed was to carry on in one united union the work of the five predecessor unions. The object of the APWU is to unite the postal employees in one brotherhood for their social and economic advancement and to aid in the perfection of the Postal Service. The APWU provides advice, representation, information, and guidance concerning benefits, grievances, labor-management issues, educational seminars and other

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Financial Report

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services. The APWU is affiliated with the National APWU, and is a member of the Pennsylvania Postal Workers Union, the Philadelphia Council AFL-CIO, and the Pennsylvania AFL-CIO.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The financial statements of the union have been prepared utilizing the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

Dues revenue reflects dues that were prepaid or in arrears at the bi-weekly pay period which ends the closest to June 30 of each year. For this year, pay period 13 was used, which corresponds to June 20, 2008.

Financial Statement Presentation

The APWU has adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations," which established a set of standards for general purpose external financial statements, and which requires a statement of financial position, a statement of activities, and a statement of cash flows. It also requires that net assets be reported according to three classes: unrestricted, temporarily restricted, and permanently restricted.

Cash and Equivalents

Cash represents sources over which the Executive Board has discretionary control and is used to carry out the daily operations of the APWU in accordance with its bylaws.

Cash Equivalents - For purposes of the statement of cash flows, the APWU considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Income Taxes

The APWU is a "not-for-profit" organization that is exempt from federal income taxes under Section §501(c)(5) of the Internal Revenue Code.

Property and Equipment

The APWU follows the practice of capitalizing expenditures for property and equipment which exceed \$500. Lesser amounts are expensed. Property and equipment are stated at original cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which range from 5 to 40 years. (See Note 5)

Pension Plan

The APWU has a defined contribution pension plan covering its qualified eligible employees, which include the full time officers and administrative staff. The Organization's policy is to fund annual pension costs, which are equal to 7½% of eligible annual compensation. Employer contributions totaled \$19,504 for the year ended June 30, 2008.

NOTE 3. CASH

Cash on Hand	\$ 110
Checking Accounts	38,124
Credit Union	13,551
Certificate of Deposit	37,732
Savings Account	<u>957,349</u>
	\$1,046,863

NOTE 4. PREPAID EXPENSES

Insurance	\$ 19,900
Office Machine Maintenance	
Contracts	1,633
Real Estate Taxes	<u>3,171</u>
	\$ 24,704

NOTE 5. FIXED ASSETS

The estimated lives used in determining depreciation and the accumulated depreciation for each class are as follows:

Accumulated <u>Property Class</u> <u>Depreciation</u>	<u>Estimated Life</u>
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Financial Report

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Furniture and Fixtures	5-10 years
\$ 17,235	
Office Equipment	5-10 years
162,699	
Building and Improvements	39 years
<u>33,625</u>	

\$ 213,559

Depreciation expense at June 30, 2008, is \$41,294.

NOTE 6. OBLIGATIONS UNDER OPERATING LEASES

The APWU has lease obligations for the use of a copier, for another business machine and for an address printer. Final payments are due in June 2010 for the business machine lease and in April 2008 for the address printer.

The future minimum rental payments under these operating leases were as follows:

June 30, 2009	\$ 7,781
June 30, 2010	<u>7,781</u>
Total	\$ <u>15,562</u>

NOTE 7. LAWSUITS

There are no contingent liabilities arising from lawsuits involving the APWU at June 30, 2008.

NOTE 8. CONCENTRATION OF CREDIT RISK

Cash

The APWU maintains cash accounts at several area financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000 per institution, and from time to time may exceed the insured amount. Cash balances at June 30, 2008 which exceed FDIC limits are as follows:

Citizens Bank checking and savings account	<u>\$868,774</u>
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Dues Receivable

Generally, member's dues are withheld from their pay by the United States Postal Service and remitted to the National APWU, which then remits them to the Local APWU.

Dues receivable represents the dues that have been withheld from members but not yet remitted to the Local. All of the dues which were outstanding at June 30, 2008 have been received by the Local subsequent to the financial statement date, but prior to the issuance of this report. □

MVS Report



**Ken Prinz,
MVS Director**

We must be vigilant and do our job every trip and everyday. This means every time we leave Lindbergh and return we must make sure that we see the expeditor and have the trucks or trailers scanned

even if it is empty. If you don't get scanned, it appears that the trip was never made or they cancelled it. Most of the audits are done by checking these scans electronically at headquarters. Without the scans the trips appear not being done, so we don't need the trucks and then we don't need the drivers or the mechanics to fix them. The job you save may be your own.

The no layoff clause covers everyone who was employed to a regular APWU workforce before the current contract started on November 21, 2006 for the life of the current four year contract until November 20, 2010. The contract also provides that upon completion of six years of continuous services in an APWU regular workforce, employees are protected against an involuntary layoff in their lifetime.

Let's protect the Motor Vehicle Craft positions so we don't have to worry about being put into another craft.

Union Scholarship Program

The Pennsylvania Postal Workers Union is sponsoring a scholarship program that awards \$1,000 for each of four consecutive years of college providing a satisfactory academic record is maintained.

To be eligible the applicant must be the son or daughter of an active member in good standing; be a senior attending high school or other corresponding secondary school; and must attend an accredited college of their choice, pursuing an undergraduate degree.

For more information please contact the union hall at 610-522-4520, or you can download an application from the 'downloads' section of the Local's web site www.phillyapwu.com. Application must be postmarked by 5/1/09. □

The Philadelphia
Postal Worker
864 Main Street
Darby, PA 19023

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Postal Workers Are Under Siege

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said he will sign the Act once it lands on his desk. Now we need to get it there. Please, call your Senators today toll free at 1-866-207-2060 and urge them to co-sponsor and support the Employee Free Choice Act. I strongly urge our members to contact Senator Arlen Specter and tell him not to succumb to the pressures of his party and support the Employee Free Choice Act just like he did the last time it was introduced.

President's Conference

I attended my first President's Conference March 1 thru 3, 2009, in Washington DC. I found it to be extremely informative, and I learned a lot of invaluable information. I had an opportunity to meet and talk with local presidents from around the country. We shared the same stories, which consisted of attacks on employees and lack of concern over providing real service to our customers. We all agreed that although we all work for the same governmental agency, we are being targeted for destruction by postal management.

As I always say, we have to come together and work together to save our jobs. The APWU, along with our members, will always stand up to postal management to show and let them know we are not going to take their actions laying down; that when they say they're doing something for a particular reason they will have to back it up with facts and documentation.

On March 3, 2009, several APWU officers from Pennsylvania went to Capitol Hill to lobby our representatives to back legislation, such as the Employee Free Choice Act and the Mail Protection Act, (HR 1686) which will benefit working people. The Mail Protection Act was introduced in the House of Representatives on March 24, 2009, and it will help protect our jobs by restricting USPS subcontracting. The APWU strongly backs this legislation, especially considering the financial difficulties the USPS is experiencing. National APWU President Bill Burrus stated that the legislation is vital because, "there is no justification for continued subcontracting while postal employees and equipment are under-utilized."

APWU members, these changes affect us all. We must all stand together at all times. There is strength in numbers and unity! ☐

Harry Kalas

1936 to 2009



**A City Loses its Voice
You will be missed**