

# ENGINEERSnews

VOL. 63, #3 • OPERATING ENGINEERS LOCAL UNION NO 3 • ALAMEDA, CA • MARCH 2005

## TOGETHER, WE MAKE A DIFFERENCE

### 2005 HEALTH & WELFARE UPDATE



REMINDER: March 20 Semi-Annual in Vallejo, CA —  
See page 20 for details.



## For The Good & Welfare

By John Bonilla, Business Manager

# Working together, we will protect and preserve our benefits

It was this time last year that we began working together to combat our nation's health care crisis. Many of you will recall the PowerPoint presentations at your district and Retiree Association meetings last spring detailing the union's plan to stabilize our trust fund, the in-depth health care issue of *Engineers News* and the *Engineers News* health care supplement. Those educational pieces were the first step in our effort to keep you informed and involved in this important issue.

We are now taking step two. Continuing our efforts of membership education and involvement, updated pension and health and welfare presentations are ready for your viewing beginning with this month's union meetings. We also want you to have something to keep as a reference, so we focused this issue of *Engineers News* on health care to supplement the presentations.

This latest health care update is just as critical as the one we brought you a year ago. Although an eventful year has passed, the fact remains that health care costs continue to rise. Our consultants project health care cost increases of 9.3 percent for active members and 13.7 percent for retirees in 2005 and that the plan will need additional contributions. Given these projections, we are taking a proactive approach to confront the issue head on, just as we did in 2004.

The plan changes and member actions we took last year helped slow the flow of the plan's losses. The trustees made good decisions, and you made good decisions as well. You helped us keep costs down by using Preferred Provider Organizations (PPOs), using generic prescription drugs instead of brand-name drugs and making an effort to stay healthy. Because we moved quickly and made the right choices, our health plan has stabilized. But the fact remains, we're not yet out of the woods.

We need to continue being diligent, doing everything we can to protect our fund's financial stability. Besides using our health plans wisely, one of the most important things we can do is get involved in politics. It is no secret politics play a major role in the cost and quality of our health care. You have heard me talk about the importance of politics on many occasions. I'll say it again – politics matters. Supporting working families' issues, candidates and legislation means more money in our pocketbooks and higher quality health care.

For all members, active and retiree, the Operating Engineers Community Action Team (OE CAT) is a great way to get involved in politics. If you haven't already, call your district office and see what you can do as a member volunteer. You can read more about member activism in the OE CAT column on page 10.

Beginning on page 11, you will find information about the current status of the national health care crisis. This pull-out section highlights what we've accomplished by working together to combat rising

health care costs since changes were made last year, and it explains how we intend to continue our efforts to contain costs. Separate from the pull-out section, you will find an update on your pension benefits on pages 4 and 5.

I know the information laid out in this issue of *Engineers News* is a lot to digest in one sitting and that work and family obligations don't leave you with much free time, but I hope you will find time to read through it. Your officers and I need you to be informed, so you can help us ensure Local 3's pension and health and welfare plans remain strong.

Many of you have heard me say before that we are faced with a serious challenge in maintaining the level of benefits you've come to enjoy and expect. Regardless, I know that with careful planning and your active involvement, Local 3 can chart a steady course that will, over time, allow us to overcome this challenge.

Now, before reading any further, I ask you to remember several important points:

First, the slow growth of our nation's economy and the declining value of the dollar have resulted in overall weak returns on investments. In fact, the last time interest rates on government bonds and the rate of return from stocks were this low at the same time was during the late 1930s.

Secondly, recent advances in medical science have improved our quality of life and increased life expectancy, though the improvements have come at a high-dollar cost. As a nation we now spend more on health care than ever before; we spend more per person on health care than any other industrialized nation in the world. Continued low investment returns and high health care costs pose a serious threat to the long-term viability of our pension and health and welfare funds.

Lastly, and most importantly, I want you to remember this – you have my word that this Local 3 officer administration is doing everything in its power to protect and preserve your benefits. As long as I am business manager, Local 3 will never back down from the fight to improve the quality of health care for its members. We've initiated a course of action that is producing short-term improvements that gives us needed time to work on long-term solutions. And I'll tell you now, we need you to help us each step of the way.

I urge you to stay informed, use your benefits wisely and encourage other members to do the same. By working together, no matter how tough the challenge, we will overcome it.

In solidarity,

*John A. Bonilla*

John A. Bonilla  
Business Manager and  
IUOE General Vice President

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## Talking Points

By Bob Miller, President

### In the News

#### CATs clean-up Oahu highway



Hawaii CAT members have a beach barbecue in January after donating their time to pick up trash along a two-mile stretch of highway in Nanakuli.

Along a two-mile stretch of highway in the town of Nanakuli on Oahu, more than 50 Hawaii Operating Engineers Community Action Team (OE CAT) members and their families worked to clean up scattered debris.

These people volunteer their early mornings from 7 a.m. until 8 a.m. every quarter as part of the Local 3-sponsored Adopt-A-Highway program. They begin the event by dividing into teams and marking out the territory. This January quarter's efforts were needed more than ever, as the amount of trash was excessive.

It's not all work and no play, though. After the clean-up the members gather for a barbecue at a beach park in Nanakuli complete with drinks and snacks. Their efforts are not ignored. To show his appreciation, a nearby resident offered as many mangos from his yard as the volunteers could handle.

The group would like to increase the amount of volunteers to 100 by next quarter to cover more ground. Our thanks go out to the CATs who helped make this Oahu highway cleaner.



Abreenie Padeken, daughter of Hawaii Business Rep. Daniel Padeken, enjoys her after-work snack with President Bob Miller.

### Accepting change

When I was growing up, I often heard people say the only things certain in life were "death and taxes." As I grew older I learned another thing needed to be added to this — change. As certain as change is, most of us tend not to embrace it. Now, there are certain changes we may look forward to, such as the change from summer to fall with the crisp mornings and changing colors of the trees. For most of us, the changing seasons can be a comfortable thing. But I've learned that not all change is comfortable and we often find ourselves resisting it. There have been many times I've needed convincing that the change I was going through was necessary.

By now you may be wondering why I'm talking to you about change. Well, the reason is simple. Business Manager John Bonilla, your other officers and I are often confronted with situations requiring the need for a change. One thing I have learned from this is that change is about choice. In making a decision to change what we've been doing, we carefully consider the choices and consequences of each idea. In considering these choices we always use one guiding principle: Is the proposed change in the best interest of the Local 3 membership?

Over the past year we've made some changes to our health and welfare benefits. External pressures over which we had little control — the rising cost of health care and prescription drugs and lower returns on investment — dictated the need for change. Some of you might not see the changes we made as an improvement, but they were essential for us to maintain the overall financial health of our funds. In simple terms, your officers believed the changes were a tough but necessary choice.

Beginning this month, Local 3 will hold a series of membership meetings to share with you the results of the changes made. You'll learn that with your help, we've experienced some improvement in the financial condition of our funds, but we are still faced with challenges. We'll provide an update on the changes, improvements to date and projected trends that will impact our funds. We'll be taking questions and asking for your feedback on the changes. We want to make certain that you have an opportunity to understand them and the important role you and your family play in the overall financial health of our funds.

Like I said, change is inevitable, but it's not always easy. Business Manager John Bonilla and your officers believe that a communication program is a vital component of any change that affects you. You've got our commitment — we will always give you "straight talk" on why a change is necessary and how the change will benefit you and Local 3. Make sure you attend the upcoming meetings. I look forward to seeing you there.



# Operating Engineers Pension Trust Fund: 2005 update

The following article includes general information about the Operating Engineers Pension Trust Fund – the plan's history and function – the latest benefit modifications and information about the current status of the fund. It is intended as an educational piece for all members, active and retiree, as well as fund beneficiaries. If you have any questions about this update or the pension plan in general, please contact the Trust Fund office at (800) 251-5014 or the Fringe Benefits Service Center at (800) 532-2105.

## Pension history

The Operating Engineers Pension Trust Fund provides eligible Local 3 members one of the best retirement plans in the nation. This valuable benefit has for nearly 50 years allowed eligible members – those members who have earned the required years of credited service and met other plan conditions – to retire with dignity and security.

Our pension plan was first established in California and Nevada in 1958, Hawaii in 1962 and Utah in 1963. Since these early years of the plan's formation, the hourly contribution rate has grown from 5 cents per hour to \$4 per hour and more today. As the plan's assets have increased, so have the number of plan participants.

Today the fund covers 34,000 participants and makes monthly payments totaling more than \$20 million to more than 12,500 members and beneficiaries. Current assets of the trust fund exceed \$3.3 billion.

It is fortunate that even in these uncertain economic times we can have confidence that our pension plan is secure. The Operating Engineers Pension Trust Fund is a multi-employer plan, which means there are hundreds of employers contributing to the fund on behalf of active members covered under applicable collective bargaining agreements. Unlike the single-employer plans of Enron, Worldcom or United Airlines, the security of our fund does not rely upon the economic health of a single company. No member has ever lost a dime from our plan.

The financial health of the pension fund is kept in check by an elected board of trustees comprised of 10 union trustees and 10 employer trustees. Each side has an equal vote on matters related to the fund. The board's chairperson is Business Manager John Bonilla.

Though governed by union trustees and employer trustees, the trust fund is a separate entity from the union; dues money does not fund the pension plan. The plan is funded by employer contributions for work covered under applicable collective bargaining agreements.

## How the fund works

Once a participating employer makes a contribution to the fund, the money is pooled and invested into a well-diversified portfolio of stock, bonds, real estate and cash. Neither the employer nor the union is entitled to any of the invested money. It is solely for members, and it remains invested until such time as a member retires.

The pension benefit a member receives upon retirement is determined by the rules and regulations of the plan as set by the board of trustees. The current formula used to determine the value of a member's pension benefit is as follows.

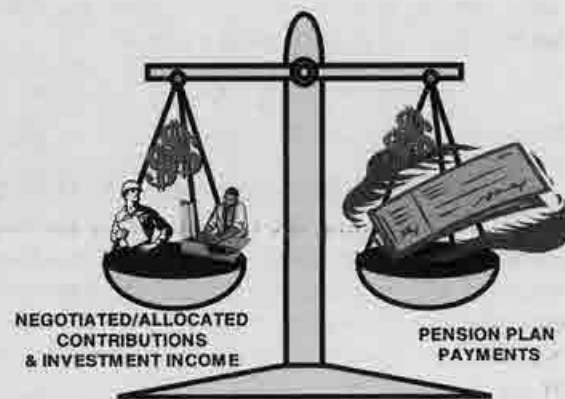
$$\begin{array}{l} \text{*HOURS REPORTED} \\ \times \\ \text{CONTRIBUTION RATE} \\ \times \\ \text{BENEFIT FACTOR PERCENT} \\ \hline = \text{PENSION BENEFIT} \end{array}$$

The plan has abundant provisions for normal, early service and disability pensions to accommodate the varying needs of the membership. The monthly benefit at normal retirement age can be found on your biannual pension statement.

\* This is the current formula used to determine the value of a member's pension benefit. The board of trustees has the authority to modify the formula should it become necessary to protect the financial integrity of the fund.

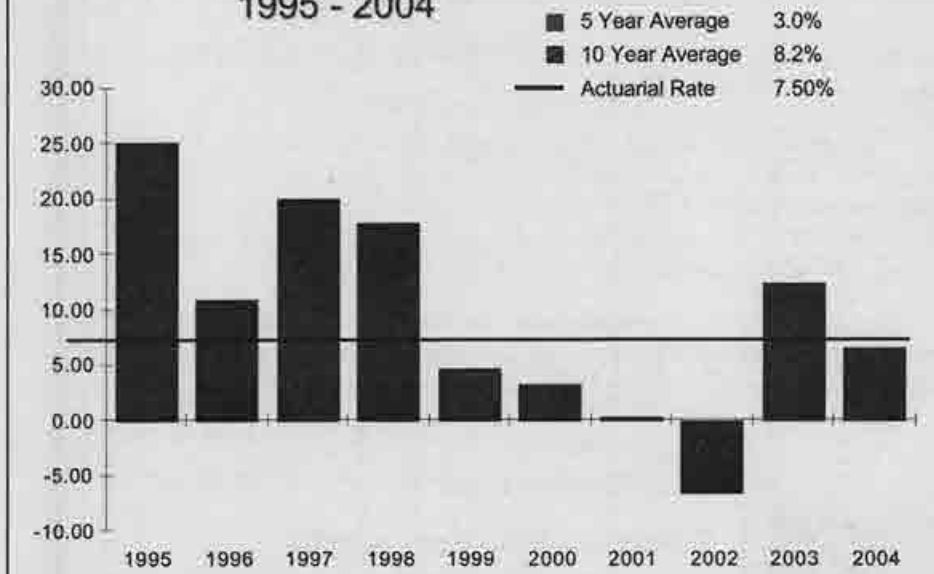
## A funded pension fund

When a pension plan's promised benefits and costs equal the fund's assets, the plan is balanced. A balanced plan, often called a funded pension fund, means there is enough income to pay all promised benefits. However, a balanced fund may not have extra assets available for plan improvements or retiree raises.



As you can see from the chart below, our pension fund needs an average return of 7.5 percent to remain balanced. Though the fund has averaged more than 9 percent in total returns over the 10-year period from 1995 through 2004, recent investment returns in our plan and pension plans similar to ours have been lower because of recent market downturns. These lower investment returns have resulted in the fund having some unfunded liability. The trustees' response to the issue of unfunded liability is discussed in detail in the following "trustees' actions" sections. But first it is necessary to discuss the reasons recent investment returns have been lower than in years past.

**Pension Total Returns  
1995 - 2004**





### Why lower returns?

There are many reasons investment returns have been down in recent years, but mainly, lower returns are caused by these economic trends:

- Stock market meltdown
- Historic low returns
- Recession
- Record high federal deficits

Because stocks are an essential component of our pension fund's investment portfolio and the stock market has done poorly in recent years, the returns from our stock investments are down.

Along with stock investments, interest rates have dropped to historic lows. This has caused our bond investments, which represent another integral component of our fund's portfolio, to bring in lower returns.

In addition, the economy endured a recession, and there was a dramatic increase in the national debt. The recession alone, excluding the other economic trends, has had a major impact on the strength of the dollar, which, in turn, has had a major impact on our investment returns. Historically, investment returns from stocks and bonds in the years 2000 through 2002 haven't been as low since the Great Depression.

### Trustees' actions: benefit modifications

In response to the issue of unfunded liability and to ensure the financial stability of our fund, the trustees made the tough decision to modify benefits earned after June 2005. These modifications will not affect the retirees. Retirees will continue to receive their full pension checks. In addition, the changes will not affect any benefit accrued by active members through June 30, 2005, nor will it affect the 3 percent benefit factor for members with 10 or more credits.

Effective July 1, 2005, the current benefit factor of 3 percent will continue to apply to all active participants with more than 10 credits. Members who do not have 10 credits will have a benefit factor of 2.25 percent. Once a member has accumulated 10 credits, all future credits earned will be at the 3 percent benefit factor.

Previously, members with more than 35 credits had benefit factors greater than 3 percent, and there were lower adjustment factors for husband and wife pensions if the member had more than 30 credits. Effective July 1, 2005, enhanced benefit factors will be discontinued.

The following example shows the difference in benefits earned using the 3 percent benefit factor and the new benefit factor of 2.25 percent. In this example, the difference in benefits is \$45 per month.

Trustees Actions	
Benefit Modifications	
Example	
Hours X Contribution X Benefit Factor = Benefit	
1500 Hrs.	1500 Hrs.
X \$4.00 per hr.	X \$4.00 per hr.
\$6000.00	\$6000.00
X 3%	X 2.25%
= \$180.00 per month	= \$135.00 per month
Difference \$45.00 per month	

### Trustees' actions: reallocation

The board of trustees has always closely monitored plan investments and returns – a task that has become more challenging in recent years with such dramatic market fluctuations. In response to the current market, the trustees hired professional investment consultants to help them restructure the plan's investment portfolio. After careful consideration, the trustees decided to reallocate some of the plan's assets to investment managers specializing in different types of investments, including small-cap and mid-cap stocks. It is expected that a restructured investment portfolio will increase returns and lower the plan's volatility.

### Plan improvements

When our pension plan was first established, its promised benefits and costs exceeded the fund's assets. In other words, the plan was under-funded. The reason it was under-funded was that it had not existed long enough to accumulate enough money to pay all the benefits promised in the future. At that time, benefits were low. In fact, the first full pension benefit paid was \$60 a month, but members had to be 65 years old with 25 pension credits to receive it. Today, full benefits are available at age 62, and there are options for early service and disability pensions.

Gradually, as the fund's assets grew, changes were made to allow for better pension benefits. One of the biggest improvements to the plan was the introduction of service pensions. The popular rule of 85 allows a member who is at least 55 years old to retire with full benefits when his or her age and credit equals 85.

Over the years the fund also has issued 13th checks, provided liberal options for surviving spouses and issued fixed-dollar increases or percentage increases for active and retired participants. For example, increases were issued to our retirees in the years from 1996 through 2000, though in some of those years, rising health care costs resulted in some of the increase going to retiree medical. In 1996, retirees received a \$50 increase; 1997 allowed for an increase of \$25; \$50 increases were issued in 1998 and in 1999; and a \$25 increase was issued in 2000.

### Our fund is sound

Although our pension plan, like many other pension plans throughout the country, is experiencing the consequences of today's economic realities, our trust fund is sound. We have the reserves to carry us through this down period, and we are working to keep the reserves at the level necessary to protect the future of the plan. When investment returns improve, we can replenish our reserves, provide improved benefits and give raises to our retirees. That's the commitment the union and its employers have made and will see through to the end to ensure our plan remains one of the best in the country.

### Attention all members and spouses:

Updated pension and health and welfare PowerPoint presentations will be shown at the district and Retiree Association meetings from March through the end of May. You and your spouse are encouraged to attend. Be sure to check the district meetings schedule on page 20 and the Retiree Association schedule on page 8 for dates and locations of your next meeting.



Local 3 Business Manager John Bonilla stands with Billy "Junior" Burns at the Burns' house. The two have been friends since 1973, when John was an apprentice to Billy at the Sacramento sewer treatment plant on Franklin Boulevard and Sims Road.



Billy "Junior" Burns sits next to his wife, Maudie. Billy's been a Local 3 member for 53 years, a year longer than he's been married.

**Age:** 71

**First joined union:** 1951

**First paycheck wages:** Billy has a copy of his first pay stub sealed in a photograph album. The date reads: Jan. 25, 1951, and the amount was for 40 hours of work at \$1.77 an hour for a net total of \$58.72.

**Important memory:** Billy remembers sleeping in tents with the other operators and how they weren't supposed to have coffee but would sneak it, just the same. Billy was the youngest at the time and those men would sit up and tell stories late into the night. "O' Jim Wright said, 'Junior, if you don't stop telling those lies, I'm going to wash your mouth out with soap.' And so from then on, he was called Junior.

**Best advice from his father:** Pay attention. If you can't get a picture of what you're doing in your mind, you'll never be a good operator.

## Local 3 member profile: Billy "Junior" Burns

# From scrapers to backhoes, Burns learned and did the work and continues to be an example of Local 3 integrity

*This is one in an occasional series of profiles on retired Local 3 members who shaped California. Their stories explain the challenges and triumphs that helped shape California's working union history for decades. There is the work responsible for the building of massive road, water and school construction projects launched in the 1950s. They have often been called the greatest generation of builders.*



Burns' last work before retirement included the demolition of the old San Francisco Giants' baseball stadium.

Written by Mandy Gourley, associate editor

They called him "The Kid," and they still call him "Junior," but looking at Bill "Junior" Burns today, it's hard to imagine why. He's built like a barrel, broad and strong with a deep, storyteller's voice and a brightness in his eyes. Telling stories is what he's good at, namely stories about his 53 years in Local 3. Billy has so many stories because of a rich history of work and pride in Local 3 — a history that follows not only him but his father, his brother and his oldest son. They are all members of Local 3, which proves the value and tradition the Burns's have invested in the union.

It hasn't always been easy. The Burns family moved in 1937 to California from Arkansas. Billy's dad joined the union soon after in 1940. He was a Local 3 member for 58 years and his sons are not far behind his legacy. Billy recalls his father approaching him one day and asking him what in the world he was doing with his life earning non-union wages, and why hadn't he joined up. Billy most remembers these important words, "learn every piece of machinery you can in this work, so you don't starve to death," and that's just what Billy Burns did. From Cat scrapers, cranes and dozers to loaders and backhoes, Billy learned and worked them all, often skipping his lunch break to learn more. There weren't many jobs he wouldn't or couldn't do, and he put in as many hours as he could manage to put food on the table, including a seven-day-a-week crane operation for Firma Construction in Mountain View, work that lasted 10 years at sometimes 12 hours a day. He recalls those days, and his wife of 52 years, Maudie, recalls as well, as she traveled with him to countless worksites while sleeping in a tent.

"Times are different now," Burns said. "You used to have to follow the work, so we did."

Watching Maudie and him, it becomes clear that theirs is a union of its own — a lifetime of marriage built on selflessness and a deep-rooted love.

But they survived those winters and that moving, and Billy did it all — mastering the machinery and becoming a foreman and mentor to Local 3 Business Manager John Bonilla. The two are trusted friends, and it is a mutual respect that began in 1973 at a sewer treatment plant on Franklin Boulevard and Sims Road in Sacramento.

"There's nothing Billy couldn't run," Bonilla said. "I looked up to him; everybody did."

Billy's history of jobs include the excavation of an Indian burial site at the Monterey Peninsula and a Firma moving operation in Redwood City. He's also taught in the apprentice training program.

"Respect the union; respect the work," he said when talking about his life philosophy. "I had a clear head and was a good worker. To be a good union worker, you have to bend a little and take a lot. The union has been a blessing for me and Maudie."

Billy has undergone chemotherapy for colon cancer but notes that the health coverage through his union benefits have helped him tremendously. It's clear that there's a lot of fire left in "The Kid." You can see it in the pride in his eyes for the work and the stories that have come from his time in Local 3. Clearly, Billy is one of the strongest examples of the kind of work ethic and integrity that comes with this organization.





## CREDIT UNION

By Rob Wise, Credit Union Secretary/Financial Officer  
& Local 3 Recording - Corresponding Secretary

# Credit card traps

Does anyone remember when most of us were happy with 10 TV channels? Even with 300 channel choices, it frequently seems like there's nothing worth watching. I feel that way about credit cards, too. There are hundreds, maybe even thousands of choices, but few are actually worth having.

I want to talk about what you should look for in a credit card and how to use credit cards to reap your optimum credit score. Remember, a substantial percentage of your credit score is based on how much you owe relative to your available credit. High outstanding debt drives your scores down. Try not to use more than 20 percent to 30 percent of your available credit limits.

Now, the trickier part: If you are going to have a credit card balance, which is the best credit card to have? Here are some features you should compare when choosing a credit card (we're talking VISA and MasterCard - retailer cards are another article altogether).

### Annual fees

These days, it's easy to find a card with no annual fee. Some cards have "monthly participation fees" or specific requirements to waive a fee. Be sure those requirements fit the way you will use your card. If you have decent credit, there's no reason to choose a card with an annual fee.

### Grace period

Some people mistake a credit card "grace period" for the amount of time you have after your payment due date before being assessed a late fee. Actually, grace period refers to the amount of time you have to pay off your new charges before accruing a finance charge. Grace periods typically range from 20 days to 25 days. Be careful; some card issuers allow less time or no time.

### Cash-advance costs

Cash-advance costs come in two forms: transaction fees and cash-advance annual percentage rates. Some cards charge a fee, some a cash-advance rate and some charge both. Some cards do not charge for cash advances.

A cash-advance fee is typically 3 percent of the amount of your advance. At 3 percent, a \$500 cash advance would incur a \$15 fee. Sometimes there is a flat fee, such as \$15 for any amount or even in addition to the 3 percent.

A cash-advance rate typically ranges from 19 percent to 29 percent and applies to the balance of your cash-advance

amount. Caution: Most lenders apply your payments to the lowest rate portion of your balance first. That high-rate cash advance can stick with you for a long time.

### Late and over-limit fees

Most late fees range from \$15 to \$39; the average is \$30. It's not the fee that is most troubling, however. With most megabank lenders, payments must be received by noon in the processing center's time zone. If late, you're charged a fee. Credit unions and local financial institutions are more likely to give you several days after the due date before charging a late fee.

Over-limit fees range from \$15 to \$39. Many have a sliding scale according to balance.

Some lenders charge a fee at 1 cent over limit; others allow a few hundred dollars over. Others charge a fee if you come close to exceeding your limit.

### Teaser rates

Look out for teaser rates like 0 percent interest for 90 days. Few people actually qualify for 0 percent interest. Lenders may pre-qualify you for a 0 percent rate to get you to respond to the offer, then approve you for a higher rate. Also, teaser rates typically apply only to new card purchases, and balance transfers may be subject to a higher rate. Choose a card because it has a competitive interest rate all the time, not a too-good-to-be-true teaser rate.

### Default or penalty rates

One of the most insidious new trends hiding in the fine print of your 2,000-word card disclosure is the default rate. A default rate is a higher rate, typically 19 percent to 29 percent, that applies to outstanding and future balances if you break the rules. While it's becoming harder, it is possible to find a card without a default rate.

### The rules

The following actions frequently trigger default or penalty rates.

- 1) You make any late payment (remember most lenders' definition of "late.")
- 2) You exceed your credit limit (even if it's by a fee they charge you).
- 3) Your payment is returned unpaid.

- 4) You're late on a payment with another lender.
- 5) You open too many new credit accounts.
- 6) You pay only the minimum payment for several months.

### How does OEFCU's family of VISAs stack up?

You may be asking, "with all of these rules, how do I find the best VISA card out there?" A great place to start is at your credit union. Operating Engineers Local Union No. 3 Federal Credit Union has a family of VISA cards that stack up well against other cards in the industry. With a 25-day grace period and no annual fee, they've already got most cards beat. The \$20 late fee, assessed only after 11 or more days after the due date, and the \$25 over-limit fee are less than industry standard.

The credit union doesn't offer "teaser rates" on its VISA products because the rates are already low. Even OEFCU's default rate is less than most VISA products on the market today. Currently, the only VISA card in the OEFCU-VISA product line that has a default rate feature is the new platinum card. If you are 25 or more days late with your payment on the platinum card, the highest annual percentage rate you will receive is 12.99 percent.

Another feature of the OEFCU VISA is that the points earned when you use your VISA can be used to pay your union dues. Comparing these features with those of other cards, it's easy to see why you should choose a VISA card from your 100 percent union credit union.

### How to maximize your card power - fighting back

On average, lenders get one-third of their profits from late fees, over-limit charges and other penalties. The easiest way to avoid contributing to this profit proliferation fund is to choose the right card. But if you find yourself in a bind, there are some things you can do. Send in at least the minimum payment as soon as your bill arrives. If you're charged a late fee, call the lender to protest. Many will remove the fee for a good customer. Similarly, many lenders will lower an interest rate for a good customer if the current rate is not competitive. Most importantly, read the fine print.

If you have any questions about credit cards, give your credit union a call at (800) 877-4444.

## OEFCU branch offices to serve you

### CALIFORNIA

**Alameda** ATM location  
1620 South Loop Road  
Alameda, CA 94502  
(510) 748-7440

**Auburn**  
1915 Grass Valley Hwy., Suite 400  
Auburn, CA 95603  
(530) 889-2969

**Burlingame**  
828 Mahler Road, Suite A  
Burlingame, CA 94010  
(650) 697-0598

**Dublin** ATM location  
7300 Amador Plaza Road  
Dublin, CA 94568  
(925) 560-9660

**Eureka**  
1213 Fifth St.  
Eureka, CA 95501  
(707) 441-9590

**Fairfield**  
2540 N. Watney Way  
Fairfield, CA 94533  
(707) 425-4489

**Fresno**  
4860 N. Cedar Ave.  
Fresno, CA 93726  
(559) 241-0508

**Modesto**  
538 McHenry Ave.  
Modesto, CA 95354  
(209) 525-9460

**Redding**  
20308 Engineers Lane  
Redding, CA 96002  
(530) 222-5184

**Sacramento**  
9806 Old Winery Place, Suite 5  
Sacramento, CA 95827  
(916) 369-6752

**Sacramento (Arco Arena)**  
4044 N. Freeway Blvd., Suite 150  
Sacramento, CA 95834  
(916) 565-6190

**San Jose** ATM location  
798 N. First St.  
San Jose, CA 95112  
(408) 995-5095

**Sonoma County**  
6225 State Farm Drive, Suite 102  
Rohnert Park, CA 94928  
(707) 585-1552

**Morgan Hill**  
325 Digital Drive, Suite B  
Morgan Hill, CA 95037  
(408) 782-9803

**Stockton**  
1916 N. Broadway  
Stockton, CA 95205  
(209) 943-2455

**W. Stockton**  
1818 Grand Canal Blvd., Suite 1  
Stockton, CA 95207  
(209) 472-0708

**Yuba City**  
468 Century Park Drive, Suite B  
Yuba City, CA 95991  
(530) 742-5285

### HAWAII

**Honolulu**  
1111 Dillingham Blvd., Suite E1B  
Honolulu, HI 96817  
(808) 841-6396

### NEVADA

**Reno**  
1290 Corporate Blvd.  
Reno, NV 89502  
(775) 856-2727

**Elko** ATM location  
1720 Mountain City Hwy.  
Elko, NV 89801  
(775) 753-8585

### OREGON

**Gladstone**  
805 E. Berkeley St.  
Gladstone, OR 97027  
(503) 655-5462

### UTAH

**Salt Lake City**  
1958 W. North Temple, Suite B  
Salt Lake City, UT 84116  
(801) 533-2374



## FRINGE BENEFITS

By Charlie Warren, Director

### Talking with your doctor

Many people find it hard to talk to doctors about their health. Here are some ideas to help open the lines of communication:

Write a list of questions. Show it to your spouse or a friend, and ask them to suggest other questions.

Briefly describe all current symptoms. This may help your doctor see important patterns or clues.

Talk honestly about any worries and concerns. Don't wait for the doctor to ask the right question; tell your doctor what's on your mind.

### Physical activity and health

Exercise can help you live a longer, healthier life. Be sure to check with your doctor before beginning any new physical activity – and then get moving. Try these ideas:

Choose several activities you enjoy. Walk, swim, dance or golf; variety prevents boredom.

Exercise with friends. Start a walking club or meet a friend at the gym.

Build up slowly. Start small (three 10-minute sessions a day, for instance) and track your progress in a log.

Build exercise into your daily life. Take the stairs; park farther away; walk to local shops. Little things add up!

### Chronic conditions

Managing a chronic health condition is a challenge – but learning ways to minimize its effects can make a big difference in your quality of life. What can you do?

Listen to your body. Know typical symptoms and how to respond.

Avoid situations that trigger symptoms.

Make positive lifestyle changes today. Don't wait for symptoms to get worse before you act.

Tell family, friends and co-workers what an emergency may "look like" for you and how to help.

### Processing your pension

If you're thinking about retiring soon, keep the following timeline in mind when submitting your pension application. Applications should be submitted to the Trust Fund office at least 90 days before your retirement date. Your application will be valid for one year.

Pension processing timeline:

- Application is received at Trust Fund office.
- Receipt of application is acknowledged within a week to 10 days.
- Trust Fund office mails an award packet to member when s/he reaches or is within 90 days of retirement, provided all necessary information is made available to the Trust Fund office.
- Member stops working in the industry, completes and returns the award packet, along with the signed authorization to verify final hours with the last employer(s) or copy of the last three months' check stubs.
- Trust Fund office sends first check to member within one to two weeks of retirement date or confirmation of last day worked and final hours (whichever is later).

If you have any questions or want to request an application, contact the Trust Fund office at (800) 251-5014 or the Fringe Benefits Service Center at (800) 532-2105.

### FRINGE BENEFITS SERVICE CENTER

(800) 532-2105

### 2005 Retiree Association meetings

<b>FRESNO</b> March 1 Cedar Lanes 3131 N. Cedar Fresno, CA	2 p.m.	<b>FAIRFIELD</b> April 14 Operating Engineers Building 2540 N Watney Way Fairfield, CA	2 p.m.
<b>LAKEPORT</b> March 3 Yacht Club 55 5th St. Lakeport, CA	10 a.m.	<b>RENO</b> April 19 Operating Engineers Building 1290 Corporate Blvd. Reno, NV	2 p.m.
<b>ROHNERT PARK</b> March 3 Operating Engineers Building 6225 State Farm Drive #100 Rohnert Park, CA	2 p.m.	<b>EUREKA</b> April 26 Best Western Bayshore Inn 3500 Broadway Eureka, CA	2 p.m.
<b>CONCORD</b> March 16 Centre Concord 5298 Clayton Road Concord, CA	10 a.m.	<b>REDDING Meeting &amp; Potluck</b> April 27 Frontier Senior Center 2081 Frontier Trail Anderson, CA	1:30 p.m.
<b>OAKLAND</b> March 17 Oakland Zoo – Snow Building 9777 Golf Links Road Oakland, CA	10 a.m.	<b>YUBA CITY</b> April 28 Sutter-Yuba Board of Realtors Building 1558 Starr Drive Yuba City, CA	2 p.m.
<b>SALT LAKE CITY</b> March 24 IBEW Hall 3400 W 2100 South Salt Lake City, UT	2 p.m.	<b>MODESTO</b> May 19 Tuolumne River Lodge 2429 River Road Modesto, CA	10 a.m.
<b>WATSONVILLE</b> March 31 VFW Post 1716 1960 Freedom Blvd. Freedom, CA	10 a.m.	<b>STOCKTON</b> May 19 Italian Athletic Club 3514 Cherryland Drive Stockton, CA	2 p.m.
<b>MORGAN HILL</b> March 31 Operating Engineers Building 325 Digital Drive Morgan Hill, CA	2 p.m.	<b>SAN FRANCISCO- SAN MATEO</b> June 2 Machinists Hall 1511 Rollins Road Burlingame, CA	10 a.m.
<b>AUBURN</b> April 7 Auburn Recreation Center – Lakeside Room 3770 Richardson Drive Auburn, CA	10 a.m.	<b>NOVATO</b> June 2 Unity In Marin 600 Palm Drive Novato, CA	2 p.m.
<b>SACRAMENTO</b> April 7 ILWU Local 17 Hall 600 4th St. West Sacramento, CA	2 p.m.		





## RANCHO MURIETA TRAINING CENTER

### for Apprentice to Journey-level Operators

By Curtis Brooks, Director

## Doing our part to remain "always the best"

As we head into the new work season, we are looking forward to a full and productive training season. Much of that training will focus on crane certification to meet Cal-OSHA's deadline for certifying all crane operators.

While there is a big push for training in the area of crane certification, we are also addressing such environmental issues as Tier I and Tier II emissions control. Another branch of the state, California Air Resources Board (CARB), has imposed new equipment criteria, as well as deadlines for compliance for heavy equipment emission controls to regulate clean-air standards. While these things are important, our primary concerns are training, safety and upgrading skills.

There seems to be an era of hard times ahead with the current state and federal administrations striking out against organized labor and the working person at every turn. Let's face it, there has never been a time when skill and proficiency were more important. If the union and the signatory employer are to

survive, we simply have to be more productive, proficient and quantitative. Brothers and sisters, we need to stay the course, stand tall, stand strong and stand together.

Everyone understands the phrase "it is better to have it and not need it than to need it and not have it." Regarding skills, no

good employee wants to be without them, and no good employer can afford an employee without them. Operating Engineers has always been a stand-up organiza-

tion with emphasis on being the best we can be. Under the leadership of the current administration this has not changed. Business Manager John Bonilla has demonstrated that our struggles and our problems are his, too. Apprenticeship is no different.

We will continue to push for the best from all of our students and instructors. Make no mistake about it. If you cannot or will not do your best, you cannot stay. Lead, follow or get out of the way. For the rest of us, continuity will be based on our ability to stretch under any strain but never break.

*Operating Engineers Local 3:  
Proud. Skilled.  
Productive. Committed.  
Always the best!*

## JAC to host NCCCO Workshop in Tahoe

For the first time in the history of the association between the Operating Engineers JAC and the National Commission for the Certification of Crane Operators, the JAC will host the NCCCO's four-day workshop. April 4-7 in Tahoe, where NCCCO committee members will meet to strategize, discuss and propose regulations, certification criteria, etc. for crane operators.

Typically these meetings are held in the eastern or midwestern states. By hosting this workshop, Local 3 will have the opportunity to give commissioners a taste of California culture, politics, climate and working conditions for crane operators.

For years the JAC has played an essential role in ensuring crane operator readiness for the jobsite, as well as for the examinations by conducting training and performing CCO written and practical examinations. Moreover, in recent months the JAC has been working with signatory employers to create onsite practice areas for our members who want to gain practical knowledge and experience in crane operations before taking the comprehensive practical examination.

Local 3 advocacy and participation in associations like these will ensure that the union principles of worker rights, safety and training will endure for the benefit of the worker.

## CCO Practical Test

New CCO candidates and candidates who have passed the written portion of the CCO exam should contact Pauline McCullough at (916) 354-2029, ext. 232, to schedule an appointment or obtain CCO information on the Practical Test dates.

## 2005 CCO Exams

Exam	Deadline for application
April 3	Feb. 11
May 22	April 1
June 26	May 6
Aug. 28	July 8
Oct. 23	Sept. 2
Dec. 18	Nov. 4



## ORGANIZING

By Ras Stark,  
Organizing Director

## It's time for a free choice

I recently reviewed a report on workers and their attitudes toward unions. According to this report, more than 42 million U.S. workers said they would join a union if they could. If that's the case, why aren't more workers joining unions? Based on the experiences of Local 3's Organizing Department, I know the answer to that question: When workers try to get a voice on the job by joining a union, employers respond with intimidation, harassment and retaliation, and federal labor law doesn't do much to protect them from it.

Fortunately, legislation has been introduced in Congress that ensures that if a majority of workers in a workplace decide to join a union, they could do so without facing the obstacles employers now use to block their workers' free choice. The legislation is called The Employee Free Choice Act. It is summarized as follows:

It provides for certification of a union as the bargaining representative if the National Labor Relations Board (NLRB) finds that a majority of workers signed authorization cards designating the union as their bargaining representative.

It requires that if parties are unable to reach agreement for a first contract within 90 days, the matter will be referred to the Federal Mediation and Conciliation Service (FMCS). If after 30 days the FMCS is unable to bring the parties to agreement, the dispute will be referred to arbitration and the arbitration results shall be binding on all parties for two years.

It provides for stronger employer penalties for National Labor Relations Act violations during organizing campaigns or first-contract negotiations, including:

- Requiring the NLRB to see a federal court injunction if it believes an employer has discriminated, threatened or discharged workers or engaged in other conduct that interferes with their workers' rights to join a union.
- Triples the back-pay damages an employer must pay when a worker is discharged or discriminated against during an organizing campaign or first-contract drive.
- Provides for civil fines of up to \$20,000 per violation if an employer willfully or repeatedly violates workers' rights during an organizing campaign or first-contract drive.

As you might expect, employers and the Bush administration are going all out to get this legislation killed. It currently has more than 36 senators and 207 members of the House co-sponsoring it, but it needs even more support — yours! Take the time to call, write or e-mail your senator or representative. If you don't know who they are, call your OE3 district office; they can tell you. Help us make a strong push for passing The Employee Free Choice Act in 2005. It's time for workers to really have a free choice!

## APPRENTICESHIP GRADUATES

Ben Reich  
Douglas Russell

Construction Equipment Operator  
Crane Operator

Rohnert Park  
San Francisco

Jan. 17  
Jan. 24



## OE CAT

By Cindy Tuttle, Political Director

### YOU can help lower health care costs

If you are one of those devoted readers of my OE CAT column, or if you have heard me speak at union meetings or events, you have most likely heard me say something like this: Politics is everywhere, in every aspect of our daily lives, and it is vital to our well-being, both as citizens of a democratic society and as union members.

Though you may be familiar with my take on politics, you may be surprised with what I'm about to say: Did you know your political involvement can even help keep health care costs down? It's true. Now read on!

Here's how it works: Every time you participate in a precinct walk or phone bank on behalf of a labor-friendly candidate or a bill that generates transportation funds, and every time you attend a city council meeting or hearing on behalf of a new project, you are helping create jobs for Operating Engineers.

For every Operating Engineer that is working on a job with an employer signatory to Local 3, that employer makes a contribution on his or her behalf to the Operating Engineers Local 3 health and welfare trust fund. As you will read in the main health and welfare article on pages 11-14 in this issue of *Engineers News*, your political action during the last year alone has been a major contributor to our trust fund's stability today. And Local 3 cannot thank you enough for that. In fact, we all owe a big thank you to those members who have come forward to protect our future through activism.

In 2005, health care costs will continue to rise, and Local 3 member volunteers will be needed. Local 3 asks you to keep up your member activism; it really makes a world of difference. If you haven't been involved in our activities in the past, it is never too late to start. You can check my column throughout 2005 for updates on member mobilization activities, or you can check in with your district office for upcoming activities.

With health care costs continuing to rise, employers and unions will once again be faced with tough negotiations. Health care has long been the No. 1 issue

at the bargaining table. In fact, in 2004 health care was the principal issue in 55 percent of negotiations that mediators from the Federal Mediation and Conciliation Service were involved in; we can expect no different this year.

At the bargaining table, employers will be looking to save on health care premiums, and unions like Local 3 will be working to maintain their members' health and welfare benefits while getting their members the best bang for their buck. Local 3 has a wealth of power on its side of the bargaining table, as our union has

joined with the Carpenters and Laborers in the Basic Craft Alliance to lobby for mutual issues such as health care.

The strength of the Basic Craft Alliance is unparalleled. With the

three largest construction trades unions in Northern California joined at the hip, and with those union leaders and their membership working together for a common cause,

think we will all be amazed at what we can accomplish.

In addition to the Basic Craft Alliance, Local 3 has joined with other labor groups, including the Carpenters 46 Northern California Conference Board, IBEW Local 180, ILWU unions, SEIU Local 250 and UFCW Local 870, in a new coalition known as the California Health Care Coalition. This new alliance, collectively representing more than 500,000 workers, is committed to containing health care costs and improving health care quality in the communities in which its represented members work. The coalition has already taken action to raise public awareness and to investigate and confront overcharging health care providers.

Between the Basic Craft Alliance, the California Health Care Coalition, and with Local 3's surefire team of leaders and negotiators, working men and women will be well-represented this year and for years to come.

But remember, the union needs YOU. I encourage you to read this month's cover story regarding your health and welfare benefits, and I urge you to take action to effect a positive change for all working people.



## CRAFT MAINTENANCE

By Larry Edginton,  
Craft Maintenance Director

### Some good news, but ...

By now you should have heard we've concluded negotiations with the state involving health insurance contribution rates. After eight years of litigation we finally reached an agreement with the Department of Corrections and the governor's office. In simple terms, the agreement protected the jobs of Unit 12 members employed with the Department of Corrections, the California Youth Authority and the Prison Industry Authority. The agreement also provides that the state will pick up the health insurance premium increases that went into effect Jan. 1, 2005. Funding for the increased costs to the state will require authorizing legislation. We've got that legislation moving now. Once it's approved I'll be able to get you the details as to when you will receive a refund of the premium increase you've been paying since January.

Well, so much for the good news. We've started negotiations with the state, and it's not a pretty picture. So far, the state is proposing:

- That the governor be given the authority to furlough you for up to five days (40 hours).
- To eliminate two holidays.
- To not count sick leave, vacation, annual leave and other paid leave as time worked for purposes of determining overtime.
- To make new hires ineligible for health benefits for six months.
- To eliminate the current formula for health benefit contributions.
- To eliminate current PERS benefits and change to a defined-contribution plan.

I expect the departments covered by our agreement will put their share of take-aways on the table as well. We've heard from various sources that they may propose to eliminate post and bid language for starters.

As you can see, we're headed into a major battle at the bargaining table. It's going to take a lot of effort on everyone's part, including you, to get the state to back off on some of its nonsense. I want to be clear; if you think that just paying your union dues will help us win this fight, you are wrong. Your bargaining team is going to need your help. You'll soon be hearing about a member-mobilization program being started to support your negotiators. Get ready to participate. You'll be asked to write letters, send e-mails, make phone calls, visit legislators and more. Our ability to stop the governor's proposed take-aways will in large part be determined by our ability to generate a strong unified front opposing them.

Get ready to hang tough. Your future depends on it!



# TOGETHER, WE MAKE A DIFFERENCE

## 2005 HEALTH & WELFARE UPDATE



SPECIAL PULL-OUT SECTION

# TOGETHER, WE MAKE A DIFFERENCE

## 2005 HEALTH & WELFARE UPDATE

*Last March Local 3 set out to educate its membership on the costly national health care crisis and provide an update on some changes to the union's health and welfare benefits plan. We published an extensive health and welfare article, "Health Care: An American Crisis," in the March 2004 issue of Engineers News, and we presented this same information at the March through May district and Retiree Association meetings.*

*The changes the union made, along with the actions taken by the Local 3 membership, have helped stabilize our funds today. However, the health care crisis is still a concern. This special pull-out section of Engineers News will review changes that were made to the health and welfare plan, as well as the accomplishments we have made during the last year in the battle against rising health care costs. It will also detail steps we can continue to take together.*

*Local 3 will also present the following information at March through May district and Retiree Association meetings. You are encouraged to bring your spouse to these meetings. See page 20 for a schedule of district meetings and page 8 for Retiree Association meetings.*



Written by Kelly Walker, managing editor

### Tough but necessary choices

In 2003, the union, along with the rest of the nation, was facing a tough predicament: health care costs were rising at an alarming rate and this was wreaking havoc on Trust Fund reserves with costs exceeding contributions in the three mainland states within Local 3's jurisdiction: California, Utah and Nevada. Hawaii's trust fund had managed to remain stable. If nothing changed, assets available for the California active members' health care plan could have been drained by 2007 and the retirees' plan could have been drained by the end of 2006. Issues such as the effect of the uninsured, spikes in hospital bills and the incredibly inflated price of prescription drugs all added to the problem.

But letting Local 3's funds perish was simply not an option, as no one, including Local 3's administration and trustees, wanted members' benefits to suffer because of this crisis; something had to be done. To proactively address the growing problem of increased health care costs, Local 3 developed a comprehensive strategic plan that included some immediate actions and long-term solutions.

In doing this, the union took action to protect the stability of the trust funds. After several involved meetings with union officers, trustees, the trust fund administrator and service providers, Local 3 made some difficult decisions, including some bold but necessary changes. Active Local 3 members in California saw changes to their physician visit co-pay, their emergency room co-pay for non-emergencies, their prescription drug co-pay and their Vision Service Plan. Retirees saw changes in these same areas, as well as to their self-contributions. Active members also increased their hourly contributions to health and welfare and retiree medical.

To address problems in Nevada, a deductible for active members' medical expenses was initiated, as active members there previously had no deductible. Members also saw their covered expenses change from 90 percent to 80 percent.

Though Hawaii's fund was stable, administrators have been monitoring the funds carefully and made some changes in anticipation of the continued health care crisis, including signing with a PPO provider network near the end of 2003.

Utah members saw a deductible increase, as well as a change in the percentages payable for medical services from PPO and non-PPO providers. In addition, their prescription drug co-payments for non-generic drugs increased.

### Strength in numbers

It's no secret that the more people there are working together toward a common goal, the more they can achieve. As John Bonilla has said, the

more people we have backing our issues, the stronger we are. This is why Local 3 included in its strategic plan coalition building with other crafts and labor groups who understand the importance of affordable, quality health care. One such coalition is the Basic Craft/ Heavy Highway Alliance between the Operating Engineers, Carpenters and Laborers. Though the Basic Craft Alliance doesn't focus solely on health care issues, working together, these groups have guaranteed themselves considerably more power at the bargaining table.

The California Health Care Coalition (CHCC) is another group with which Local 3 has joined forces. Made up of a number of union leaders and health and welfare funds, including Local 3, the California School Employees' Association, the Carpenters, SEIU Local 250 and the Ironworkers Trust Fund, this coalition collectively represents more than 500,000 members, which creates extraordinary bargaining power. The group's main focus is to develop a response to the health care cost crisis. This new alliance is committed to containing health care costs and improving health care quality in the communities in which its represented members work.

### Performance reviews & new contracts

The union wanted to be sure its members were getting the best bang for their buck through their health and welfare plan, so it included its providers in its strategic plan as well. The Local 3 board of trustees reviewed the performance of plan professionals, such as Segal Company, Associated Third Party Administrators (ATPA) and McMoran, and made necessary changes and renegotiated contracts. This has made an immense impact — on one contract alone, we expect to yield an annual savings of \$4 million to \$5 million.

### YOU made the vision a reality

At its height in April 2004, the health and welfare plan's expenses in California were almost double its income; Utah and Nevada faced similar circumstances. While union trustees made tough choices last year, and while Local 3 has made some great allies in its coalition building, YOU are the primary reason our funds are stabilized today.

Because of your continuing cooperation with the changes and recommendations instituted in 2004 — including your willingness to use generic drugs, Preferred Provider Organizations (PPOs) and your actions to take charge of your health, such as having regular health tests and taking advantage of the union's CorSolutions disease management program (currently available to active members in Northern California but potentially expanding through Local 3's jurisdiction in the near future) — the plans' financial standing improved throughout Local 3's jurisdiction.



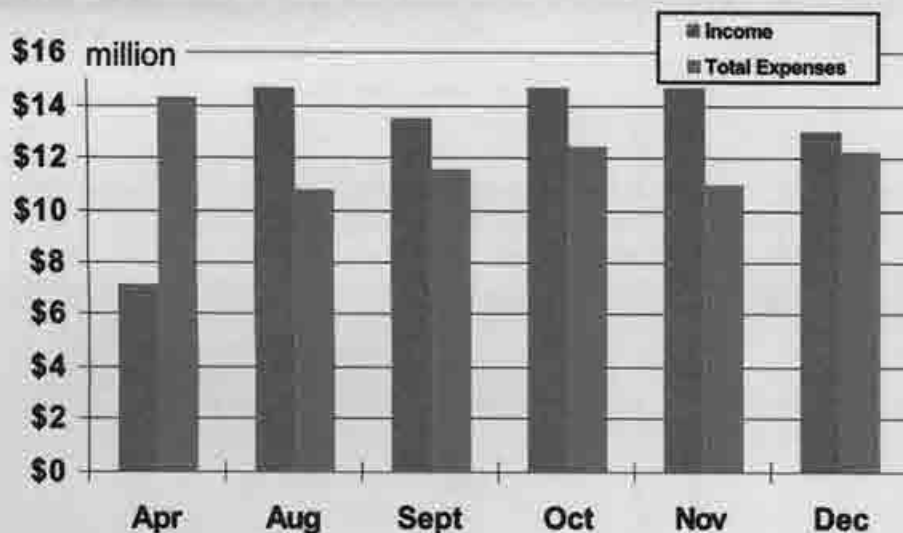
By August 2004, the California trust fund's income once again exceeded expenses. If this trend continues, the plan's current assets for active members will hold steady through 2009, and for pensioned health and welfare members, through 2008. (Before action was taken in 2004, funds for active members' health and welfare were projected to run out in 2007 and pensioned members in 2006.)

Because of their efforts, members in Nevada increased their fund reserves by 10 months, from 3.8 months of reserves in November 2003 to 13.8 months of reserves in November 2004. During that same time, the average monthly expenses to the fund also decreased.

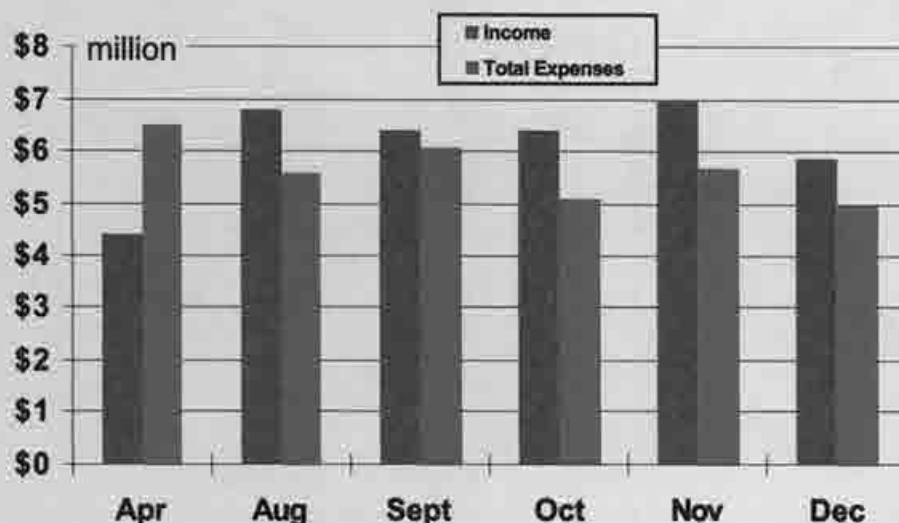
Because of member action and cooperation with plan changes in Utah, the plan has come a long way during the last 18 months and is for the first time in years "out of the red and into the black" with a definite surplus.

With changes made in Hawaii, and with continued member involvement, Hawaii's funds remain stable with income exceeding expenses and over two years worth of health and welfare reserves.

## Income/Expense – CA Plan Year 2004



## Income vs Expenses 2004 Pensioned Health & Welfare



## YOU played politics

One of the most important things you did in 2004 was get involved in politics. Your efforts in phone banking, precinct walking, and get-out-the vote campaigns made more difference than you may realize. Every time you participate in political action, whether it is to help elect a labor-friendly candidate or to pass a labor bill, you are helping keep your health and welfare funds stable. For example, California members helped pass \$13 billion worth of county sales tax measures earmarked for infrastructure in 2004, which will help build up the trust fund. Here's how:

For every piece of legislation we pass that brings in money for transportation, or every time we attend city council meetings to support a new construction project, we are creating jobs for our members. For every member that we have working, an employer contributes a set amount of money to our health and welfare trust funds; employers contribute in accordance with the terms of Local 3 collective bargaining agreements. That money is then used to pay health care claims and Trust Fund operating expenses.

See the chart below for a visual explanation of how the fund works.

The Trust Fund is a separate entity from Local 3; dues money from members is not used to fund the health and welfare plan.

## How the Fund Works Active Plan

Negotiated/Allocated  
Contributions  
and Investment Income



CLAIMS + OPERATING  
EXPENSES



Employers contribute in accordance with the terms of Local 3 collective bargaining agreements. For pensioned health and welfare, retiree contributions are included with the negotiated/allocated contributions and investment income.

## It's not over

While our efforts this past year have helped our health and welfare plans tremendously, the fight is not over. Health care costs are continuing to rise. Local 3's consultants predict that in 2005, health care costs to the plan for active members in California will increase 9.3 percent, and 13.7 percent for retirees. Nationally, health care costs are expected to rise 12 to 14 percent for active members and 14 to 16 percent for retired members.

Because of this continued increase, the plan will need additional contributions, and Local 3 has once again had to make some tough choices. To keep the funds stable, active members included in the Northern California Master Agreement will see an additional 58 cents allocated to health and welfare. In addition, active members will increase their retiree medical contribution by 20 cents in 2005, beginning July 1.

continued on page 14

## 2005 Health & Welfare update

continued from page 13

Everyone must pay their fair share. Construction and rock, sand and gravel workers will pay the same monthly contribution. See below:

**Construction - CA**  
 150\* hours x \$6.23/ hour = \$935

**Shops and Rock, Sand & Gravel - CA**  
 165\* hours x \$5.67/ hour = \$935

\* average monthly hours

Any new contracts renewing in 2005 must pay at least \$5.67 per hour for full health and welfare benefits. Groups paying less will have the option of making allocations up to \$5.67 or receiving a lower level of benefits. The health and welfare plan can no longer subsidize those paying less than the actual cost of the plan. See the chart below for an explanation of benefits payable for different contribution rates.

CA - Contribution	Benefits payable*
\$5.67	90 percent
\$5.39 - \$5.66	85.5 percent
\$5.10 - \$5.38	81 percent
\$4.82 - \$5.09	76.5 percent
\$4.54 - \$4.81	72 percent
\$4.25 - \$4.53	67.5 percent

\* when using contract doctors and hospitals

Changes have also been made to the retiree plan. For members retiring on or after Jan. 1, 2007, the self-contribution amounts for full benefits will be based on employer contributions paid into the retiree medical plan. Members whose contributions to pensioned health and welfare were lower than the master rate while they were working will pay a higher self-contribution amount. The lower the employer contribution rate, the higher the member self-contribution.

### CA - 2007 self-contribution changes

<b>Current rate</b>	
\$250	65 years and above
\$500	under 65 years
<b>2007 master rate*</b>	
\$250	65 years and above
\$500	under 65 years
<b>2007 below master rate*</b>	
\$262.50 to \$425	65 years and above
\$525 to \$850	under 65 years

\* subject to change

In Utah, though the funds have stabilized, the health care crisis is still a factor. Actuaries have recommended that an additional 25 cents be allocated for active members' health and welfare. Allocations for retiree medical have not yet been determined.

Nevada members' allocations will be determined in May.

Effective Jan. 1, 2005, Hawaii members enrolled in the Kaiser plan have a \$2 increase in co-pays for doctor visits. Retiree co-pays will stay the same as in 2004. Active members enrolled with the Kaiser plan also have changes in their co-pays for prescription drugs.

### What more can we do?

In 2005 and years to come, we will need to continue using our health care benefits wisely. This means:

- Using generic drugs when appropriate.
- Using PPO providers.
- Taking advantage of the CorSolutions disease management program, which is available to active members in Northern California and may soon expand within the union's jurisdiction. CorSolutions has nurses available 24 hours a day, seven days a week to answer your health questions and give health-related advice.
- Going to the emergency room only for true emergencies. (A medical emergency is defined as the sudden onset of a medical condition that requires immediate treatment because it is life threatening or would cause a serious dysfunction or impairment of a body organ or part if not immediately treated.)
- Taking necessary steps to improve personal health, such as making healthier food choices, exercising, staying away from drugs and alcohol.
- Staying educated on health care issues.

This also means that we must stay politically active. Politics is our lifeblood. We need labor-friendly politicians and legislation on our side. Remember:

Politics = Jobs

Jobs = Hours x Contributions

More Hours x Contributions = Stronger Health and Welfare Funds

Regardless of party affiliation, we must put pressure on our legislators to address the nation's health care crisis.

The Operating Engineers Community Action Team (OE CAT) is an excellent way for active and retired members to get involved. Friends and family are also welcome to volunteer with the OE CAT. Check the monthly OE CAT column in *Engineers News* for updates on CAT activities, or check with your district office to get a list of upcoming activities. It's never too late to join in!



### Standing together for health care

Local 3's health and welfare funds have existed for more than 50 years. Many battles have been fought to obtain and protect these hard-earned benefits.

Our health care coverage is crucial to our financial well-being, and Local 3 members will stand shoulder to shoulder to ensure the protection of these benefits.

Together, we will meet this challenge!





## INSIDE NEGOTIATIONS

By Frank Herrera, Vice President

### You owe it to yourself

If your immune system is anything like mine, the slightest change of weather can cause a variety of aches, pains, colds and allergies. Warm weather is coming, so it's time to start thinking about your health. With this in mind, I want to remind everyone about a great service that the Operating Engineers Health & Welfare Trust Fund offers its members. The Trust Fund offers a comprehensive health check-up through Examinetics for which members and their spouses are eligible. You owe it to yourself and your spouse to get the peace of mind that comes from knowing exactly how healthy you are. Early detection of health problems can help you cure them before they become serious, and identifying and treating problems early on is the best way to avoid the high costs of medical care later.

What's also great about this service, besides the fact that it's free and would normally cost \$500 elsewhere, is the convenience of it. The tests actually take place in a mobile vehicle that visits several locations within Local 3's jurisdiction. I've seen the diagram of this truck and you'd think it's housing an entire hospital with all the facilities included. You get a check-up in complete privacy, quickly and conveniently, that provides these specific tests:

- Height and weight measurements
- Audiometry test – hearing acuity
- Systolic and diastolic blood pressure
- Tonometry – a measurement of ocular tension to check for glaucoma
- Vision testing – near, distant, color, alignment
- Electrocardiogram – 12 leads
- Spirometry test – lung capacity
- Test for blood in stool specimen – a simple test you do at home a few days before your appointment
- Chest X-ray (optional)

You receive the results about a month after testing, and everything is confidential. As always, you may choose to use your own doctor to perform a physical examination and tests. In this case, the Trust Fund will provide reimbursement of up to \$175 for the expenses incurred.

For more information or to call for an appointment, dial (800) 542-6233. The list of Examinetics test locations and dates include:

Manteca	March 1 and March 2
Stockton	March 3 and March 4
Lodi	March 5
San Andreas	March 8
Angels Camp	March 9
Sonora	March 10 and March 11
Jackson	March 12
Placerville	March 15
Sacramento	March 16 and March 17
Roseville	March 18 and March 19
Auburn	March 22 and March 23
Grass Valley	March 24 and March 28
Marysville	March 29, March 30 and March 31

Let me remind you one more time to think about taking charge of your health; this is your health benefit offered at no out-of-pocket cost and it's part of a lifelong plan for staying well. I plan to make use of this service so I can measure my health in the years to come. I've heard too many horror stories about health problems discovered too late. So take advantage of yet another benefit of OE3 membership. Maybe I'll see you on the truck.

In solidarity,



## INDUSTRY NEWS

By Russ Burns, Financial Secretary

*This is the first in an occasional column series from Financial Secretary Russ Burns. His column will appear in Engineers News when there is news to report from his office.*

Attention all brothers and sisters in the crane industry:

Under an amendment of Article 98 of California's General Industry Safety Orders, Section 5006.1 has been added, which requires operators, effective June 1, 2005, to hold a valid Certification of Competency for the type of crane s/he wishes to operate. To be certified, crane operators must pass the following:

- A physical examination
- A substance abuse test
- A written examination developed, validated and administered in accordance with the Standards for Educational and Psychological Testing
- A hands-on examination to demonstrate proficiency in operating the specific type of crane

This certification will be valid for a maximum of five years.

The regulation does not apply to operators of mobile cranes with a boom length less than 25 feet or with a maximum rated load capacity of less than 15,000 pounds. Also exempt from the rule are operators of electric line trucks and marine terminal operations regulated by Article 14.

Don't wait until the last minute to schedule your test date because this will be a state requirement effective June 1, 2005. Contact Pauline McCullough at the Rancho Murieta Training Center as soon as possible at (916) 354-2029.

For all other questions, please call Crane Rep. Mark Burton in the Fairfield District office at (707) 429-5008.



## TECH NEWS

By Business Representatives Ed Wodzienski and Rob Jones  
and Testing, Inspection and Surveying Director Dean Dye

### Glu lam and truss joists

The fabrication of most glu lams and truss joist products is conducted in controlled plant conditions, which are designed for a mass-produced product. The main purpose of observing the product at the plant is to check the critical operations, such as gluing, and to provide verification that the quality control exercised by the fabricator is adequate.

To best achieve this objective, an experienced timber technician should perform the following duties under the direct control of the materials engineering laboratory.

#### Glu lam timber observation duties

##### A. Documents

1. Review the approved plans, specifications and approved shop drawings.
2. Review applicable sections of referenced codes, particularly the Timber Construction Manual by the American Institute of Timber Construction (AITC) and reference standards of the Uniform Building Code by ICBO.
3. Verify that the proposed lumber grades, combinations, adhesive and end-joint details meet code requirements.

##### B. Materials

1. Verify certifications on lumber grading, adhesives and preservatives.
2. Verify lumber grade marks on the pieces being used.

##### C. Observation requirements - preliminary

1. Verify that shop drawings have been reviewed and stamped by architect/ engineer and general contractor.
2. Verify that joint spacing meets job and code requirements.
3. Measure moisture content of lumber and verify with acceptance range specified.
4. Check appearance grade requirements.
5. Verify preservative treatment requirements.

##### D. Observation of sub-assemblies (end joints)

1. Verify lumber grade at end joints.
2. Gluing and curing procedure - verify the following:
  - a) Lumber moisture, temperature and cross-section.

- b) Workroom humidity and temperature.
- c) Adhesive certification, lot and temperature.
- d) Joint match and separation.
- e) Assembly temperature, pressure and time.
- f) Sample and test representative joints.

##### E. Laminating (gluing)

1. Recheck lumber grades, combinations and faces, moisture and temperature.
2. Record workroom temperature and humidity.
3. Check adhesive certification, lot verification and temperature.
4. Verify camber assembly.
5. Gluing and curing:
  - a) Observe glue spread and check for skips.
  - b) Record open time before clamping.
  - c) Record clamping pressure.
  - d) Record curing temperature.
  - e) Sample and test (block shear, core shear, cyclic delamination).

##### F. Finishing

1. Recheck joint spacing and cross-sectional dimensions.
2. Observe repairs for appearance.
3. Record and inspect surface treatment:
  - a) Preservative
  - b) Sealer
  - c) Primer or paint
4. Hammer-brand each member; prepare shipping certificate.
5. Observe and record wrapping.

##### G. Reports

1. Submit written progress reports describing the tests and observations made and showing the action taken to correct nonconforming work. Itemize any changes authorized by architect/ engineer. Report all uncorrected deviations from plans or specifications.

#### Truss-type joist construction

##### A. Chord fabrication

1. Perform all requirements of "Glu Lam Timber Observation Duties."

2. Check end joint spacing at panel points.
3. Check drilling and routing for webs.

##### B. Web fabrication

1. Structural steel:
  - a) Review specification requirements.
  - b) Review mill certification, steel and coating.
  - c) Sample and test when specified.
2. Fabrication:
  - a) Verify web wall thickness and diameters at specified locations.
  - b) Check for splitting at flattened ends.
  - c) Check alignment edge distance and pin placement.
  - d) Check bridging clips, bearing clips and ridge connector.
  - e) Check truss dimensions.
  - f) Check connector welding, if performed.

##### C. Reports

1. Submit written progress reports describing the tests and observations made and showing the action taken to correct nonconforming work. Itemize any changes authorized by architect/ engineer. Report all uncorrected deviations from plans or specifications.



Third-generation Operating Engineer Joe Tarin III, son of recently retired District 10 District Rep. Joe Tarin Jr., performs an "as built" survey in San Francisco for Construction Surveys Inc.

### Local 3 mourns the loss of one of the "good ol' boys," Gilbert Beebe Anderson

Gilbert "Gil" Beebe Anderson, at age 76, passed away Dec. 19. Anderson, who retired in 1989, spent more than 40 years working on the West Coast, first as a crane operator and dredger, then as a business representative for Local 3 from 1974 until his retirement.

Gil is known as "one of the good ol' boys" because of how passionate he was about his work

and those who worked with him. He was born in Utah but set out for California with big dreams as so many do, riding the rails and eventually landing in the Richmond shipyards during World War II. This work led him to Local 3, and he's been a tribute to the organization ever since. After retirement, he was president of the Retiree Association for District 20, a member of the Election

Committee and donated countless hours to the Operating Engineers Community Action Team (OE CAT). He also volunteered as the high school seminary principal for his church.

Whether it was riding the rails, operating a crane or volunteering, Gilbert "Gil" Beebe Anderson will be missed and remembered as a true pioneer of this union and this world.



## FROM HAWAII

**Did you know? Local 3 is trucking in Hawaii**

By Hamona L. Dowell, coordinator, Driver Improvement Program

District 17 has 78 signatory contractors operating Commercial Motor Vehicles throughout Hawaii. There are 613 Local 3 members who carry a Commercial Driver's License, which enables them to drive CMVs.

An entry-level driver, or someone with less than one year of experience, must receive instruction in the following four areas:

- Driver qualification
- Hours of service
- Driver wellness
- Whistleblower protection

An entry-level driver who begins operating a CMV in interstate commerce after July 21, 2004 must receive training before driving a CMV.

At the controls of the Manitowoc 4000 is Operator Clem Conceicao, assisted by Oiler Kenji Hickman. They are working together to lift an 80-foot rebar cage before placing it underground.



## FROM ROHNERT PARK

**Negotiations continue; work picture holds steady**

Work has been slow because of the wet weather this winter, but it should be a busy spring.

The John Deere Construction Equipment shop, Empire Nortrax West, was sold to Pape Equipment, an out-of-state company. Vice President Frank Herrera and Special Rep. Steve Stewart are in negotiations with Pape Equipment at our Sacramento Administration office.

Speaking of negotiations, Local 3 was recognized as the representative for the workers at Blue Ridge Rock just north of Cloverdale off Hwy. 101. District Rep. Greg Gunheim, Business Rep. Pat O'Halloran and Business Rep. H.K. Pang of the Rohnert Park District office, along with Fairfield District Rep. Roger Wilson, are negotiating with the company for a first-time contract.

Our Caltrans members are facing some tough contract negotiations this year with pension and health care coverage the big issues. The "governator" is not working people's friend.

District 10 recently completed its negotiations with Bartley Pump, Petersen Drilling & Pump and Weeks Drilling & Pump. The hands received good increases, as these companies stepped forward and did the right thing.

Our upcoming negotiations are with Baxman Sand & Gravel in Fort Bragg and B&R Mobile Rock Crushing.

Items and dates to remember:

The Sonoma Express Books and the KZST Entertainment Guide Books are on sale at the Rohnert Park District office for \$20.

District 10's annual barbecue picnic is Sunday, June 26 at the Sonoma County Fairgrounds in Santa Rosa in the Founders Grove area.

The next Semi-Annual meeting is March 20 at the Solano County Fairgrounds, 900 Fairgrounds Drive, Vallejo, Calif.

The next Rohnert Park District meeting is Thursday, March 3 at the following times:

- Retirees – 10 a.m. in Lakeport at the Lakeport Yacht Club and 2 p.m. at the Rohnert Park District office in the upstairs meeting room.
- Actives – 7 p.m. at the Rohnert Park District office in the upstairs meeting room. We will conduct elections for the Market and Geographical Area Committee and Grievance Committee and hear reports from the officers and updates on the work picture in District 10.

## FROM EUREKA

**District endorses Wheatley in March 8 special election**

Hello from the North Coast.

We want to start by congratulating Caltrans Craft Maintenance worker Betty Bucher on the Jan. 15 birth of her daughter, Kylie Rae. Kylie was born in Crescent City one day after mom went on maternity leave. Mother and daughter are doing well.

Switching gears to politics, District 40 has one of the few special elections this month. The city of Arcata is filling a vacancy on its city council with a March 8 special election. Local 3 endorsed and is working hard for Mark Wheatley to fill this seat. Wheatley is a stand-up guy we feel will add a homogenizing element to this council that makes decisions affecting our membership, particularly Arcata city employees.

I want to thank the Operating Engineers Community Action Team volunteers who have worked so hard on the campaign.

Please get out and vote March 8 in this special election in Arcata. Rides to the polls on election day will be available as usual by calling (707) 443-7328.

In organizing, I'm pleased to announce we signed Brian Arrington of Arri-Con to an owner-operator agreement. Arrington has been a member of Local 3 since 1998; he is active in the CAT program and a member of the Market and Geographical Area Committee. Arri-Con is a welcome addition to the signatory group here in District 40, and we look forward to watching it grow.

In addition to Arri-Con, we signed Hufford Construction

from Orick. Joe Hufford brings his family operation to the Local 3 family with an experienced group of road, levee and all-around construction hands. Hufford also has a rock, sand and gravel operation in Orick. Welcome.

Another welcome addition to our area is American Concrete Placement, owned by Jeff Elder. The company brings boom and trailer pumps to District 40 for public and private work and recently signed the new District 40 private work agreement for boom and trailer concrete pumping. Give a honk when you see American's booms in the air.

Be safe.

Steve, Carol, Bran and Tina



Hufford Construction is a new Local 3 signatory contractor in the Eureka District. Pictured here are three generations of the Hufford family. Joe Hufford brings his family operation to the Local 3 family with an experienced group of road, levee and all-around construction hands. Hufford also has a rock, sand and gravel operation in Orick.

## FROM FAIRFIELD

**Faces in the field — District 04 apprentices**

First-period Heavy Duty Repairer Josh McNary is doing a great job working for Ferma Corporation in the Newark Shop. Pictured here, he is accompanied by his daughter, Kylie, while getting out the vote. Keep up the good work, Josh.

Second-period Apprentice Christopher Fernandez (right) assists Crane Operator Art Verdin while working for Kiewit Pacific on Mare Island. Keep up the good work, Christopher. We also want to congratulate Christopher and Fawn Wolf on the Oct. 26 arrival of Christopher Michael Fernandez Jr.

## FROM YUBA CITY

**Housing market red hot in Yuba-Sutter counties**

The construction contractors in District 60, Teichert, Jaeger and E-Ticket, continue to work on their projects when weather permits. The housing market is red hot in Yuba and Sutter counties. Most homes are sold before they are built. The developers know the interest rates could increase and slow the home-buying frenzy, so they don't want to waste any time. They're willing to pay for lime treatment to make the ground hard, enabling work to continue on Saturday and in some cases, Sunday.

The work picture for state highway public works remains dim and uncertain. We hear Hwy. 149 was moved to the back burner like most other projects. A Caltrans engineer said in his 20 years of working for the state, this was the first year he did not know what project he was working on for the upcoming season. Keep in mind, Caltrans works six to 12 months on funded projects and on projects in the planning stages before the actual construction work begins. The problem these days is funding — it's precarious because of state budget shortages. Projects that are initially fully funded can have their funds raided by the state to meet other budget obligations. As a result, work on the project is halted.

Because home developers have a hot market and can sell as many houses as they can build, traffic will increase on Hwys. 65, 70 and 99, adding pressure on the state to improve these highways.

The Army Corps of Engineers determined the levees near some of the above mentioned housing developments need upgrading to 100-year flood protection. The responsibility for funding such upgrades is at issue. The state is proposing future homeowners in these new developments pay for upgrades. If a funding source is not determined, it's possible building in these areas will be halted.

The counties and cities will have some smaller projects, but they have learned if the bids are high they can hold the project until early next season when everyone is hungrier and willing to bid lower.

The rock quarries had a better than average year, even though it started slowly. In late October there was high demand for aggregates; not only did the quarries exceed expectations, they worked more members through the winter because stockpiles sold out.

This year was a heavy snow year. Craft maintenance members are working a hard winter removing snow on our mountain roads.

To summarize the outlook for the 2005 season in District 60: Don't look for a home run; take it one base at a time.

The District 60 picnic is Sunday, June 12 at the fairgrounds in Yuba City. The business representatives will remind everyone as the date approaches.

## FROM STOCKTON

**Tucker assumes McPeeters' duties in mountain counties**

In the January 2005 issue of *Engineers News* we reported on the Hwy. 99 improvement project between Hwy. 4 and Hammer Lane through Stockton. At that time, Bay Cities Grading and Paving was the apparent low bidder. When Caltrans reviewed the bid, it encountered problems with the subcontractors and ultimately rejected all bids. The project was re-bid, and DeSilva Gates of Dublin is now the apparent low bidder. We are waiting again for the work to be awarded, and as soon as it is, we will hold a pre-job conference to ensure our work is covered.

The passage of time always brings change, and we are not immune to it in the Stockton District. Roger McPeeters retired at the end of 2004. McPeeters was the business representative responsible for the mountain counties of Tuolumne, Calaveras, Amador and

Alpine, as well as Holt of California and Ecco Equipment shops. Nate Tucker, who lives in that area, will assume the assignments. McPeeters introduced Tucker to as many work locations as possible before his retirement. If you have not met him yet, you will.

John Gothan was transferred from the Organizing Department into the Stockton District as a business representative. Gothan was assigned Tucker's duties, which encompass Stanislaus County and the eastern part of San Joaquin County, as well as the rock plants in Tracy and Vernalis. Gothan worked for Graniterock before his employment with OE3. His knowledge of the aggregate industry and organizing is an asset to the Stockton District team. Please make him feel welcome as he becomes acquainted with his area.

We recently completed our

gradesetting class in the Stockton hall. Mike Spencer, an instructor at Job Corps, was gracious enough to devote two nights a week to enhancing the skills of some of our younger members who will someday find themselves setting grade on the job. Thank you, Mike, for a job well done.

On a somber note, a cloud of sorrow has cast its passing shadow on the Stockton District. We recently experienced the death of our retired dispatcher, Harvey Edwards. Edwards was a 59-year member and our dispatcher for 25 years until he retired in 1985. Our older members may remember him as a gruff, hard-nosed individual who would not bend the rules. It did not matter who you were or which employer wanted you on their job; if the regulations were not met, you did not get dispatched. Edwards always had the

best interests of the members closest to his heart, and he was always consistent in the application of the hiring hall regulations.

In closing, I wish to bid Roger McPeeters a wonderful retirement. He is a great friend and special person. I truly enjoyed working with him, and I know I will see him often.



Recently retired Business Rep. Roger McPeeters and *Engineers News* Managing Editor Kelly Walker pose for a picture as they are lifted by manbasket above the O'Shaughnessy Dam in Yosemite National Park.



## IUOE bids farewell to General President Frank Hanley

Effective March 1, 2005, Frank Hanley, a 57-year IUOE member, has resigned from his position as International Union of Operating Engineers general president.

Hanley began his career with the IUOE in New York City as a heavy equipment operator with Local 15. He joined the IUOE staff in 1958 and served as an assistant to three general presidents. In 1975, Hanley was elected a general vice president, a post he held until his election to the union's second highest office, general secretary-treasurer, in 1979. Hanley was elected IUOE general president Feb. 1, 1990.

After serving as an elected IUOE officer for 30 years, 15 of them as general president, Hanley decided to retire. He announced his retirement Jan. 19 at the IUOE General Executive Board meeting in Miami, Fla.

Hanley's leadership and dedication will be greatly missed by the IUOE and its 170 local

unions, including Operating Engineers Local 3. Local 3 thanks Hanley for his years of loyal service to not only the Operating Engineers, but to the entire labor movement.

Filling Hanley's shoes as general president is Vincent Giblin, who was general secretary-treasurer of the IUOE. Giblin joined IUOE Local 68 in Orange, N.J., in 1964 and was elected business manager in 1975. He served in that position until 2004. Giblin was elected IUOE vice president in 1989, a position he held until 2002, when he was unanimously elected as general secretary-treasurer. Giblin held that position part time until 2004, when he took the position full time.

Chris Hanley moved into Giblin's position as IUOE general secretary-treasurer from IUOE vice president. Gerald Ellis of Local 627 is the new vice president, and Jerry Kalmar of Local 39 will take Ellis's place as trustee.



Local 3 Business Manager John Bonilla, retiring IUOE General President Frank Hanley and Local 3 President Bob Miller at the IUOE General Executive Board meeting in Miami, Fla.

## Scholarship Contest Rules for 2005

**Applications available at district offices and credit union branches**

The Local 3 officers and Executive Board understand that the workplace is rapidly changing, and many jobs now require new skills that can be attained only with a good education. Local 3 is dedicated to giving our young people the opportunity to succeed by providing them with the chance to further their education and training. For this reason, Local 3 awards annual scholarships to sons, daughters, stepchildren and foster children of Local 3 members.

### ACADEMIC SCHOLARSHIP

Four college scholarships will be awarded to children of Local 3 members. Two scholarships of \$3,000 each will be awarded to the first place female and male applicants. Two scholarships of \$2,000 each will be awarded to the runner-up female and male applicants. These scholarships must be used for study at an accredited U.S. college or university.

Winners also receive an additional \$1,000 per year from the Scholarship Fund for the second, third and fourth years of college, provided they remain full-time students.

The academic scholarships will not impose restrictions of any kind on the course of study. Recipients may accept any other grants or awards that do not rule out scholarship aid from other sources.

### WHO MAY APPLY

- Children of Local 3 members may apply for an academic scholarship. One parent of the applicant must be a Local 3 member for at least one year immediately preceding the date of the application.
- Children of deceased Local 3 members are eligible to apply for the scholarships. The parent of the applicant must have been a Local 3 member in good standing for at least one year immediately preceding the date of death.
- The applicants must be senior high school students who have, or will be, graduated at the end of either: 1) the fall semester (beginning in 2004) or 2) the spring semester (beginning in 2005), in public, private or parochial schools who are planning to attend a college or university anywhere in the United States during the academic year and who are able to meet the academic

requirements for entrance in the university or college of their choice. Students selected for a scholarship must have achieved not less than a "B" average in their high school work. Applications will be accepted until March 31, 2005.

### AWARDING ACADEMIC SCHOLARSHIPS

Upon receipt of the application and required forms, Local 3 will not exercise any choice among the various applicants or indicate in any way that one applicant should be favored over another. Based on factors normally used in awarding academic scholarships, the University Scholarship Selection Committee will submit to the Local 3 Executive Board recommendations for finalists. The list of potential winners and their qualifications will be reviewed and studied by the Executive Board and the scholarship winners selected.

Academic scholarship winners will be announced at the June Executive Board meeting of Operating Engineers Local 3. Checks will be deposited in the winning students' names at the college or university they plan to attend.

All of the following items must be received by March 31, 2005:

- The application, to be filled out and returned by the applicant.
- Report on applicant and transcript, to be filled out by the high school principal or person he or she designates and returned directly to Local 3 by the official completing it.
- Letters of recommendation. The applicants should submit one to three letters of recommendation giving information about their character and ability. These may be from teachers, community leaders, family friends or others who know the applicant. Please submit all letters of recommendation with the application.
- Photographs. A recent color photograph, preferably 2 inches by 3 inches, with the applicant's name written on the back. The photo should be clear enough to reproduce in the *Engineers News*.
- Media information. Provide the name, address and phone number of the applicant's local newspaper for the purpose of sending a press release on behalf of each winner.

### RANDOM-DRAW SCHOLARSHIPS

In addition to the four academic scholarships, Local 3 will award twenty (20) \$500 "random-draw" scholarships. The names of all applicants will be entered into a drawing to be held at the July Executive Board meeting. Applicants need not be present to win. The scholarships are available only to the sons, daughters, stepchildren and foster children of Local 3 members.

### GENERAL GUIDELINES FOR RANDOM-DRAW SCHOLARSHIPS

- Children of Local 3 members may apply for the scholarship. One parent of the applicant must be a Local 3 member for at least one year immediately preceding the date of the application.
- Children of deceased Local 3 members are eligible to apply for the scholarships if the parent was a Local 3 member for at least one year immediately preceding the date of death.
- Children of Local 3 members who plan to attend college or trade school are eligible to apply. They will not be judged on academic qualifications. All applicants who apply for the Local 3 academic scholarships and do not win will automatically qualify for this drawing.
- Applications will be accepted until March 31, 2005. Previous winners are not eligible to apply.
- Winners will be determined by a random drawing to be held at the July Executive Board meeting. Applicants do not need to be present to win.
- The money will be funded when the college or trade school confirms the winner is a full-time student.

### WHERE TO GET APPLICATIONS

Academic and random-draw scholarship applications are available at your district office or credit union branch office. It is the responsibility of the applicant to submit the application on time to:

Robert L. Wise  
Recording-Corresponding Secretary  
Operating Engineers Local Union No. 3  
1620 South Loop Road  
Alameda, CA 94502-7090





## Farewell, Gene

Local 3 was saddened to learn of the Jan. 25 passing of Gene Wells, a talented operator and beloved friend. Wells worked for Bigge Crane and Rigging in San Leandro, Calif., for 43 years and was proud to be a Local 3 member for 50 years.

Gary and Vickie Wells with their father, Operating Engineer Gene Wells.



## Departed Members

Our condolences to the family and friends of the following departed members:

Anderson, Gilbert Fremont, CA 12-19-04	Garcia, David San Jose, CA 12-06-04	McCullough, Kenneth Oroville, CA 11-19-04	Thompson, William La Selva Beach, CA 12-09-04
Baird, Clyde Bay Point, CA 01-15-03	Griffin, John Sacramento, CA 12-22-04	Morgan, Stanley Yuba City, CA 12-14-04	Thompson, Don Sacramento, CA 12-06-04
Barba, Abraham Antelope, CA 12-25-04	Hemingway, Joseph Watsonville, CA 01-02-05	Pahel, Harvey Las Vegas, NV 12-09-04	Victor, James Oakland, CA 01-07-05
Best, Calvin Riverside, CA 07-07-04	Hopkins, Ramon Hercules, CA 01-02-05	Powers, Jay McKinleyville, CA 12-13-04	Vigil, Sam San Jose, CA 01-05-05
Cerri, Mario San Rafael, CA 12-02-04	Horn, Hollis La Pine, OR 12-28-04	Rowland, William Austin, TX 12-06-04	Voges, Donald Winnemucca, NV 12-19-04
Cover, Cleon Santa Rosa, CA 12-09-04	James, Henry Kearns, UT 11-30-01	Schwartz, Roger San Jose, CA 12-02-04	Vogt, Earl Clearlake, CA 02-11-04
Dawson, William Oroville, CA 12-30-04	Kirby, Frank Oakdale, CA 12-07-04	Spencer, Clain Roy, UT 12-01-04	Volpa, John Fresno, CA 11-30-04
Devincenzi, Walter San Francisco, CA 11-28-04	Kirk, Calvin Santa Rosa, CA 12-09-04	Street, George Vacaville, CA 12-31-04	Weaver, Ralph Lodi, CA 02-24-04
Drazovich, John Palo Alto, CA 12-01-04	Lawrence, Frank Walnut Creek, CA 12-20-04	Tavares, Walter Keeau, HI 09-19-04	Williams, Wesley Atwater, CA 12-08-04
Fogarty, Peter Las Vegas, NV 12-21-04	Maple, Glen Gardnerville, NV 01-03-05	Tawzer, Leo Omaha, NE 12-20-04	Woods, Robert Klamath Falls, OR 12-27-04
Foster Jr., William Stockton, CA 12-23-04	Martinez, Rufus Orangevale, CA 12-24-04	Taylor, Robert Boise, ID 01-03-05	Yassany, Norman Seaside, CA 12-20-04

## You're invited! Molokai luncheon

Dear Local 3 member:

It is my pleasure to invite you to attend an upcoming Local 3 luncheon on Molokai.

DATE: Thursday, March 10, 2005  
TIME: 11 a.m. to 12 p.m.  
PLACE: Hotel Molokai

Come and meet some of the Local 3 officers and staff. We look forward to seeing you there! If you have any questions, please contact our Honolulu office at (808) 845-7871.

Fraternally yours,

*Robert L. Wise*  
Robert L. Wise  
Rec. Corres. Secretary

## Public notice from the U.S. Department of Labor

### Energy Employees Occupational Illness Compensation Program Act (EEOICPA)

Provides compensation and medical benefits to employees of the Department of Energy (DOE), its predecessor agencies, its contractors and subcontractors, employees of DOE designated Atomic Weapon Employers (AWE) and beryllium vendors who became ill as a result of work performed in the production and testing of nuclear weapons.

### Who is eligible for benefits?

Current or former workers or survivors may be eligible for benefits if the employee suffered radiation-induced cancers, beryllium diseases or silicosis AND was exposed to radiation, beryllium or silica while working in the nuclear weapons industry for the DOE or its contractors or subcontractors, or for a designated AWE or beryllium vendor. Silicosis is only covered for employees who worked during mining of atomic weapons test tunnels in Nevada or Alaska.

Uranium miners, millers and ore transporters (or their eligible survivors) may be eligible for benefits if they have received an award of benefits under Section 5 of the Radiation Exposure Compensation Act (RECA) administered by the Department of Justice.

### What are the benefits?

I. A lump sum payment of \$150,000 and payment of medical expenses from the filing date of the claim for:

- Radiogenic cancers
- Chronic Beryllium Disease
- Chronic Silicosis

II. Medical monitoring for employees diagnosed with beryllium sensitivity.

III. A lump sum payment of \$50,000 for uranium miners, millers and ore transporters (or their eligible survivors) who have been awarded compensation under Section 5 of RECA and payment of medical expenses for the conditions accepted under RECA.

### Eligible survivor requirements

**Spouse:** married to the covered employee for one year immediately before the date of the employee's death.

**Children:** if no surviving spouse; a child, regardless of age, if the parent was a covered employee.

**Additional survivors:** if no surviving spouse or children in order of precedence: parents, grandchildren, grandparents.

California Resource Center  
2600 Kitty Hawk Drive, Suite 101  
Livermore, CA 94551  
Phone: (925) 606-6302  
Toll free: (866) 606-6302

## Deceased Dependents

Allen, Hazel. Wife of Allen, Charles (dec).	10-25-04
Anderson, Linda. Wife of Anderson, Kent.	12-30-04
Aydelott, Ruth. Wife of Aydelott, Elmer (dec).	12-24-04
Bauser, Marcella. Wife of Bauser, Thomas.	01-06-05
Bowman, Mary. Wife of Bowman, Gordon (dec).	11-24-03
Braegger, Helen. Wife of Braegger, Roy (dec).	12-30-04
Brown, Luellen. Wife of Brown, Robert (dec).	12-14-04
Buhrle, Eleanor. Wife of Buhrle, Max (dec).	12-16-04
Burke, Elsie. Wife of Burke, Vern (dec).	01-04-05
Buscaglia, Joyce. Wife of Buscaglia, Jack (dec).	12-10-04
Christofferson, Helen. Wife of Christofferson, Victor (dec).	12-12-04
Croft, Eula. Wife of Croft, Thomas (dec).	12-11-04
Epperson, Edna. Wife of Epperson, Theodore.	06-20-04
Foster, Mary. Wife of Foster, Owen (dec).	12-25-04
Fristoe, Myrna. Wife of Fristoe, James (dec).	09-29-04
Gomm, Mildred. Wife of Gomm, Lester (dec).	11-23-04
Hernandez, Joan. Wife of Hernandez, Frank.	12-22-04
Huffman, Mabel. Wife of Huffman, Robert (dec).	12-13-14
Iao, Leilani. Wife of Iao, William (dec).	01-08-05
Inman, Verna. Wife of Inman, Elijah.	12-25-04
Jaime, Angela. Wife of Jaime, Jose (dec).	12-16-04
Kahiamoe, Elaine. Wife of Kahiamoe, William.	11-27-04
Kerns, Geraldine. Wife of Kerns, Raymond.	11-23-04
Lema, Barbara. Wife of Lema, William (dec).	12-26-04
Marks, Ruth. Wife of Marks, Clement (dec).	03-20-80
Matuska, Harriet. Wife of Matuska, William.	12-22-04
Norred, Florence. Wife of Norred, H.C. (dec).	12-28-04
Ranney, Marlene. Ex-wife of Ranney, Gary.	12-21-04
Relyea, Freda. Wife of Relyea, Frank.	12-29-04
Sanchez, Mary. Wife of Sanchez, Anthony (dec).	10-05-04
Schulze, Angela. Wife of Schulze, Duane (dec).	11-13-04
Tengan, Lillian. Wife of Tengan, Shoko.	11-01-04
Tucker, Lorraine. Wife of Tucker, Merrill (dec).	



**SwapShop ads** are offered free of charge to members in good standing for the sale or trade of personal items and/or real estate, and are usually published for two months. Please notify the office immediately if your item has been sold. Business related offerings are not eligible for inclusion in **SwapShop**. *Engineers News* reserves the right to edit ads. No phone-in ads please. Deadline 1st of the month. Limit two ads per issue.

To place an ad, type or print legibly and mail to:

**Operating Engineers  
Local Union #3  
3920 Lennane Dr.,  
Sacramento, CA 95834  
ATTN: SwapShop\***

Or fax ads to: **SwapShop  
(916) 419-3487**

Or e-mail to:  
**webmaster@oe3.org**

\*All ads must include Member Registration Number or ad will not appear. Ads should be no longer than 50 words.

**FOR SALE:** 1992 36-ft. Southwind motorhome. Oshkosh chassis. Bilstein shocks. Rear camera and interior monitor. Auto levelers. Vendor overdrive. Transmission cooler. Banks exhaust system. LP leak alarm. Satellite dish. Too much to list. (408) 761-6702. Reg # 1411217

**COLLECTOR:** Collector of old beer foam scrapers. Always looking for more. (916) 362-3590. Reg # 738743

**FOR SALE:** 1987 Pontiac Trans Am. White t-top. Fully loaded. Excellent condition. 25K miles. \$7,000. (209) 478-2806. Reg # 2292849

**FOR SALE:** 12-ft. Delta Aluminum boat wide stern stable with a 15 hp evinrude engine on a galvanized trailer. Looks good & runs good. \$1,200. (510) 758-1064. Reg # 1159561

**FOR SALE:** 1997 4-door Accord completely equipped with tow bar that folds up on front bumper or easily removed. Includes integrated wiring, full custom-made bra that covers from bumper to top of windshield. \$6,000 o.b.o. (702) 346-0522. Reg # 0908550

**FOR SALE:** 1086 Gillig Pusher 35', Detroit 6v92 Turbo Diesel, Airride Susp./Seat.Xint air pressure, Good Michelin tires, brand new battery/"A" frame support assembly. PS. WC lift, kneel, retarder, service records, clean title, ideal band bus/motorhome conversion. \$4,500 b/o trade. Call me; let's talk. (530) 892-2691. Cell: (916) 698-6980. Reg # 2344305

**FOR SALE:** 1989 Toyota 4x4 pick-up. Original owner. Well maintained. Has all maintenance records \$7,100. (707) 696-4195. Reg # 2151774

**FOR SALE:** 1991 Toyota Celica GT. 108K miles. Black, AC, AM/FM radio/cassette. Power steering, windows, mirror and antenna. Brand new tires. Auto transmission. Sports model - 2.2L. Excellent car, original owner. \$5K. (530) 885-2154. Reg # 1142748

**FOR SALE:** Lincoln Ranger 10LX 250 amp., CV-DD A.C-D.C welder with 3 cyl., Kabota diesel engine. Low hours. Two stage Ingersoll Rand air compressor with 10 horse Briggs n Statton engine. Both on single axle trailer for \$4,500. Separate make offer. O.T.C porta power set. Electric pump, 2 10t., rams 1 30t. hole for push/pull press operations, all hardware and a variety of step plates. Used once. \$3,500. All for \$7,000. (925) 787-1266. Reg # 183753

**FOR SALE:** 3 bdr, 2 ba, 2,300-sq-ft, two-story high desert home at Walker Lake, Nev. Oversize att. garage/ shop. Totally renovated. New roof. Heating and air cond. units. Washer, dryer, refrigerator, dish washer, stove. Great mtn. and lake views. Good trout fishing and water sports. \$199,950. (775) 945-3696. Reg # 1925078

**FOR SALE:** 71 collector spoons. Silver plated and in original gift boxes, including all areas of the United States and foreign countries. Will send list and picture if interested. \$145. (208) 773-2594. Reg # 0827031

**FOR SALE:** 14-ft. Klamath aluminum boat. Included: 15-hp mariner motor, electric motor, depth finder, oars, swivel seats, pole holders, anchors, boat cover and pacific trailer. \$2,200 o.b.o. (510) 538-3152. Reg # 1088533

**WANTED:** Paying up to \$5,000 for antique cork-top whiskey bottles from San Francisco. Top prices paid for soda, bitters and other antique bottles. Richard T. Siril, P.O. Box 3818, Santa Rosa, CA 95402. (707) 542-6438. Reg # 1025301

**FOR SALE:** Harley-Davidson 96 Dyna lowrider. Cam, thunder head pipes, duel disc brakes, alarm, quick release sissy bar, new tires, 25K miles, burgundy and chrome. Excellent condition. \$14K. Pics via e-mail: goodwinmell@aol.com. (408) 772-5935. Reg # 245511

**FOR SALE:** 1977 Winnebago Brave, 26 ft, in good condition. Roof air, gen, fridge, freezer. \$8,000. (916) 362-4876. Reg # 2162665

**FOR SALE:** 3 bdr, 2 ba home on 75 acres, southern OK. Two insulated outbuildings: 30x40 and 28x30. 10-year old house w/ full concrete basement. Low taxes & electrical rates. All electric, heat and AC.

Electric runs about \$110/mo average. \$189,000. (580) 668-0800, (580) 662-3017 or hillfish@brightok.net. Reg # 1006688

**FOR SALE:** 1993 Chevy Z71 4x4 Silverado 350 V8, AT, PS, PW, PDL, AC, 4" lift, tilt wheel, cruise control, am/fm cassette, shell, bedliner, custom alum. Wheels, 12.50x33s. Exceptionally clean truck and runs great. 110,000 miles. Original owner w/ all service records. Adult owned- this truck has not been beat! \$7,500 o.b.o. (707) 290-5254. Reg # 1832907

**FOR SALE:** 2002 Terry lite RB trailer. Sleeps 7. Loaded, CD player, central AC and heater, very clean. 3 bunkbeds in back. \$10,500 o.b.o. (925) 679-8980. Reg # 2094589

**FOR SALE:** '95 Isuzu Rodeo 4x4. 5-speed. Well maintained, 150,000 miles. \$3,500 o.b.o. (916) 871-7948. Reg # 2067088

**FOR SALE:** Collectible Browning automatic shot gun. 12-gauge, full choke 32" barrel. Made in Belgium, excellent condition. \$500. Reg # 1022395

**FOR SALE:** CAT tools - 6 open-end wrenches (1 1/2 to 3 1/2 CAT). 1 box of 3/4" drive sockets (7/8" to 2", 20 in all) (ProTo & Williams). 1-3/4" drive ratchet (Williams). 2-3/4" breaking bars (ProTo). One 1-ton chain come-a-long (Tugit). Some misc. \$450 for all. (707) 442-5265. Reg # 1620480

**FOR SALE:** Oliver Tractor 1973 model 1800, plus 3 bottom plow and misc. tools. All for \$2,875. (209) 826-9465. Reg # 1043556

**FOR SALE:** 2003 Ford F-150 beige truck, extended cab, snug top, wheels, CD, AM/FM, Flowmaster K-N Air Flpk High Performance System, low mileage, very clean, lots of extras, one owner, \$17K. (559) 960-4966. Reg # 2149218

**FOR SALE:** Subway Sandwich Store at 18030 Hesperian Blvd., San Lorenzo, CA 94580. (510) 487-2266, (510) 415-3345, (510) 282-5378. Upadhyaya@yahoo.com Reg # 2286249

**FOR SALE:** Two burial lots in Fresno Memorial Gardens with two reinforced concrete vaults, two internment services, veterans marker installation and border. Endowment care. \$800 (208) 682-3507. Reg # 0969094

**FOR SALE:** 2 bdr. House on 1 1/2 lots, 2 ROS lots. Industrial lot 119' by 120'. Approx. 30x80 shop metal grain bin \$53K. Bushel in Paxton NE (30 miles west of North Platt) (308) 239-4664. Reg # 1152758

**FOR SALE:** Harley Davidson 1990 FX STC Softail Custom-EVO Motor/ Thunder Header/ Corbin Seat, 22K original miles. Aqua silver paint. Many x-tras \$14K o.b.o.

847-6766. Stroke forces sale. Reg # 2262517

**FOR SALE:** Flatbed for a Dodge 1-ton 3500. All mounts to fit Dodge frame, wiring harness that plugs into Dodge wire loom, fifth wheel and bumper pull hitch. 9-ft. long, 94" wide, 26" tall head board, 6" metal side rafts, steel diamond plate deck, all lights on bed. Like brand new. \$1,200 o.b.o. (530) 432-6335. Reg # 2299697

**FOR SALE:** 25 ft. Yukon Delta house boat (1979) w/ factory trailer. \$8,500 obo. Call for details. (530) 538-9493 or (530) 370-1240. Reg # 1945393

**FOR SALE:** 1988 Camry 4-door. Garage sale: misc. items for sale. Call for directions to Bay Point, CA. (925) 458-8044. Reg # 2248341

**FOR SALE:** Drop-in bed-liner for 2004-2005 Ford F-150 6 1/2' Styleside bed. Imprinted w/ Ford logo. Used very little. \$120. Galt, CA. (209) 745-2778. Reg # 1787778

**FOR SALE:** 1977 Honda Trail 70. New motor, brakes, tires. 4-speed auto. Orange. \$850. (925) 798-7144. Reg # 2241843

**FOR SALE:** D5H 8RC01716 5,00 hrs, 140G Blade 72V 16183 5,700 hrs, Cat 325L Excavator, 7LM0724 3,430 hrs; and Cat CP563c, 5JN00481, 1,233 hrs. All in excellent condition. Call or e-mail for pricing and equipment attachments. RM4141@aol.com or (925) 672-4141. Reg # 1175074

**FOR SALE:** Surveying parts for EDM. Mini Prism \$150; Single prism \$150; Pole \$118. Pole Backdown \$100. Total value \$520. Items can be purchased separately for prices shown, or all items for \$300. Grass Valley. (530) 477-8837 anytime. Reg # 0865600

**FOR SALE:** 2003 Craftsman Twin 22 ohv lawn Tractor/52" mower. Used once. Bought new for \$2,800. Selling for \$1,900. (530) 671-1724. Reg # 1855418

**FOR SALE:** Three burial lots. \$800 each. Santa Rosa Memorial Park. Shiloh Edition. Call Jan Urdzik at (707) 542-1580. Reg # 750237

**FOR SALE:** 1995 Polaris XLT 600 Special. 2,600 miles. 1993 Polaris Indy 500 EFI. 2,150 miles and trailer. \$5,500. (530) 674-3874. Reg # 2267070

**FOR SALE:** 2002 GMC Envoy SLE. Black. Loaded. OnStar, alloy wheels, 6 multi-disk CD, sunroof, much more. 44,500 miles. KBB \$20,300; asking \$19,500 obo. Beautiful SUB. (530) 534-5284. Reg # 1514858

**FOR SALE:** 2002 Vista camper shell. White, fiberglass, fits 8' bed. Insulated, interior light, exterior break light. All windows open for easy access and are locking. Came off 2002 Dodge Ram. Excellent

condition. \$600. (925) 516-9679. Reg # 2102638

**FOR SALE:** '81 Chevy Camaro Z28 California Classic. Rebuilt engine, T10 transmission, leather interior, T-top, new tires, rally wheels, midnight blue. \$2,800 obo. (209) 333-2506. Reg # 1774822

**FOR SALE:** 1989 Honda Accord LX. New distributor, timing belt, power steering, water pump, brakes, CV joints, belts and hoses. Like new. \$2,000 obo. (209) 333-2506. Reg # 1774822

**FOR SALE:** 2003 Holiday Rambler Alumascap 31-ft travel trailer. Large rear window, 2 recliner chairs, large slide, queen bed, 15,000 BTU furnace/AC, microwave, gas or electric water heater, LOADED. \$24,750. (559) 741-9078 or (559) 679-4255 for details. Reg # 1749997

**FOR SALE:** In the country near Delta, UT. Three miles from Intermountain Power Plant. Newly remodeled 2,000sq.ft on 4.8 acres land. New sprinkling system with newly planted lawn and trees. Room for horses or other animals. \$85,000. On oiled frontage road. (435) 864-3493. Reg # 1359602

**FOR SALE:** Winnebago 2003 Itasca 27C slideout workhorse chassis. 11,500 miles. Fully loaded. \$56,900. (916)-725-5594. Reg # 674963

**WANTED:** Pony motor for water truck. Needs to be diesel air cool with pump or out to pull a 3x4 pump. In good condition. (408) 629-4142. Reg # 1386886

**FOR SALE:** Charter membership in Colorado River Adventure. Six resort campgrounds through Arizona, California and Old Mexico. Paid \$4,000. Will sell for \$2,000. Also, two burial plots in Memorial Estates on Redwood road in Salt Lake City. Will take \$1,200 obo. (435) 528-5684 or e-mail jac@gtelco.net. Reg # 0863715

**FOR SALE:** 2000 24' Aljo travel trailer. Sleeps 6, queen-size bed, bunk beds, microwave, CD player, central heat, air conditioning, refrigerator, tub and shower. \$12,000. (209) 985-1459. Reg # 1870667

**FOR SALE:** 1962 (2) International Scouts 80. One is rebuildable; one is for extra parts. \$2,000 obo. (916) 922-4180. Reg # 2049626

**FOR SALE:** 1993 580 Super K. Excellent condition. 4+1 bucket, extended hoe, new brakes, greased daily, 40% rubber, 36-inch bucket. (925) 674-8781 or (925) 383-4583.

**FOR SALE:** 2000 Ford Mustang convertible, 5 speed, AM/FM, cass/cd, new tires. Only 57,000 miles. Blue w/black top. Excellent condition. \$9,000. (530) 671-1724. Reg # 1855418



## FROM NEVADA

## Tower cranes break Reno skyline

When crane booms break the skyline, building work is good. When tower cranes break the skyline, building work is really good. In Reno today we are heading from really good to excellent as tower cranes break the skyline almost everywhere you look.

Coker Crane has a tower crane at the Mills Lane Justice Center and another on the Washoe Medical Center parking garage. Another crane is scheduled to go in at the Washoe Medical Center, and one will go downtown at the Paladio Condos. Other con-

tractors around town are readying equipment for the year. Most recent job bids include South Meadows Parkway with SNC as the apparent low bidder at \$4.4 million and RHB on Hwy. 395 from Topaz to Wellington at \$9.6 million.

Bragg Crane erects a tower crane at the Washoe Medical Center as Perry Crane uses a smaller crane to set cages. Local 3 member Mark Eniss will operate the tower crane.



## FROM SACRAMENTO

## Interceptor project creating more work for members

Once the rain stops and the ground dries, it should be another good year for members in Sacramento.

Kiewit is working on two pump stations for the Lower Northwest Interceptor Program. The company has most of the dirt moved and recently transitioned into the structural part of the project. Kiewit's portion of the project is worth \$114 million. There is a huge amount of work tied to the pumping stations that will create more work for our members.

Mountain Cascade picked up \$60 million on one phase; Las Vegas Paving has \$34 million on another.

Steve Rados picked up a \$30 million phase, and Ranger Pipeline has \$35 million to \$40 million worth of work on the project. Affholder has two

project phases, one on Freeport Boulevard for \$30 million to tunnel under the river to tie into the pump stations and another \$17 million phase off Sunrise Boulevard.

Viking Drillers is busy doing the dewatering on the interceptor project.

Teichert is slow right now. Most dirt work projects are down because of the rain. The company started a lot of work late last year that it should finish once the ground dries out.

Granite Construction is still working on the Jefferson Street project. It is slow now because of weather, but it will start back up as soon as weather permits.

Balfour Beatty is finishing work on the water treatment plant by California State University, Sacramento, and

picked up another project in Rio Vista that will start when weather permits.

The rock, sand and gravel plants are still going fairly strong; they have cut back because of the winter weather.

Many of our members will work through winter. Once everything dries out, Sacramento should have another good year.

Please assist us and other Local 3 members by keeping our Job Placement Centers operating smoothly and efficiently. If you go back to work, call the hall to get off the out-of-work list. If the hall is not open, leave a message with your name, social security number or registration number and who you are going back to work for.



Vice President Frank Herrera presents a Local 3 lapel pin to Robert Barth, who was initiated into the union at the Sacramento District meeting in January. Barth was the first Local 3 member initiated after a new policy went into effect where members initiated at their district meeting have the opportunity to introduce themselves and receive a lapel pin.

## FROM FRESNO

## Weather slows construction, spurs rock plants and shops



Six-year member Darrel Atchley Jr. runs a blade for Yeager Company on the Hwy. 180 project in Fresno.

The wet weather has slowed much of the construction work in our area. However, this is not true for the rock plants or the shops. The concrete and rock plants are busy, and the shops, particularly Holt of California and Shanahan Equipment, are busy with winter equipment repairs.

This time of year members are taking advantage of the gradechecking class that began Feb. 7. The class meets Monday and Thursday from 6 p.m. to 8 p.m. in addition to two or three Saturday classes.

Mark Fagundes is instructing the gradechecking class and serving as the apprenticeship coordinator. We congratulate the following members who have advanced from apprentices to journey-level operators: Brian Selliers, Mike Gillart, Thomas Johnson and Bryce Colan. In addition, the following mem-

bers advanced a period in their apprenticeship career: Mario Lango to first-period apprentice; David Jimenez and Joshua Mills to second-period apprentice; Allen Federoff Jr., Milko Vanderlinde and Kirk Perrien to third-period apprentice; and Jesus Gonzalez and Ray Mauldin to fourth-period apprentice. Congratulations to all!

## Notes:

- The Semi-Annual meeting is Sunday, March 20 at the Solano County Fairgrounds in Vallejo, Calif. Registration begins at 10 a.m., and the meeting begins at 1 p.m. Please contact the district office for more information.
- Congratulations to Ben and Merlene Littleladder on their upcoming 25th wedding anniversary April 19.



Eleven-year member Chris Honomichl operates a crane for General Crane Company, which loads equipment for Bartholomew Enterprises.



Crane Operator Wayne Amundson, a 17-year Local 3 member, runs a forklift for Yeager Company.

## FROM UTAH

**Lots of iron at Point of the Mountain**

W.W. Clyde's job at Point of the Mountain in Salt Lake City.

The spring 2005 work picture in Utah is looking positive. We have the Clyde-Ellsworth joint venture on the water treatment plant at Point of the Mountain and W.W. Clyde working on the aqueduct, Traverse Ridge and Rosecrest.

Ames Construction has hands busy at Kennecott Tailings, the Union Pacific Rail Yard, as well as lots of work in Park City. Ames' big job, the Provo Canyon reconstruction, will start up again in early spring.

Delhur Industries signed the Utah

master agreement. The company will be doing site work for a copper mine southeast of Moab in Lisbon Valley.

Sand and gravel remain steady, and the possibility of a new commuter rail extending from Ogden to Salt Lake City looks like a better prospect every day.

District 12 is excited to see 2005 shaping into such a good year. As we get busy this spring and summer, let's remember to work safely and productively.

## FROM MORGAN HILL

**Labor wins prevailing wage battle in Mt. View**

Journey-level Operator Adam Kane works for Graniterock at the A.R. Wilson Quarry in Aromas.

Each new year has its challenges for the labor movement, and from all early signs, 2005 is certainly no exception. On Jan. 11 there was a proposal before the Mt. View City Council brought by anti-labor council members to remove prevailing wage requirements on public works projects in this charter city. We defeated it by following our union officers' lead in establishing a better line of communication among the trades and labor councils. With only two days' notice we filled the city council chambers with more than 120 union members of various crafts, Community Action Team volunteers, family members and Mt. View citizens who had no union affiliations; their only concern was getting the best value for their tax dollars.

We thank our CAT members for volunteering to attend this important meeting and send special thanks to District 22 Assemblymember Sally Lieber, who made the long drive from Sacramento to testify in support of working men and women. Lieber was instrumental in helping the Building and Construction Trades Council make prevailing wage a requirement in Mt. View in 2000.

The director of city public works explained to the council during the meeting that under the prevailing wage policy the number of bidders on public works projects had increased, giving the city a better pool of qualified, dependable contractors to choose from. The director also admitted there were no increased costs or quality issues under this policy, which had not been the case in the 18 years without the prevailing wage requirement. Other noted labor and community leaders gave impassioned testimony as to why keeping the prevailing wage policy in place was beneficial for the city and its future.

It is important we take note of those who supported the working men and women of our communities that night – people like Mt. View City Council members Laura Macias, Nick Galiotto and Michael Kasperzak, who all spoke favorably about this important issue.

It is just as important to remember who attacked working people that night – people like Mt. View City Council members Gregg

Perry, Matt Pear and Tom Means. These council members are prime examples of the "what's in it for me?" mentality. As a public official, it should be "what's in it for the community and the citizens?"

Early indications are promising regarding the work picture in District 90. Many of our members are working despite the recent heavy storms. District Rep. Fred Herschbach and the business representatives are out strengthening relationships with our signatory contractors and banging on non-union doors. Our out-of-work list is the lowest we have seen in years for this part of the season. Call dispatch if you know of any qualified operators looking for work.

We want to stress the importance of gradesetting knowledge. We have classes every Wednesday night from 6 p.m. to 8 p.m. at the union hall. At minimum, an operator should know how to read gradestakes. Instructor Dennis Garringer is top-notch and will work with anyone at any level. If

enough members in Monterey and Santa Cruz are interested in a gradesetting class, we will be glad to set one up there.

The credit union held its grand opening of the new branch at the Morgan Hill District office. Service, Convenience, Dedication: The Operating Engineers Local 3 Federal Credit Union assists our members in their financial needs today to provide for their financial security tomorrow.



Assemblymember Sally Lieber and District Rep. Fred Herschbach pose for a picture outside the Mt. View City Council chambers after defeating the proposed change to the city's prevailing wage policy.



Morgan Hill District office staff and credit union staff members celebrate the opening of the Morgan Hill OEFCU Nov. 22.



# Public Employee News

VOL. 6, #3 • OPERATING ENGINEERS LOCAL UNION NO 3 • ALAMEDA, CA • MARCH 2005

## Welcome new members

By Bob Titus, assistant director

### Greenfield Police Supervisors

Employees of the small town of Greenfield, about 30 minutes south of Salinas, recently requested the presence of Operating Engineers Local 3. Business Reps. David Gossman and Don Dietrich and I visited the town to speak with several members of the police department and police supervisors. This was about the third or fourth trip to Greenfield, as I had visited the town the previous year during an organizing run. This trip was slightly different with many questions asked and information provided to the potential members. A presentation was provided to the members and an election was scheduled. I am pleased to announce the members of the City of Greenfield Police Supervisors Unit are now members of Operating Engineers Local 3. They will join the many other law enforcement unit members the Public Employee Division represents throughout three states. We welcome them to our public safety family and look forward to handling any issues that may arise.

### Golden Gate Bridge Patrol Officers

Operating Engineers already has a strong presence at the Golden Gate Bridge with our current members in the Tow

Service Drivers and our other operators that work on the bridge and in the shops. Recently, the members of the Golden Gate Bridge Patrol Officers contacted Local 3 Business Rep. Carl Carey. The Patrol Officers had many questions regarding contract negotiations and representation. Meetings were scheduled with the bargaining unit and many issues were discussed. A presentation was provided to the members and an election for representation was scheduled. I am pleased to announce that the Golden Gate Bridge Patrol Officers are now Local 3 members and join their new brothers and sisters above as members of Local 3's Public Safety Officers bargaining units, represented since 1968. We welcome the Golden Gate Bridge Patrol Officers to the Local 3 family and look forward to assisting them in harmonious relations with their employer.

Local 3 just keeps on rolling with these two bargaining units — the first to join Local 3 in 2005. Operating Engineers Local 3 and Business Manager John Bonilla's No. 1 priority is service to the membership. That goal rings loud and clear throughout our jurisdiction; it is why we are successful and are continually growing today. We look forward to servicing these units and having more units join in 2005. Congratulations to all.

## Alameda city employees ratify MOU

By Alan Elnick, business representative

After nearly two years of stalemate, the Alameda City Employees' Association (ACEA), ratified a three-year agreement with the city of Alameda.

The new agreement provides a 2 percent wage increase retroactive to June 27, 2004 and a 2 percent wage increase effective June 26, 2005. Additionally, during its term, the city will pay full Kaiser premiums to all employees who elect medical care coverage under one of its plans. Employees opting for a more expensive plan than Kaiser will receive an additional subsidy dependent upon amounts agreed upon by the city and ACEA. Employees who qualify to opt out of medical care coverage will receive \$230 per month as a cash-out. Vacation for employees between 15 and 25 years of service were improved by a half-day at



From left: Business Rep. Alan Elnick takes advantage of a photo opportunity with ACEA Executive Board members Ken Swain, Derek Taylor, Terry Flippo, Linda Justus, Paul Borchardt, Evy Chase, ACEA President Marion Miller and Local 3 President Bob Miller.

each year between 15 and 25. Boot allowances are improved by \$10 in each year of the contract.

Though modest in its terms, the agreement is the culmination of an effort by the ACEA negotiating committee — Marion Miller, Terry Flippo, Evy Chase, Linda Justus, Derek Taylor, Roger Soo Hoo, Ken Swain and Michael Leahy — to get the city to offer any

terms. Despite unfair labor practice charges filed with the Public Employment Relations Board (PERB), informational picketing at the city council meeting and a strike authorization by ACEA members, the city refused to offer any terms of agreement until late 2004. PERB inevitably issued a charge in late December, but the parties had already achieved agreement and the

charges were withdrawn by ACEA as part of the settlement. At various points in the negotiation the city attempted to unilaterally change terms and conditions of employment.

ACEA negotiators and members lobbied the city council members frequently during the talks, and that effort eventually paid off. They provided city council members with suggestions and alternatives to help alleviate a projected \$2.4 million shortfall in general fund revenues that hampered the progress of negotiations. The council often provided direction to its management consistent with the ACEA recommendations. City Manager Jim Flint moved up his retirement date to Dec. 31, 2004. After nearly two years of meetings, the ACEA negotiators get a reprieve for one year, as negotiations are set to commence again in January 2006.

## NEWS FROM THE public employees



by

**KURT BENFIELD**

**Director of public  
employee division**

## Maintaining top-notch representation, service

### To be the best

As many of our members are aware, the No. 1 goal and mission of Local 3 is membership service. We strive to provide the best representation and services available today. To accomplish this mission we must often take time out to get updated and trained in new methods, current legislation and various new laws. This is done in many different ways.

### Business representative training

As part of our regular training we schedule Public Employee Division business representative meetings and training days. During this time various experts are scheduled to instruct and educate our business representatives. Attorneys from our retained law firms, Mastagni, Holstedt and Amick, and Van Bourg, Weinberg, Rogers and Rosenfeld, provide regular updates on the latest laws and legislation to ensure we represent our members with the most current information — issues such as Gov. Schwarzenegger's assault on your Public Employee retirement pension. New changes or case law affecting the Police Officers' Bill of Rights are regularly discussed. Issues such as arbitration, upcoming litigation, mediation and contract language are discussed in detail.



well as from PORAC's Legal Defense Fund, which provide criminal and civil coverage for our law enforcement and other public safety members. Medical providers and administrators regularly attend to update us on the constantly changing national health care crisis.

### All-staff training

If these training sessions are not enough, our Public Employee staff also attends an annual all-staff, three-day training event that takes place at the Rancho Murieta Training Center during the end of January, beginning of February. This event includes important political updates, as well as new external and internal procedures to help Local 3 representatives conduct their business of representing you, the members, more efficiently. Guest speakers and attorneys also attend to provide additional training and updates, as well as meet with business representatives to discuss current cases. Our own talented staff is on hand from various departments, such as member services, information technology, facilities, the credit union, fringe benefits and organizing.

Training helps carry out the union's No. 1 mission of service to the membership. Business Manager John Bonilla and his team of officers provide the opportunities and environment to make all this happen so we can achieve this important goal. So, when you see your business representative during a disciplinary hearing or contract negotiation, please understand that you have the best-trained, most up-to-date labor representation available.

See you in the trenches.

### Guest speakers

Besides our own excellent attorneys' training and updates, we regularly schedule special guest speakers such as arbitrators from the American Arbitration Association, mediators from the State Mediation and Conciliation Service, administrators from the Peace Officers' Research Association of California (PORAC), as

## CEMA members at county library seek to pass tax measure

By Tom Starkey, business representative

The County Employees Management Association (CEMA) represents 37 employees with the Santa Clara County Library. This library system serves the unincorporated area of Santa Clara County, Alum Rock and the cities of Gilroy, Morgan Hill, Milpitas, Monte Sereno, Cupertino, Los Altos, Saratoga and Campbell. The organization is run through a Joint Powers Authority (JPA) made up of city council members and two members from the board of supervisors. The budget to run this great library system is funded through a local assessment and individual city contributions.

The local assessment expires in June, and the county library stands to lose \$5 million or 20 percent of its operating budget. CEMA would face significant layoffs if the assessment is not replaced. An election was held in March 2004 to replace the current assessment, and it failed to get the required 66 percent voter support.

The JPA decided to place two measures before voters to provide ongoing local funding for the library system. Measure A will continue the current \$33.66 yearly assessment to maintain current library services. Measure B will increase the library



From left: CEMA-OE3 members at the Santa Clara County Library, Dawn Valentine, Karen Arendariz and Teri Lehan, recently met to plan out how CEMA and OE3 can help them win their important special-tax election.

assessment by an additional \$12 to \$45.66 to restore library hours and services that were recently cut. Both measures will be considered by voters in a special election. On April 8, all registered voters will be mailed a ballot, which must be returned no later than May 3.

CEMA and OE3 have been working with members at the library since early 2004 to support them and ensure we do everything possible to protect their jobs. We are also working closely with SEIU Local 715, which, like CEMA,

stands to lose many members if these measures do not pass.

At its January meeting the CEMA Executive Board donated \$2,500 for the campaign and will be approaching Local 3 for in-kind assistance and a possible donation. CEMA will be asking members to phone bank to identify supporters before the unique 28-day get-out-the-vote campaign. Recent polling information indicates that both measures can win if a good grassroots effort is executed.

We are hoping many of the CEMA-OE3 members who live in communities affected by these measures will come forward to help CEMA-OE3 pass these necessary tax assessments, save our members' jobs and keep our libraries strong.



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## Central Valley update

By Doug Gorman, business representative

**Oakdale POA:** I am proud to serve this active and strong bargaining unit and am preparing for upcoming contract negotiations. I want to thank Vern Gladney for all of his outstanding work as the past OPOA president; he did an outstanding job representing his members' interests. I look forward to working with Tim Redd, the new president.

**Oakdale Misc.:** I recently became involved in this unit and look forward to continuing negotiations with the new city manager.

**Newman POA:** We recently settled our pay dispute with the city, which brought several officers in question to the proper pay levels as called for in our current contract. Most of these officers received a long-overdue check just before Christmas.

**Newman Misc.:** The union was successful in changing some of the medical premium problems with the city, and we are under contract until June 2006.

**Livingston POA:** As you have read before, we have some serious issues with this unit. Police management acts as if the Police Officers' Bill of Rights doesn't exist in the "state of Livingston," and we continue to file grievances and arbitrate the discipline. Livingston is not a good example of how to run a police agency. The poor souls who work for this administration should receive triple pay for the amount of stress they put up with daily. We are working hard to resolve these issues, and the union will take necessary action to correct these activities.

**Livingston Clerical:** We have an outstanding Public Employment Relations Board (PERB) complaint with this unit, and we are up for negotiations with the current contract. I am optimistic that we can work with the new assistant city manager in correcting these issues. I had a positive relationship with her in the city of Firebaugh, and I look forward to its continuation in Livingston.

**Chowchilla POA:** Director Kurt Benfield is working with the POA in its contract negotiations, and last year the union was successful in rescinding discipline against the membership. Some promotions have been made, and the new chief of police has received some great reviews from his staff and the troops. We hope this will continue during negotiations and into the future.

**Gustine POA:** What a breath of fresh air with this unit. The new city manager is working well with the membership and in representing the city. Our members' relationship with the city has never been better. I am happy for the two units we represent in Gustine, and I look forward to a positive, continued relationship here.

**Gustine Misc.:** We're glad to have two of our members back to work, and we look forward to working with the new city manager.

**Los Banos POA:** We are just starting negotiations with the city, and I am optimistic here. This city is experiencing major growth, and the union donated money to help pass Measure P, which goes to funding public safety in Los Banos. I look forward to working with the negotiating team.

**Dos Palos POA:** I am very excited with this group. Barry Mann, the former detective and POA president has been named chief of police. This department can only go up from here. Good luck, Barry!

**Dos Palos Misc.:** We are still currently under contract, and all is well with this unit.

**Firebaugh POA:** We just concluded negotiations with the city. They have yet to be ratified and approved by the city, but we did enhance the retirement for the dispatchers and achieved agency shop for the POA, along with a pay raise for the officers.

**Firebaugh Misc.:** We were able to enhance the retirement ratio for our members here; we will begin contract negotiations in the immediate future. We also enforced a provision of our contract when the city contracted out for service this unit normally handled. The city corrected the issue after much discussion and potential litigation. We will continue working closely with the members to monitor this contract.

**Fresno Mosquito and Vector Control:** We continue to negotiate this unit's first contract with the district even though we went to impasse and the district imposed its 2 percent offer on us. We have a PERB complaint still holding, and I am optimistic things will change here.

**Fresno Airport Public Safety Supervisors:** We continue to negotiate with the city over our first contract, and things are changing in the way the city conducts business. We continue moving forward with this unit, and I look forward to working with these new members.

**Fresno Airport Peace Officers and Firefighters Association:** It has been a trying year for this unit. We successfully arbitrated some discipline and were successful in having a member's personnel file cleansed of adverse documents. These members are now receiving the training and people power they need to do their jobs. A new chief of police is making a big difference here. The association has requested to become full members of OE3. We are proud to welcome them to our Local 3 family.

**Fresno Irrigation District:** We went to impasse over our contract here and are now fact-finding. An election for exclusive representation will soon take place, as well as an agency shop election. This district is tough on giving pay raises to its hardworking employees and as usual is crying poor like it has every other year, so we continue to battle. The district recently distributed material to members and employees, spreading false rumors to influence the upcoming elections; we are dealing with that issue as well.

**Madera County Communications Unit:** We are in contract negotiations with the county, and like everywhere else, the county says it has no money. We made some progress and were scheduled to return to negotiations in mid-January.

**Madera Affiliation of City Employees:** We recently bargained for a contract that calls for increased medical benefits, stopping the take-away of benefits from this unit. An election for exclusive representation is in the works, and it appears things will change in the way the city deals with this unit.

**Clovis Public Works Employees:** We are pursuing some out-of-class pay for our members, which could cause an uproar in the city, as this could bring a lot of money to some members. This case is under investigation, and I will update you on its progress. We just came to an agreement over the use of compassionate leave, which should be ratified soon.

**Kings County Deputy Sheriffs' Association:** A motion to compel arbitration was filed on behalf of the DSA when the county refused to follow the grievance procedure. The human resources department had decided not to process the grievances as is called for in the memorandum of understanding. We are awaiting the outcome of this issue. We have begun negotiations with the county, and after a rough start, we are going forward. I am optimistic about our outcome.

**Porterville City Employees' Association:** We recently mediated a contract with the city and are still discussing arbitration language. We also requested exclusive representation from the city, which was denied. I submitted this information to our law firm for the filing of another PERB complaint. Last month we went in front of the PERB over access to our members and the city's refusal to disclose the documentation it used to terminate an employee. We are awaiting a decision here.

We recently settled a demotion case with the city, which is beneficial to all parties in question. The union is taking a proactive stance against the city of Porterville.

**Porterville POA:** We mediated a contract with the city, which brought the POA enhanced retirement benefits. We were called out in regard to an officer-involved shooting, which worked out well for the officer.

I continue to receive the support of Business Manager John Bonilla, the officers and Director Kurt Benfield in continuing our No. 1 mission: service to the membership. I look forward to a prosperous, successful new year.

NEWS FROM THE  
**public**  
employees



## NEWS FROM THE public employees

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## Two ACMEA units ratify 3 percent at 50 retirement pacts

By Alan Elnick, business representative

Getting the new year off to a favorable start, Alameda County Management Employees' Association (ACMEA) members in the Sheriff's Sworn Management representation units covering lieutenants, captains and commanders, and ACMEA members in the Probation Management representation unit covering institutional supervisors, unit supervisors, program managers and a number of division heads, ratified an offer by Alameda County to implement the 3 percent at 50 retirement effective July 1, 2005. This is a long-awaited improvement that began its journey in 2001.

Acting as a coalition of safety employees, eight employee organizations reached agreement on the retirement program in June 2003. That agreement required all eight affected safety bargaining units to reach individual agreements with the county that would run through 2009. Implementation of the benefit was

set to occur Jan. 1, 2005. Existing law at the time required implementation of the benefit for all safety employee bargaining units. Unfortunately, the county was unable to come to terms with the Probation Peace Officers' Association (PPOA), representing group counselors in juvenile hall. In the summer of 2004, when it became obvious that the PPOA would not reach agreement with the county, the county and the other affected bargaining units, including the ACMEA units and the unit represented by Teamsters Local 856, supported legislation AB 3008, which made it unnecessary for the county to provide the benefit to all safety employees. That legislation passed and was signed by the governor in late 2004.

Complicating matters, the county endured a budget deficit of nearly \$100 million in fiscal year 2004-2005. Additionally, public employee retirement programs have recently become the

object of political derision with extensive negative press about them in the *Sacramento Bee*, *Contra Costa Times* and other newspapers. In his state-of-the-state address, Gov. Schwarzenegger focused an attack on public employee pensions.

Realizing political tides were changing, ACMEA members took the initiative to ensure implementation of the promised benefit. Negotiated wage increases were deferred to later years to make this happen. Currently, the ACMEA units are the only units in Alameda County to have successfully negotiated implementation of the benefit.

The ACMEA negotiating committee of Cmdrs. Rich Lucia and Rich Bond, Capts. Casey Nice and Stephen Roderick, Probation Acting Division Director Bonita Vinson, Probation Unit Supervisor Larry Neuenschwander and Probation Institutional Supervisor Robert Moss are to be commended for this effort.

## PERS: governor's pension concept based on faulty logic

By Chuck Smith, business representative

The governor's proposal to replace the existing PERS defined-benefit pension program with a 401(k) program is being sold on faulty logic, according to research conducted by the California Public Employees' Retirement System (CalPERS).

The governor in January announced his intention to replace the existing defined-benefit system with a "defined-cost" system. The governor claimed the move would save the state money, but PERS' research says the plan would actually cost the state and employers more money.

While existing public employees in jurisdictions throughout California are being told the governor's plan won't impact their pensions, the truth is that the 401(k) plan could put their pensions at extreme risk.

According to a December 2004 research brief on the CalPERS Web site, the defined-contribution plan would actually be more expensive, less efficient to administer and would provide fewer benefits to employees than the existing defined-benefit plan. The average cost of administering a 401(k) plan is \$2 for every \$100 invested; the average cost for PERS to invest funds in the defined-benefit plan is 18 cents for every \$100 invested.

Startup costs to develop a two-tier plan, with all new public employees going into a 401(k) plan side by side with existing employees remaining in the defined-benefit plan, would be expensive for state and local agencies. Local jurisdictions would have to assign administra-



Lake County Employee Association members met to discuss contract negotiations in 2004. In addition to the rising cost of health insurance, public employees in California face threats to their PERS pension plan under a proposal from the governor.

tive and employee education duties to a human resource employee, which would require additional employees in some jurisdictions and place additional burden on jurisdictions that can't afford to hire new employees.

Converting to a defined-contribution plan would, over time, raise costs for the defined-benefit plan. With no money coming in from new, young employees, contributions into the defined-benefit programs would have to escalate to cover unfunded liabilities. Employees in the defined-contribution plan and employees in the defined-benefit plan would have conflicts of interest when it came time to bargain pension benefits.

According to PERS, industry research shows that a majority of employees favor defined-benefit plans over 401(k) plans because an employee is guaranteed a certain amount at retirement. Few employ-

ees prefer investing their own funds; a majority find the practice confusing, expensive and risky.

In fact, according to PERS, participants in 401(k) plans generally earn rates of return on investment far below what participants in defined-benefit plans typically earn.

There are three other very important differences between the existing PERS defined-benefit plan and the proposed 401(k) plan:

- In a 401(k) plan, employees risk outliving their retirement assets, while in a defined-benefit plan the retired employees and, in most cases, spouses are covered for life.
- Unlike a PERS pension, a 401(k) plan does not account for inflation. For retirees in a 401(k) plan, an annual inflation rate of 1.5 percent from age 65 to 93 would cut purchasing power in half, leaving public servants paupers.
- A 401(k) plan does not provide benefits for disability and death benefits; however, disability and death benefits are already factored into the PERS defined-benefit program.

Operating Engineers Local 3 is encouraging its members in the PERS program in local and state government to contact the governor to let him know they do not support the proposal to create a two-tier pension plan. Contact the governor at: State Capitol Building, Sacramento, CA 95814, or by telephone at (916) 445-2841, or by e-mail at [www.govmail.ca.gov](mailto:www.govmail.ca.gov).