

What's all the buzz about the 503 president's compensation request?

A number of members have asked about the ongoing dispute between the Statewide president and the Board concerning overtime pay. Here is some information that might be helpful...

At the March 10, '07 Board meeting, President DiNicola advised Directors he believed he was entitled to time-and-half compensation for all hours he has worked in excess of forty in a week since he took office in November '04. He said he'd worked 2596 hours of overtime, and claims he is entitled to nearly \$110,000.00 in overtime compensation. That amount would be in addition to compensation paid to him by SEIU which, as of April '07, was approximately \$222,000. The Board decided to seek outside legal advice from a D.C. law firm (*Bredhoff & Kaiser – B&K*) specializing in union financial matters. The Board asked that the investigation and recommendations be completed before the April 14 Board meeting.

B&K conducted an investigation of the matter in which they spoke with DiNicola concerning his claims and other persons who had information relevant to the matter. They also reviewed the Constitution and Bylaws, AP&P and any documents that they, DiNicola or the Union thought relevant to the claims. The report concluded that DiNicola did not have a valid contractual or legal claim for the overtime payments and that approval of such payments by the Board would be a violation of the Board's fiduciary duties under Federal law and Local 503's Constitution and Bylaws. The report noted, among other things, that 503's Constitution & Bylaws state the Union will reimburse the president for hours worked "up to full time" and that there is no provision for payment beyond full time hours. It also noted that four past Local 503 presidents have not claimed overtime reimbursement. The report noted that, in addition to reimbursing the state for the president's full time state salary and benefits, SEIU has paid, each month since he assumed office, a car allowance of \$245 pre month, a health flex benefit of \$140 per month, a \$400 monthly stipend, and a monthly 5% "pay differential" of \$257 (which was ceased in April 2007) plus mileage and other expense reimbursements. The report states that DiNicola's salary, paid by the Dept. of Revenue, then reimbursed to Revenue by SEIU 503, totaled: \$83,562, during 2006.

The B&K report was completed and sent to the Local 503 on April 9, 2007. It was then sent to the Board Members by next day mail by DiNicola on April 10. On April 11, DiNicola filed a *notice of tort claim* with Department of Revenue (DOR) and DAS claiming that he is entitled to \$109,603.12 plus "liquidated damages" (which could double the \$109K plus) and attorneys fees. DiNicola also filed a grievance against DOR claiming that DOR had violated the DAS contract by not paying him overtime and had also violated a written agreement ("Agreement 1281") between DOR and Local 503 (which DiNicola had also signed) that provided Local 503 would reimburse DOR for all employment costs paid to DiNicola by DOR including any overtime pay.

On April 14, based on the B&K report, a majority of the Board of Directors voted not to approve the overtime payments DiNicola was seeking. At that meeting, DiNicola told the Board that he had filed a notice of tort claim against DOR and a grievance against DOR, both seeking the overtime payments he claimed he was entitled to.

On May 8, 2007, DiNicola filed a formal complaint against DOR claiming that its failure to pay him overtime for 2,596 hours (\$109,603.12) violated the Fair Labor Standards Act, Oregon wage and hour laws and Agreement 1281. On July 2,

CALENDAR

AUGUST

15 Local meeting, 11:30 am to 2 pm. EMU Fir Room-Rich Peppers & Deanna Berglund will answer questions about our Tentative Agreement.

15 District meeting, 5:30 pm., Eugene Field Office, 11th & Ferry

22 Deadline for Ratification., Ballots to be received in Salem.

24 & 25 Leadership Training. 5:30 pm to 9 pm Friday, 9am-4:30 pm Sat., Eugene Field Office, 11th & Ferry. Call Tina at 342-1055 to register.

SEPTEMBER

5 CAT meeting, 12 noon, EMU Rogue Room

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2007, DOR brought Local 503 into the matter, alleging that if DOR was liable to DiNicola, Local 503 was liable to DOR because of the "indemnity" clauses in the DAS collective bargaining agreement and Agreement 1281. The grievance filed by DiNicola was denied by DOR at all levels. DiNicola has appealed the denial of his grievance to an arbitration screening panel that will determine whether the grievance should go to arbitration. In both the lawsuit and the grievance, DiNicola claims he's entitled to overtime pay because he was allowed overtime when he worked for the Dept. of Revenue. He feels he has a right to seek the compensation via a grievance and a legal tort claim. The president also asserts he is entitled to overtime pay because of Agreement 1281.

At the May 19, 2007 Board meeting, a majority of the Board voted to limit the president's work hours to no more than eight per day or 40 per week.

If you need more information about the overtime issue, please contact the following members: James Jacobson, Star Holmberg, Lois Yoshishige, Deanna Berglund, Lisa Sieracki or Sue Martinez.