



the BOILERMAKER Activist

For leaders within the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers, and Helpers Vol. 2 No. 2 Dec. 2005

Bill Creeden is new Intl. secretary-treasurer

WILLIAM T. CREEDEN became the International secretary-treasurer Dec. 5 when the International Executive Council unanimously voted to have him fill the unexpired term of IST Jerry Z. Willburn, who retired October 31. Creeden had served as IST pro tem during the intervening weeks.

A member of Local 627 (Phoenix) since 1978, Creeden has served as director of organizing since 1993. First hired by the International as a temporary general organizer in 1987, Creeden became assistant to the director of organizing and communication in 1990. In December 1993, he was promoted to director of organizing and made an assistant to the International president. He has also served as director of computer services.

Creeden began his Boilermaker career as a field construction apprentice in 1977. After his 1980 graduation, he worked in various locals, primarily as a pressure welder. In 1986, he and Barry Edwards became two of the first organizers hired to implement the Brotherhood's *Fight Back* construction organizing strategy.

"The early days of *Fight Back* were highly productive as the contractors did not know how to deal with this new strategy," Creeden said. "Nor did their attorneys. *Fight Back* had a positive and lasting impact on labor law, in addition to winning millions of dollars in back pay for volunteer organizers."

As IST, Creeden's enthusiastic approach to organizing will be used to find ways to save the International money.



Prochnow named director of organizing

GARY PROCHNOW has been named director of organizing to replace Bill Creeden. Prochnow has been working as a Boilermaker organizer since 1994 and has conducted successful campaigns in Arizona, California, and Chicago. He has a B.A. in Economics and Industrial Relations from the University of Wisconsin in Milwaukee.

Prochnow came to the Boilermakers from the National Labor Relations Board, where he investigated unfair labor practices, conducted hearings, and held elections in Wisconsin, California, Texas, Florida, and other states.

Jerry Willburn retires

JERRY Z. WILLBURN, 57, began his career 38 years ago as a construction Boilermaker apprentice out of Local 627, Phoenix. He moved to Kansas City in 1980, following his 1979 appointment as an International representative for the Construction Division. In 1988, he became International secretary-treasurer,

a position he was re-elected to at three Consolidated Conventions and held until his retirement October 31.

"We have a great organization and I feel confident that the younger generation coming on will continue to make our organization even better," Willburn said when announcing his retirement. "It has been my pleasure and honor to serve you."

During his retirement, Willburn hopes to use his financial and administrative experience to help his growing community, but he wants to spend most of his time with his family and taking care of his home, where he raises cattle and grows hay. He also hopes retirement will provide him more time for hunting, fishing, and his favorite pastime — metal fabrication and welding. □

REMINDERS

Important Dates Coming Up

Convention Delegate Elections April 2006 regular monthly meeting

Unless the local lodge sets a special election date at their February meeting, or the lodge obtains permission for a mail-in ballot election. All railroad division lodges use mail-in ballots, unless exempted.

LM-30 Reports (U.S. lodge officers and employees)

Within 90 days of end of fiscal year

If you received gifts, gratuities, or loans from an employer or vendor, you may have to file an LM-30. See the DOL Web site for more information:

www.dol.gov/esa/regs/compliance/olms/lm30_information.htm

A union office is more than just a title

Every officer has important duties — including trustees

BEING THE PRINCIPLE officer of a local lodge is obviously a big deal. Your name is listed in the International's roster. You get to sit up front during union meetings. Your co-workers, even company officials, treat you differently because you hold office. You may even get to go to Las Vegas for the convention in 2006 as a direct benefit of holding your office.

One rarely meets a principle officer who doesn't understand the importance of his or her position — and the responsibility that goes with the job.

But sometimes officers in other positions can begin to think their contribution isn't all that important. If they do, they may not take the duties of the office as seriously as they should.

Every officer plays an important role in running the local lodge.

LOCAL LODGE OFFICERS were not created arbitrarily. They grew from the need to get the work of the lodge done, and also to provide checks and balances. Checks and balances help local lodges avoid costly mistakes and help discourage officers from adopting practices that might harm the local lodge.

Requiring two signatures on every check is a good example. Requiring two signatures ensures that at least two people know who the money is going to and how much. With two people looking at every expenditure, lodges are less likely to pay a vendor twice for the same item or send a payment to the wrong person.

Requiring two signatures also reduces the likelihood that an officer will make an

improper or even illegal expenditure. The Department of Labor watches unions very closely, and if they discover illegal activity, they will prosecute. Often, the improper or illegal activity they find is not the result of criminal behavior — just an honest mistake. But that doesn't matter to the prosecutor.

But in order for the two-signature system to work, both of the officers who sign checks must take their responsibility seriously. Letting your fellow officer use a rubber stamp of your signature when you're not in the office may seem efficient, but it negates the purpose of the system.

Trustees must thoroughly audit reports and government forms

IN MANY WAYS, the most important office in the local lodge is the one most people think of least: the trustees. Trustees are the last line of defense for the local lodge and for the officers who prepare reports.

If the trustees find an error on a Department of Labor form or a quarterly audit report for the International, the officer can correct the error before it causes a problem.

Everyone makes mistakes. And when you make a mistake, you certainly want your trustees to discover it before you send your form to the International, the Department of Labor, or the IRS.

Yet sometimes trustees take a casual approach to their job. Because they know and trust the other lodge officers, they don't look carefully at every item on a quarterly audit or on a government form.

Audits require preparation and a systematic approach

THE FIRST TIME a trustee sits down to audit the union's books, he or she is usually in for an eye-opening experience. Most people have no idea how to conduct an audit — what to look for, how to check for accuracy, what to ignore.

The Department of Labor provides a comprehensive guide that can help

trustees who do not already have training or experience in bookkeeping and auditing. The International also provides a brief guide to those who request it and can suggest training that will explain how to fill out government forms.

The quarterly audit prevents small problems from growing

THE BROTHERHOOD's Constitution requires local lodge trustees to audit the books of their locals at least once a quarter (four times a year) and to report those findings to the International. These quarterly audits help identify practices that could cause problems if not improved.

Because the principle officers of the lodge prepare the quarterly audit report and send it to headquarters, some trustees assume their role is insignificant. But actually the trustee's role is the most important one.

An audit requires more than just making sure the ledger and checkbook balance. It is the trustees' responsibility to go through the records thoroughly and make sure the quarterly report that goes to the International truly reflects the financial activity of the lodge.

The 10-Step Audit

Step 1: Trace cancelled checks to the bank statements and disbursements journal

Step 2: Scan the disbursements journal and record unusual entries

Step 3: Trace employer dues check-offs to the receipts journal and bank statements

Step 4: Confirm that receipts from all other sources have been properly recorded and deposited

Step 5: Identify all bank accounts, verify their ending balances, and review withdrawals and transfers



Download the DOL guide to conducting local union audits

<http://www.dol.gov/esa/regs/compliance/olms/smunion/smuniions.htm>

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Step 6: Inventory fixed assets

Step 7: Confirm that the LM annual financial report and the IRS 990 for the latest completed fiscal year were filed on time

Step 8: Determine whether financial records were properly maintained

Step 9: Ensure that all officers or employees who handle funds are adequately bonded

Step 10: Confirm that no officers or employees were loaned money by your lodge. (The International prohibits ALL forms of loans.)

Clearly, these steps require more than just a quick look at the books. If your lodge has liquid assets in its treasury in excess of \$100,000 you should hire a certified public accountant to perform the audits and the trustees can then function as a financial committee to review lodge expenditures.

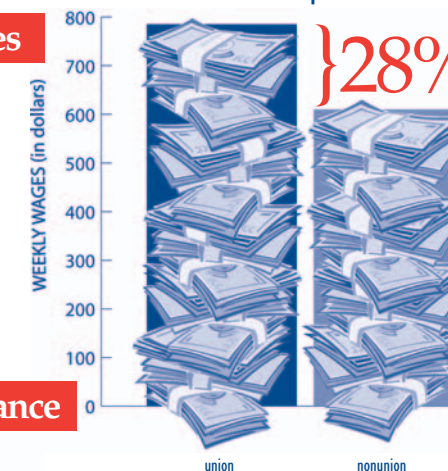
But regardless of who performs the audit, it should be done thoroughly. Anyone can make a mistake, but mistakes on financial records are often treated as criminal offenses by government authorities. □

Union membership has advantages

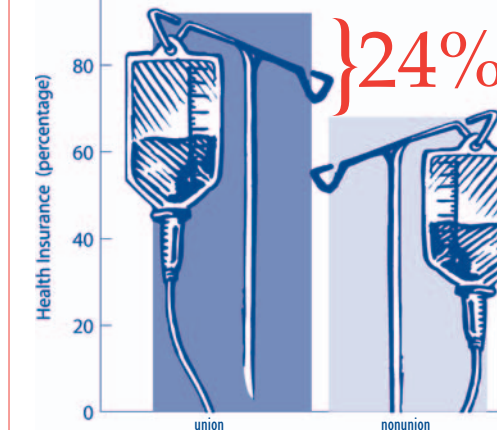
BY JOINING UNIONS, workers not only gain a voice on the job, they get more benefits and higher wages than their nonunion counterparts.

The Union Edge: Weekly Wages

Union workers earn a median-weekly income of \$781 compared to just \$612 that nonunion workers earn. That's a 28 percent union advantage. It's like getting 14 extra paychecks a year.

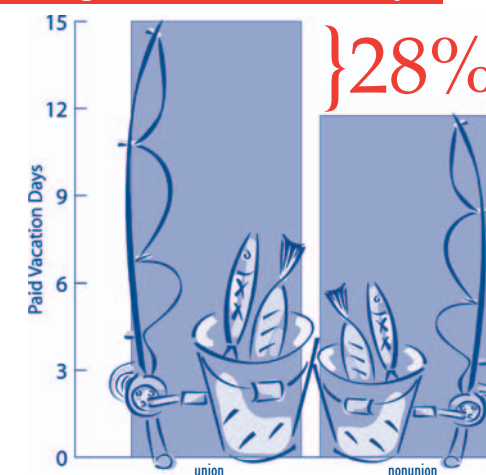


The Union Edge: Health Insurance



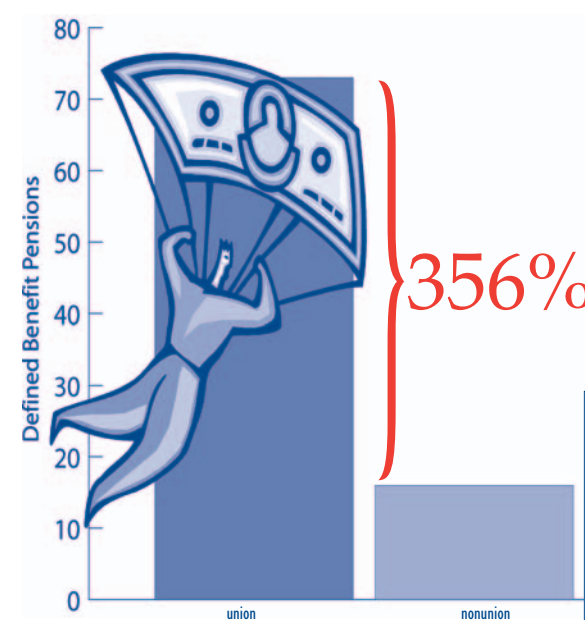
Union workers are also more likely to have employer-provided health insurance. In fact, 92 percent of union workers have jobs that offer health care benefits compared to only 68 percent of nonunion workers.

The Union Edge: Paid Vacation Days



The average union worker gets 15 days of paid vacation a year compared to the average nonunion worker's 11.75 days. That's another three days to spend doing what you want to do while still collecting a vacation paycheck.

The Union Edge: Defined Benefit Pensions



When it comes to retirement, the union advantage is greatest. Seventy-three percent of union workers have a defined-benefit pension plan from their employer, compared to 16 percent of nonunion workers. Defined-benefit plans are the only ones with guaranteed benefits. Using the plan's formula, you can calculate exactly how much you will receive when you retire. With a defined-contribution plan, such as a 401(k), you have no idea what you'll end up with in retirement.

SOURCES: AFL-CIO Web site; U.S. Department of Labor, Bureau of Labor Statistics, Union Members in 2004, Jan. 27, 2005; U.S. Department of Labor, Bureau of Labor Statistics, National Compensation Survey: Employee Benefits in Private Industry in the United States, March 2005; Economic Policy Institute; Employee Benefits Research Institute, May 2005.



BLS announces 2.9% average increase in manufacturing wages

Monthly dues go up \$1.20 per month for most locals

THE BUREAU OF LABOR Statistics (BLS) has announced a 2.9 percent average increase in hourly earnings for the manufacturing industry from July 2004 to July 2005. As a result, the International will raise its per capita tax in 2006 by 2.9 percent (\$0.60) and monthly union dues will increase by twice that amount (\$1.20), effective January 1.

Article 12.2.2 of the Boilermakers' Constitution provides that the monthly per capita tax will be adjusted annually by the BLS average percent increase in earnings for manufacturing, rounded to the nearest \$0.05. Article 31.2.2 states that monthly union dues will increase by twice the annual adjusted per capita tax

increase. These automatic increases allow the union's revenue to keep pace with inflation while ensuring that dues do not go up faster than wages.

Applying the 2004-2005 BLS 2.9 percent increase to the 2005 per capita tax rate of \$20.05 equals \$0.58 (\$0.60 when rounded to the nearest \$0.05), making the 2006 per capita tax rate \$20.65 effective January 1. Monthly union dues vary by division, but for most lodges, dues will increase by twice the annual adjusted per capita tax increase ($2 \times \$0.60 = \1.20).

Wages grow faster than dues

BECAUSE THE DUES increase is based on increases in wages, paychecks grow more rapidly than monthly Boilermaker union dues. For example, consider a worker earning \$10 an hour. If he received the national average increase of 2.9 percent in his wages, he will earn about \$50 more per month for

straight-time 40-hour weeks in 2006 than he did in 2005; in contrast, his monthly dues will only go up \$1.20, a difference of about \$49.

Workers making higher wages see an even greater difference. At \$16 an hour, the difference is \$79; at \$20 an hour, \$99.

To add icing to that cake, consider that the DOL average is based on all workers, including nonunion. Union wages grew at a rate of 3.1 percent this year. For most Boilermakers, the slight rise in monthly dues is a very small consideration.

And those monthly dues help ensure that Boilermakers' wages continue to increase. In 2004, the average union worker made about \$732 more per month than the average nonunion worker. That amounts to about 1700 percent return on the average monthly dues of about \$42.

You'll never get that kind of return in the stock market. □

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