

# Kelepona Leo

## IBEW Local Union 1357



*"an informational newsletter published quarterly for the direct benefit of our members, for solidarity, security and family - today and tomorrow"*

Aloha & Hafa Adai, Brothers and Sisters.

Hope to find all of you in good spirits and good health!

Our recent negotiations in Saipan were very successful. Unit 10 Shop Steward Raymond Deleon Guerrero, Unit 10 Recorder Gwendolynn Mariur, Assistant Business Manager Andie Kahakui, Assistant Business Manager Scot Long and I successfully secured a new 5-year Agreement, with General Wage increases of 2% as of April 2014, and 1.5% for each of the remaining 4 years (to 2018), increases in Temporary Upgrades, Travel Expenses, Dinner per diem, standby pay, new Article for schedule changes, Local Common Interest Forum MOA changed to IBEW's "Code of Excellence", and cleaning up current language. With the erosion of Saipan's economy and contract workers held to immigration working visas, over 10,000 of them are scheduled to leave by the end of this year, which will impact their economy tremendously. And despite the economic woes, our members will continue to enjoy the best wage and benefits package in the CNMI. Ray and Gwen were instrumental on the bargaining committee. Congratulations, IT&E members!

Recently, I met with Hawaiian Telcom CEO Eric Yeaman for our quarterly review. He reported that the Company is healthy and stable. The difference between us and our peer companies is that Hawaiian Telcom is improving, while others are not. They must continue to retain and attract investors. Below is an overview of our discussion:



- SystemMetrics doing well; bringing in new business.
- Wavecom on schedule with migration to Hawaiian Telcom.
- TV on schedule; sales dipped a little in the first quarter, but picked up in April. HHE ahead of schedule, and Eric reiterated that the TV cost is expensive.
- Eric advised me that he is meeting with the troops at the different bays throughout the state; basically, sharing with the work force the end of year (2013) results, as well as the end of 1Q results, followed by a question and answer session that went well.
- In the contracting arena, he reported that contracting has gone down quite a bit.
- He was very appreciative of all employees' dedication to Hawaiian Telcom; that played and helped in the successes of the Company, thus far.
- The possibility of the Pension Plan funding level reaching 80% funded and the possibility of the full lump sum option being restored, along with the run to the door for those who qualify and for those who elect to retire taking the money and leaving.

Hawaiian Telcom's plan to stem land-line loss with new products such as TV, increase reach and speed in broadband, Ethernet, IP-VPN, VOIP, etc., drove the use of contractors in some areas, like TV. The quicker they got the TV build in place, the quicker it would generate revenue. We told you that at some point the contracting would slow down, and with Eric's recent report, the reduction in contracting has begun. The use of contractors created membership frustration and concerns and job security. Some of our members illustrated their frustrations and ambition by taking on the Company themselves; slowing down, demanding types of work, and declining overtime for whatever reason. This does our membership no good. Instead, it gives the Company justification to outsource work, rather than keeping it. And on the flip side of that, in other areas, members worked with management to address ways to keep their work in-house and eliminate the contractors. It is finding the balance that is difficult. My priority is to keep everyone of you gainfully employed, and with that comes the success of the Company, tied to job security. Keep up the good work; don't compromise your safety for any job, do the best job that you can do every day, and do an honest day's work for an honest day's pay.

The biggest buzz is the possibility of the funding level of the hourly Pension Plan hitting 80%, the possibility of the full lump sum option returning, and

*Continued on page 2 BM Message*

Contributing Editors:

Summer Balocan, Ted Furukado, Andie Kahakui, Kimi Koge, Nadine Kaneakua Long, Scot Long and Elizabeth Maki

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the possible mass exodus that may occur if 150+ members retire. According to Eric, he's not that worried about the financial pressures this may bring onto the business. The worry is our skilled workers leaving and the impact it will have. Think about it; if the mass exodus comes to fruition, backfills will happen sooner or later, the business suffers, customer service suffers, and added pressures on our workforce, which possibly is tied to dollars; dollars that were not accounted for this year. The fact that he notified all employees of the Pension and Company's plan to address this, you can clearly see this is the "biggest buzz". I don't mean to take a dig at them, but it's not like they never knew the possibility of the exodus; we have been telling them for years. The Company has committed to keep us engaged, and was unable to solidify detailed information, advising me that more information would be coming out in mid-May. I am very happy for those who will exercise their retirement rights, and wish them the best. As for those who remain, job opportunities will become available across the Company. Don't wait until postings occur; start the process now to prepare yourself for your future. Check out the Company's Training Academy for Training materials you may need to help you, or call the Union Office. Good luck to everyone.

In the latter part of 2013, we filed a grievance pertaining to harassment and GPS (Global Positioning System). We recently reached a tentative agreement with HR Director Emmit Kane. The Company's policy back in 2004 has fallen to the wayside and heavy-handed disciplines were being issued to our members. The Company has agreed to not use it as a seek-and-destroy tool, and will be working towards an efficiency plan with IBEW 1357.

There has been an influx of members turning in members to Security when they have differences with one another, personality conflicts, work ethics issues, etc. Instead of turning in one another, call us and get us involved. These types of call often lead to bad results. Whether it's a letter or verbal warning, suspension or up to termination, the damage is done. I'm not saying we can fix everything, but give us a chance to talk it out with you and/or the other party. Help your fellow Brothers and Sisters instead of knocking them down.

Although we continue to battle with the Company with regards to some of their flawed policies and procedures, we continue to ensure these flaws are corrected. It cannot be good only on Monday's and Wednesday's; it should be good every day, 24 hours a day, 365 days a year, and ap-

plied to all employees fairly. And where 90% of management feel uncomfortable about engaging with us, our job is to hold them accountable for the decisions that they impose on our members.

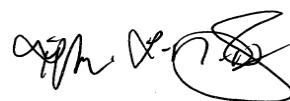
**Inside our Local:**

- Staff Assistant Elizabeth Maki was tasked with bringing our bookkeeping back in-house. This has been in the plans for trying to strengthen our Local. With Liz's expertise, she has done an outstanding job of creating our platform, financial reports, working with our auditor to put everything into perspective and to streamline the way we process funds coming in and funds going out. I want to thank CPA Gerald Ushijima and his staff for the great work they provided IBEW 1357 over the past 20 years.
- IBEW 1260 has sold the building our office is housed in. Our lease is up October 31, 2014 and we are seeking a new home for our Local. The sense I get is the new owners have no desire to renew our lease. Our Local has been here for over 35+ years and the accumulation of stuff over the years is like a mountain. We have lots of work to do to prepare for our move, let alone find the right place. We will keep you posted.
- Recently, the turn-out for Unit meetings on the island of Oahu has been extremely low. Part of your responsibility as an IBEW member is to come out and participate in your Union's business. Come to your monthly Unit meetings; let your voices be heard, get involved, stay involved, meet and mingle with your fellow Brothers and Sisters, etc.

If you have any questions or concerns, please don't hesitate to call our office or email us. If you don't feel comfortable speaking with us, I encourage you to call International Representative Harold Dias, Jr. at (808) 754-5915 for assistance.

Brothers and Sisters, we will continue the good work that we do in protecting our membership and family. I want to thank my staff for all that they do for you, our business, and for our Local.

Be safe and be well.



Fraternally,  
Kimi L.N. Koge

## President's Appeal to Membership Ted Furukado

I am appealing to all members to attend any Unit membership meeting. We've been able to get the business of our Union done over the years; what's changed? We are having difficulty attaining quorum at some of our Unit membership meetings, and without our members' attendance, we're at a crossroads of not getting the business done in a timely manner. **WITHOUT OUR MEMBERS APPROVING ALL THE BUSINESS OF THE EXECUTIVE BOARD AND UNIT MEMBERSHIP MEETINGS, NOTHING GETS DONE.** Cost of grievances/arbitrations won't be approved; reimbursements for refreshments (some committee members pay out of pocket) at all Unit meetings can't be disbursed if not approved by the membership; negotiations expenses will not be approved, etc. These are the realities of any Union, and we don't want to have anyone put out because minimum obligations aren't met. Volunteer to become a Unit Executive Committee Member and get paid for each committee meeting attended. It takes seven (7) members to secure quorum at any membership meeting. We have Units with as many as 200+ members and yet seven is unattainable to make the meetings. We may have to consolidate Units to obtain quorum.

We understand that the Union is not the only business you tend to; family, work (OT), friends, appointments, practices, games, etc. Life happens, we get that, but we need members for a few hours once a month. Besides getting the business done, members will be kept informed. Be an active member, and encourage other members to attend and partake in the refreshments that are provided with your dues. Please don't think that the website, FB and emails are all you need to know about the Union; there are more details. Wouldn't you want to know how, where, why and what's happening with your investment, who are the other players on this team, and who your co-workers are?

We always get an attendance boost when we talk about dues increase/rollbacks, negotiations and special guests (retirement info, social services, etc.). Some of our members are not too concerned about

any benefits/wages they received thus far and aren't worried much about the goings on with the Union. They may feel they're okay with status quo, but what they may fail to realize is how we got these benefits and the fight we've endured to get and keep it. It's not instantly; it's over years of negotiations, the history behind achieving said benefits. Yes, we may not get everything we would like to, but our members' quality of life is always, always what we are most concerned with. Take care of the members' wages and benefits; this is what will take care of their families, as well. That is what UNION is all about. Union is all of us, members in good standing; we can't do it without YOU!



I am in the twilight of my career and we really need to have new/younger members step up and take the reins. We do have some on your current Executive Board. What we need are people who know the history, the fight, the how's and who's that got us here today. Attending your membership meetings will give you some of that background. Please attend your Unit meetings every month. Without the background knowledge, we will have to reinvent the wheel when it's time to meet with the Company at negotiations; one step forward and ten steps backward...and imagine how the Company will respond when no one is here to negotiate with the background that gives us our power to overcome the Company's logic or sad song.

My career started as an operator and will, hopefully, end as an electronic equipment installer, running a gamut of jobs from station tech, cable splicer, and lineworker. I believe I've made myself clear of where we need to be, moving forward, to be a strong UNION again. I'm appealing to all members to attend your Unit meetings.

Ted M. Furukado  
President, IBEW Local Union 1357

## **Full Lump Sum Returning?** **By Assistant Business Manager Scot Long**

Aloha Mai!

Eric's recent message to employees regarding the full lump sum returning is a bit concerning. The full lump sum was available when the CEO took over in 2008, and then we went into bankruptcy and the end result was a restricted Pension Plan. And while he congratulates and thanks the seasoned employees, remember that the Company could have always fully funded the Pension Plan to the 100% level at any time. Instead, they funded it only to the minimum.



The April 20, 2014 Sunday StarAdvertiser shows CEO Yeaman earned \$2.61M in 2013, enjoying a 14.4% increase over the previous year. Here are some of the cracks that our Union members took under his Leadership:

- Closing of all the existing Retail Stores
- Outsourcing work to Saipan
- Closing of the Aikane Room
- Bankruptcy and investors losing several hundred millions of dollars
- Employees paying for medical
- Freezing the Pension
- Sick Leave days cut in half
- Contractors hired for the new build
- Maintenance, training, safety programs put on hold
- Executives looking for better opportunities taking nice golden parachutes with them.

As we mentioned in the past, a lot of the decisions the SMT has made have put an inordinate amount of pressure on the workforce; a workforce that has the values of hard work and customer service ingrained in them, and with that experience, the workforce that was able to work around a lot of the Company's shortfalls.

With the possibility of the full lump sum returning, we are setting up some workshops for our members in the month of May. We hope to confirm the dates shortly. The workshops are not just for those who can retire now, but also for those who need financial assistance for the future. And while Al Chinen and his team of Scarborough Alliance agents will be giving the presentation, this is not an endorsement from the Union. They are doing an educational presentation for our members, but our members need to seek multiple vendors to make the most comprehensive decision about their financial future.

Currently, we are working with our consultants to address questions about the number of retirees that will be allowed to exercise their full lump sum option, should it return, i.e. when is the earliest date they can commence their retirement; legally, what can the Company do about restricting the plan, etc. Business Manager Koge is also working with the Company on getting clarity on the various pressures and legalities of the Pension Plan. We will keep you updated.

While this message is a look in the rearview mirror, I do know that Business Manager Koge is working harder than ever with the Company to try and position our members to be successful. Please stay involved and stay informed.

Mahalo,  
Scotty

## Anger, Disappointment and Frustration By Andie Kahakui, Assistant Business Manager

I attended a rather large meeting a few months ago with both management and union present, a management employee stood up and said that all he hears from the Union is complaints and negativity. He stated that with everything the company has accomplished the past few years, all the Union continues to do is bring-up issues; the Union is never satisfied and always wants more. He expressed his frustration that what 'they' do is never good enough for employees and that 'we the Union' are constantly pushing them for change. He wanted to know when is enough...enough. All he focused on was that the company did a lot of good things recently and that the Union employees should forget the past and be more grateful. He took the concerns we raised as personal attacks towards him.

My first reaction to his comments was anger. Anger because it was only 3 short years ago that 87 employees were served with RIF notices and forced to make difficult, life-altering decisions that would impact other employees directly. Testing for vacancies, moving groups, figuring out who they could "bump" was intense and extremely stressful times for everyone. I was angry because immediately following the RIFs was Bargaining; in which the Company declared an impasse, "froze" our pension, forced us to pay for medical/dental, and purposely removed all language involving partnership and cooperation with the Union. Do you remember that? He definitely forgot that part of what the Company did recently. He forgot the pain caused by those company decisions in 2011 and how many employees feared for their jobs; jobs they worked at for 15, 20, 25+ years. Jobs that now the company is worried about employees retiring in a few months and taking with them all their skill, expertise and experience. They are now asking for employees patience and understanding while they think of ways to address the "run to the door" by our more senior members.

My anger soon turned to disappointment. I was disappointed that in a position of leadership this employee did not take the time to truly understand what it is we do and why we do it. Our main role is to represent the membership by escalating and addressing their concerns through the collective bargaining process. Which means...we are the vessel that carries the concerns from the mouth of the employees to the ears of the management team and then we work continuously with whomever the Company assigns towards a resolution; no matter how small or how comprehensive the issue may be. Some issues are quick to resolve and some issues take a great deal of time, commit-

ment and pain to reach a settlement. So, yes, our message may come across as complaints and we are usually the bearer of not-so-good-news to management but it is not delivered with malice and we mean no disrespect. Which brings me to my frustration.



Soon after this meeting ended, we regrouped and reviewed what had just taken place. Needless to say, both Union and Company lashed out at each other at this meeting which proved to be unproductive for both sides. What frustrates me is we had the perfect working MOA in our prior agreement that could have been used to address many if not all of the major issues surfacing from our membership today. The company purposely removed the Cooperative Efforts MOA (better known as the LCIF committee) during bargaining and replaced it with nothing. Which I interpret as they did not want union employees included in the discussions, the exchanging of ideas, or involved in the shaping of outcome on any of the important issues. If we had we established an LCIF, these so-called complaints (GPS, Home Dispatch, Outsourcing of Work, Training) could have possibly been worked-on and addressed before it even reached upper management level but such is not the case. This management employee should ask the Company to revisit the MOA. If you still have a copy of the pink CBA, you should read it too if you have some time. To be fair, the company did establish a "Fast Forward" team consisting of a dozen or so management and 1 hourly employee; who soon became management. They are reaching-out and encouraging hourly employees to participate and join but it is still in the infancy stage. I do wish them success.

I have seen this management employee several times since "the meeting" and I believe he understands now that we do serve an important purpose to the Company. Complaints, concerns, issues...whatever you want to call it will always be a reason for the company and union to meet but it does not have to be the only reason. Passion on both sides of any issue means a healthy discussion which is not uncommon but rational-thinking and common sense is still needed in order to have a meaningful dialogue. I hope we overcome these growing pains soon and begin to build a better future for all employees; we cannot continue this way. It is time we get back to fighting our real enemies which is the competition and not each other.

Aloha,  
Andie

# Your Money Matters

An Informational Article from Scarborough Alliance Group



**Alan Chinen**  
Regional Manager

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*Providing Retirement Planning Services to IBEW Local Union Members for more than 35 years.*



## Understanding Investment Expenses

For more than 35 years, Scarborough has been conducting retirement workshops for IBEW members. As part of these workshops, we educate members about the impact that investment expenses can have on retirement accounts. According to attendee surveys, this has been the most eye-opening feature of our workshops.

Whether you are about to retire and are looking for a place to rollover your pension and 401(k), or are years away from retirement, we encourage you to be aware of the different types of expenses associated with your investments.

### Annual Expenses

**Mutual Funds** have annual operating expenses that are built into the returns that are reported to shareholders. Different than other products where the more you spend, the better quality you may get, a mutual fund's costs do not necessarily purchase superior returns. In fact, the higher a fund's costs, on average, the lower its returns. Morningstar, an independent mutual fund rating agency, did a study in 2010 on how expenses predict success.\* In every asset class over every time period tested, low-cost funds beat high-cost funds.

Mutual Fund operating expenses can vary greatly. An index fund could be 0.10% or lower while an actively managed specialty fund could have expenses exceeding 2%. Because expenses are often expressed as percentages, many people will say "a 1% or 2% difference isn't very much." However, these costs add up over time and can consume a meaningful amount of an investor's retirement assets (see chart).

Many advisors will show you mutual funds as part of a "Wrap Program." Portfolios of mutual funds are managed for an advisory fee. In this case, your total expenses include the mutual fund expenses plus the advisory fee. According to Morningstar, advisory fees generally range from 1% to 3%.

**Variable annuities** are another product marketed to people looking to rollover their retirement plans. According to the Morningstar Annuity Research Center, the average annual expense ratio for variable annuities is 3.33%. This includes investment management, mortality and expense risk as well as a living benefit rider. The annuity you consider could have higher or lower expenses so the prospectus should be consulted.

### Upfront and Withdrawal Charges

Some mutual funds are "loaded" meaning they have either an upfront charge when purchasing it or a back-end charge if sold within a certain number of years. Variable annuities generally have surrender charges that can apply to withdrawals within a certain number of years.

If you would like assistance in comparing your investment alternatives, please feel free to contact me at the number above.

\*Source: Morningstar® Fund Investor, 5th August 2010.

## WHY EXPENSES MATTER It's Just Math

|  | 1 Year    | 10 Years  | 20 Years  | 30 Years  | Runs Out                |
|--|-----------|-----------|-----------|-----------|-------------------------|
| <b>1% Fee</b>  | \$398,218 | \$377,648 | \$341,429 | \$282,743 | n/a                     |
| <b>2% Fee</b>  | \$394,154 | \$330,135 | \$227,714 | \$77,567  | n/a                     |
| <b>3% Fee</b>  | \$390,126 | \$287,521 | \$138,351 | 0         | 27 yrs, 3 mos           |
| <b>This illustration shows an initial deposit of:</b>    |           |           |           |           | <b>\$400,000</b>        |
| <b>It assumes a withdrawal of:</b>                       |           |           |           |           | <b>\$21,000 a year</b>  |
|  |           |           |           |           | <b>\$1,750 a month</b>  |
| <b>And an annual return of:</b>                          |           |           |           |           | <b>6% for all plans</b> |
| <small>(Before investment expenses are deducted)</small> |           |           |           |           |                         |

Example is for illustration purposes only and is not an indication or guarantee of past or future performance of any investment. Illustration is intended to show how investment expenses could affect an investor's retirement account balance over time and is not intended to predict or project investment results.

*Before investing, carefully read the prospectus(es) or summary prospectus(es) which contain information about investment objectives, risks, charges, expenses and other information all of which should be carefully considered. For current prospectus(es) call (800) 874-6910. Investing involves risk. The investment return and principal value will fluctuate and, when redeemed, the investment may be worth more or less than the original purchase price.*

*Asset allocation or the use of an investment advisor does not ensure a profit nor guarantee against loss.*

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### Financial Focus

By Elizabeth S. Maki, Staff Assistant

Over the years, the accounting and bookkeeping functions for IBEW Local Union 1357, IBEW Local 1357 Insurance Trust, and IBEW Local Union 1357 Building Corporation had been done by outside bookkeeping services.

Under Business Manager Kimi Koge’s administration, bringing these functions in-house has come to fruition as of April 2014. The recordkeeping and financial statements for the three entities will be done internally, reducing the accounting expenses by \$20,000.00 annually.

This cost cutting savings will be appropriated to services beneficial to our members. I am grateful having a small part of Kimi’s mission to reduce costs.

Mahalo for allowing me to serve our members in this capacity and the privilege to be included within the IBEW Local Union 1357 Ohana.

#### Financial Planning Workshops by Scarborough Alliance

##### OAHU

Saturday, May 17  
9:00-11:00 AM  
1357 Union Hall

##### Units 3, 4, 5 & 6

After your May unit membership meetings, see page 8 for dates and times.

##### Unit 2

After your June 18 membership meeting

Those of you who are planning to retire soon, please make sure you get all your dental work done before you leave and please seek out different advisers to get as much information as you can from them to make the most comprehensive decision for you and your family. We are not endorsing Scarborough; however, we do want to make sure our members have some educational foundation to get them started.




Phone: (808) 941-7761  
 Toll Free: 1(800) 994-4239  
 Fax: (808) 944-4239

**After Hour Phone Extensions:**

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 Andie Kahakui ext 225  
 Scot Long ext 230  
 Nadine Kaneakua Long ext 221  
 Elizabeth Maki ext 222  
 Keahiahi Long ext 223  
 Summer Balocan ext 224  
 IBEW HOTLINE ext 400


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**IBEW LOCAL UNION 1357  
is on the Web**

Visit us at: [ibew1357.org](http://ibew1357.org)




**Address or Phone Changes**

Please update any changes to your address or phone number by contacting the Union Office.



**Celebrate Union Pride**

Show your Union pride by wearing your union apparel every Friday.



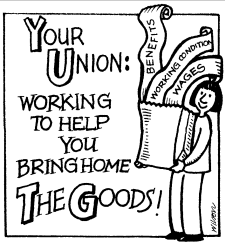
**Save 15% on AT&T Wireless**

Through the Union Plus program, union members are eligible to receive a 15% discount on individual or shared wireless plans.

For more information please visit [unionplus.org/att](http://unionplus.org/att)

**ATTEND YOUR LOCAL UNION MEETINGS**

**MONTHLY UNIT MEMBERSHIP MEETINGS**

|  |   |   |  |
|--|---|---|--|
| <p><b>Unit 1 - Honolulu</b><br/>         3rd Monday<br/>         6:00 PM<br/>         Location to be announced</p>   | <p><b>Unit 2 - Maui</b><br/>         3rd Wednesday<br/>         5:30 PM<br/>         Kupau Hall<br/>         330 Hookahi Street</p> | <p><b>Unit 3 - Hilo</b><br/>         4th Friday<br/>         5:00 PM<br/>         HELCO Union Hall<br/>         535 Oceanview Drive</p> | <p><b>Unit 4 - Kauai</b><br/>         4th Tuesday<br/>         5:00 PM<br/>         ILWU Hall<br/>         4154 Hardy Street Lihue</p>   |
| <p><b>Unit 5 - Kona</b><br/>         3rd Tuesday<br/>         6:00 PM<br/>         Old Kona Airport Large Pavillion</p>  | <p><b>Unit 6 - Kamuela</b><br/>         3rd Wednesday<br/>         5:30 PM<br/>         Location to be announced</p>                | <p><b>Unit 7 - Molokai</b><br/>         3rd Thursday<br/>         12 Noon<br/>         Location to be announced</p>                     | <p><b>Unit 8 - Windward, Oahu</b><br/>         3rd Thursday<br/>         6:30 PM<br/>         Makule Clubhouse<br/>         Keahala Road<br/>         Across from Kaneohe Playground</p> |
| <p><b>Unit 9 - Leeward, Oahu</b><br/>         4th Friday<br/>         6:30 PM<br/>         Manana Community Park, Recreation Building<br/>         1310 Waimano Home Road Pearl City</p> | <p><b>Unit 10 - Saipan</b><br/>         3rd Thursday<br/>         5:30 PM<br/>         Kilili Beach Pavilion</p>                    |    |  |