

UESF Assembly Meeting

Wednesday, June 20, 2001

McAteer High School

MINUTES

President Mitchell called the meeting to order at 3:12.

Minutes

Approval of Minutes.....Dennis Kelly
MSC to approve the minutes of the May 16 meeting.

Special Order of Business

1. Purchase of 655 – 14th Street lot and building.....Lily Gee Hickman
Sister Hickman presented a lengthy document detailing the background and reasoning behind the proposal to purchase the building and grounds where the office is presently located. She explained that a lease agreement had been signed on January 8, 2001 (1-A.)It extended the lease for two years to Dec.2002, but it doubled the rent from what we had been paying to \$7000. Additionally, it stipulated that, in the event of the sale of the building, we would have to vacate the building 180 days after we received notice. Then, a few weeks ago the property was put on the market for \$1,500,000. It was at that time that the idea to buy the property was given active consideration.

Document 2 contained three comparable properties for rent as of 6/11 and one comparable property on the market for sale. The rentals listed were more expensive than the rent we are presently paying. And the property for sale was much higher. The cost of moving is also addressed. It has been estimated at \$10,000 for moving, \$5000 for the set up (phone lines, partitions, etc..) Sister Hickman also pointed out that the union would be unable to provide service to members during the time of the move.

Document 3 A was the property listing for the building at 655 14 th Street. It described it as an “Outstanding Residential Development Site.” 3B was prepared by COMPS,Inc. It showed that the land alone is worth more than the building. 3D is another property with the same asking price, but requiring a 33% down payment of \$500,000. 3F is a copy of the listing of another comparable property that sold for \$2,350,000.

Document 4 is the proposal for the purchase of the property. It provides that \$50,000 earnest money accompany the signed purchase agreement by June 15,2001.

Document 5 is the agreement with the United Labor Bank to finance the loan of \$1,125,000. That is 25% down and a 75% loan. The initial rate of interest is 8%. The loan is variable with a floor of 8% and a cap of 14%. It is a 15 year loan with a 25 year amortization. 5 B lists the estimated costs.

Document 6 is the environmental report showing no known problems.

Document 7 is a cost comparison of expenses with the current situation and projected purchase. 7B,C and D are the UESF 2001-2002 budget proposal of revenues and expenses.

Document 8 is a consultation agreement for a real estate professional to assist the staff.

The money for the down payment will come, in part, from an existing surplus of \$165,000. This surplus is the result of a new financial arrangement reached during the ‘99-2000 negotiations that provides for the reimbursement by the union to the district for salaries of teachers on leave who work for the union at a more favorable rate than previously. In the past the actual salary the staff member would have been paid was returned to the district. Now the salary of the average teacher, who is replacing the teacher on leave, is paid to the district. We also have monies that were budgeted but not spent in a money market account. Our dues are related to salaries. Last year’s budget was based on old revenues with the lower salaries. When salaries were increased the revenue to the

UESF Assembly Minutes June 20, 2001

union went up and we have a surplus. In addition, through discussions with the national affiliates, it was agreed that we will “drag” our per caps so as to have the money to complete the sum needed for the down payment.

There followed a free wheeling discussion during which members expressed concern that it all looked too good to be true, too much like a “sales job” and that there must be a down side to the deal. President Mitchell said that the leadership had not planned for this, or even thought about it. And because it all has come about so quickly he could understand that people would have the feeling of “jamming.” All along we have had a good lease, but this is an offer we can’t refuse. Our lawyer and our accountant have expressed their approval. Yes, there are always hazards that are unknown. But it appears that we will achieve the stability we need now and the prospect of the opportunity to develop the property in the future.

Brother Fesler moved that the Assembly approve the recommendation of the Executive Board and direct the President and Treasurer to proceed with the purchase of the property at 655 14th Street subject to the prudent exercise of the due diligence provision contained in the draft agreement.

Brother Quackenbush requested a debate with alternating pro and con speakers.

MSF

After little discussion the question was called. Motion to pursue the purchase was approved.

Reports

3. Vice President’s Report.....Rudi Faltus

The Leadership conference will be scheduled for the weekend after Labor Day.

The successful UBC training program will continue next year and there is a possibility that credit for continuing education will be provided for participants through the Labor Studies department at City College.

4. President’s Report.....Kent Mitchell

Election report : On June 4 there had been a special meeting of the Executive Board to hear the Election Committee’s response to the challenge to the internal election. Based on the committee report the Executive Board decided that there was no basis for the challenge. The new executive board was sworn in on June 6.

Bargaining. The district does not yet have a bargaining proposal, but there should be one presented at the June 26 Board of Education meeting. We expect that there will be no negotiations until August. At the last Board meeting it was announced that Tom Ruiz was the district’s labor relations person.

Brother Miller inquired as to who is on the bargaining team.

President Mitchell said that it is his “call.” The number of members of the team will depend upon the type of bargaining we will be engaged in. If we can do interest based bargaining we will have a large team representing many constituent. If the district sends in a legal team, and it is adversarial we will have a small group.

Good Of The Order

There will be a meeting with the district to discuss details of the PARS buy out.

If the Edison School becomes a state charter what will happen to the status of the employees? President Mitchell said that they would not be district employees.

Sister Hickman reported on the Bay Area Organizing Committee which is a coalition of religious organizations, labor unions and community groups. We will need to decide if we are going to join them.

UESF Assembly Minutes June 20, 2001

Brother Jeffries announced a Teachers for Change meeting and told people to check out the Web site for activities.

Brother Tbeileh raised the issue of a general evaluation of the charter schools in the district, such as Gateway, and whether they have kept their promises and whether they are accountable to their conduct.

Adjournment

The meeting was adjourned at 4:50PM

Respectfully submitted,

Linda Festa Plack