

TO: ALL CCA MEMBERS

Starting as early as 2003 and currently, many newspaper articles are published regarding the use of monies contributed by the City to union Funds which are used to provide members with prescription drugs, dental, optical, life insurance, civil legal defense benefits, as well as numerous other benefits. I invite you to call the office for the benefits to which you are entitled. These articles are published at a time when the City is looking for the unions to give back \$600 million and, in part, the City has targeted these funds and other benefits as a way to get the \$600 million in give backs. I believe more than ever that the unions need to stick together in these difficult financial times and fight the City to protect our members.

As an example the Daily News published an article in March 2003 that in essence stated that City unions spend their funds frivolously and characterized the benefits you receive as perks. The article also talked about trips and concludes these trips are unnecessary. I believe that other daily newspapers will follow suit and publish their own articles. I also believe that the City will continue to put pressure on the unions any way it can to relent and give back the \$600 million. I oppose this position.

The Daily News reporter Joanne Wasserman interviewed me. Let me tell you about my interview, some of which was not published. I informed the Daily News reporter that as trustees of the various funds, (e.g. Health and Welfare, Civil Legal Defense, Annuity), we have a fiduciary responsibility to maintain the funds in the best interest of the members.

The City does not provide any education or training in this area. We need to have the most updated information in order to act in our members' best interest, so we look for reputable conventions and seminars to get the most up-to-date information on the applicable law, investment strategies and member rights. We attend these seminars along with thousands of other trustees that include all other City union trustees to train and educate ourselves as trustees to best serve the membership. You should know that we did attend these types of conferences just for these reasons. It was and is the most responsible and prudent action to take. By going to these seminars we learned that we had to conform to the law by restating our fund plan documents thereby avoiding fines by the IRS. We thought that was an appropriate and prudent act. We were also informed of the requirements imposed by a new federal law, HIPPA, which institutes new and additional membership privacy requirements. If we didn't do these things we, as trustees, would not be doing our job. The newspaper article didn't tell you that piece of information. The conference and seminars that the City has decided to attack are also attended by City representatives. I cannot believe the City would permit these officials to go on these conferences if it was wrong to do so. This brings up another question who pays for the City employees to go on these conferences. I submit to you either the City or the conference attendees and that means us.

Your fund money goes to provide you with prescription drugs, dental benefits, optical benefits, life insurance policies, defend you when the City refuses to defend, a copy of the Chief for each member, calendar books, to name a few benefits. We work in one of the most dangerous places in the City and we don't think it frivolous to provide you with a life insurance policy in the

amount of \$100,000 for members, a \$20,000 policy for a spouse, a \$4,000 policy for each child, all of which converts to a \$30,000 policy at no cost to you upon retirement. I am certain you agree with this benefit. On your health and welfare benefits, through careful and prudent management we have accrued almost a year reserve fund, which is more than required by the City guidelines, while being able to increase your benefits. I hardly think such conduct is not in your best interest. Furthermore, I hardly think it wrong to provide you with a \$25 a day benefit while you are in the hospital.

Finally, the articles appear to criticize the fact that these funds employ lawyers and accountants. How inappropriate is that criticism. The City has an Office of Management and Budget and a Comptroller's office. The City has a Law Department with approximately 400 lawyers not to speak of the outside counsel employed for special purposes. I am sure that budget, audit and law services which employ hundreds of professionals use these employees to ensure the City conforms to the law, defend the City when sued, and assert the City's rights. Our funds and our members are no different. Our accountants ensure we comply with federal, state and local reporting requirement and our lawyers make sure we comply with the law and defend, you, the membership when the City refused to defend and indemnify you when sued.

If it is up to me, I will not buckle under to the City's pressure for givebacks. That is all that this and other newspaper articles are about for the CCA. I will not tell the next captain who is sued and not defended by the City that I am sorry, I just gave back the civil legal defense money and you are on your own. I believe each of you support that position.

We have nothing to hide and everything of which to be proud. In closing, I will continue to administer our health and welfare funds and all other union benefits in the manner that best serves the membership. Intimidation or bullying tactics will not guide this union. We have fought very hard to obtain the benefits we currently enjoy and we are not about to give them away. It is my desire to continue to push for a Uniformed Forces Coalition so we can be united and strong in the upcoming round of negotiations. If you have any questions in this area please do not hesitate to contact the office.

Fraternally,