

## STANDING COMMITTEE MINUTES

DECEMBER 18, 1992

Present were George Brajcich, Trisha Norvell, John Melink, Kris Keeler, Dave Viera, George Kiepke, Bob Sullivan, Barney Wheeler, Claude Weaver, Al Rollins, Joe Hertig, Larry Reandeau, and Shelley Prouty.

## Items discussed:

1. Probation period for new employees
2. Federal Accounting Standards (FAS) 106 and 109
3. 401(k)
4. Relief shift mechanics transition back to day shift
5. Meal tickets
6. Grievance 92-50, Storeroom Overtime
7. Storeroom job - posting
8. Grievances 92-46 and 47, call ins
9. 1993 Standing Committee meeting schedule
10. Maintenance employees working during Christmas curtailment
11. Sickness and accident benefits
12. Mechanic on mechanical and electrical seniority lists

**1. PROBATION PERIOD FOR NEW EMPLOYEES**

When employees are hired into the mill, they go through a two day orientation period sponsored by Human Resources before they go out into their assigned department. The Company Standing Committee asked if those two days counted toward the 60 day probation period, since the employee wasn't actually on the job site where they could be evaluated.

The Union Standing Committee believed that once the pay starts for an employee, the 60 day probation period starts, so yes, the orientation would be part of that time period.

The Company Committee will agree with that. An error was made in the termination of an employee - the department believed the employee was still within the probation period, but was in fact terminated on the 61st day. Even though the termination occurred in September, 1992, the company will hold the grievance timely should the Union wish to file one, since the Union relied on the data supplied by the Company.

The Union Standing Committee gave official notice that they will appeal the termination.

**2. FEDERAL ACCOUNTING STANDARDS (FAS) 106 & 109**

Tracy Trahan, Plant Controller, will explain these more fully to the Joint Committee in January.



FAS 106 regulates how companies must account for future liability for benefits (pension, health insurance, etc.), requiring more of the liability to be shown on the balance sheets. This will have a direct impact on the profitability of the Wauna Mill.

FAS 109 regulates how assets are valued, and it is expected to significantly increase the value of Wauna's assets shown on the books, which will also impact the mill's profitability.

Both of these accounting regulation changes will impact the profit sharing plans, both hourly and salaried.

### 3. 401(k)

Wauna hourly employees are not grouped in with the rest of the Corporation when the discrimination test is run on the stock purchase plan and hourly 401(k) plan. The hourly group is tested separately from the salaried group.

The discrimination test (required by law) is to ensure that "highly compensated" employees do not contribute more than the lower compensated employees (bottom 2/3 of earners). This year's threshold for Wauna hourly employees to be considered highly compensated is approximately \$60,000.

The highly compensated threshold is figured by looking at the earning of all participants (hourly) in aggregate (both plans, as they are both 401(k) plans).

There are a couple of options for running the discrimination tests (which will be run for 1993 - we are not required to run them for 1992 for employees covered by a collective bargaining agreement):

1) Run the test on the hourly 401(k) plan and JR stock plan separately. The average contribution level in both plans is 6.03%. The contribution level for highly compensated employees is 6.03%; for non-highly compensated employees it was 1.6%. The law requires that highly compensated employees can contribute only 2% more than non-highly compensated participants in that year, so 3.6% is the maximum contribution that could be made to the plan. This would impact all but about 9 people in the 401(k) plan (i.e. refunds would be made to all but about 9 people).

2) If the plans were to be tested together:  
average contribution, highly compensated - 6.03%  
average contribution, non-highly compensated - 3.67.

The maximum that highly compensated employees could contribute would then be 5.67%. This option would mean that



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about 20 employees at Wauna would get refunds.

day day day day day

The other shift mechanics would then have to work 4 consecutive nights

The Corporation will not allow employees to choose form which plan they will get their refund. If people get refunds out of the JR plan, they would also forfeit the Company matching funds. The Corporation will test the plans together, as it impacts fewer people.

The Union Standing Committee believes that the Corporation's stand is a violation of the contract, since the hourly 401(k) plan is a negotiated plan and is covered by the language in the labor agreement. They will contact their legal counsel for guidance. They are concerned that this will in essence eliminate the 401(k) plan for anyone over about a 5% contribution rate. The Union Committee also suggested that we get someone (financial planner) to come in and explain to employees what their options are with the various 401(k) plans. They also wanted to know if there is any interest paid on the money people put into the 401(k) that later gets refunded.

Joe Hertig will contact Corporate Headquarters to see if someone will come to Wauna to meet with the Joint Standing Committee to really work through the issues around the 401(k) plan.

#### 4. RELIEF SHIFT MECHANICS TRANSITION BACK TO DAY SHIFT

The Company is concerned about the huge penalties paid to relief mechanics on their transition back to day shift on the compressed schedule compared to the former schedule. (See attachment 1.) The current process doubles the penalty pay in the return to day shift. When the Company agreed to the compressed shift, they agreed to it on a cost neutral basis, which this isn't. The Company Committee presented some scheduling options to reconcile the problem. (See attachment 2.)

The Union Standing Committee believed that option number 2 constituted laying people off to avoid paying overtime which is a violation of the contract. They proposed some other scheduling options that would work:

T	W	TH	F	S	S	M	T	W	TH	F	S	S	M
8hr day	8hr day	8hr day	12hr day	12hr day	12hr nite	12hr nite	off	off	off	off	12hr day	12hr day	8hr day

OR:

TH	F	S	S	M
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12hr 12hr 12hr 12hr 8hr - - - >  
 day day day day day

The other shift mechanic would then have to work 4 consecutive nights.

The Company will review all of these options, and the Union Committee will also see if they think of any other options. The Joint Committee will review at the next meeting.

Employees are reminded that no one can make an agreement to come in to work and give up call times. Employees also cannot trade time with another employee from one week to another.

#### 5. MEAL TICKETS

The Company will not add any restaurants other than the four requested by employees (identified at last Standing Committee meeting).

The Union Committee stated that other area mills negotiate the value of their meal tickets and Wauna doesn't. Therefore, they do not believe it is fair to compare Wauna's rate to theirs when determining the meal ticket value.

The Corporate lawyer is still reviewing the use of the meal tickets for alcohol. The initial reaction is that some form of disclaimer on the meal ticket will be sufficient.

#### 6. GRIEVANCE 92-50, STOREROOM OVERTIME

The grievant believed that an employee was out of the job classification on special assignment. That person was then called in for overtime, which the grievant believes should have been theirs as they were moved up into the job classification. Standing Committee minutes from prior years indicate that special assignment employees are the last ones to be considered for overtime.

The Company Standing Committee stated that the employee was not on special assignment - he was doing the job responsibilities of the job classification, but was just focusing on one piece of them. The employee was putting inventory into the system, which is a part of his regular job. There was a lot of inventory at this particular time, so he focused on getting it input and the department scheduled another person into the job to assist with the work load. The Company Committee stated that we should not lose sight of the responsibilities an employee is doing and just focus on where the person is shown on the schedule.

The Union Committee stated that it is important where people are shown on the schedule as that is what everyone relies on.

It was later determined that for the week relating to the grievance the employee was on the schedule in the job classification. Grievance withdrawn.



#### 7. STOREROOM JOB

The Union Standing Committee pointed out that a labor pool employee has been assigned to the Storeroom for a long period. The contract requires that when a job is filled for 6 months or more, it must be posted. The Union Committee requested that this job be posted, as there appears to be a need for another person. They also requested that the labor pool person that has been working consistently in the Storeroom be returned to the labor pool immediately.

#### 8. GRIEVANCES 92-46 AND 47, CALL INS

The Company Standing Committee's research showed that the Clockroom attendants did follow normal procedures for the call ins.

The Union Committee is challenging if a reasonable effort was made in this instance because there were several days between the time the supervisor notified the clockroom of a need and the time people were needed. Another issue is that one of the grievants received a message on their answering machine and tried to call back but could not get through because the lines were busy as the clockroom was still calling other people. If the clockroom calls minute by minute people don't have an opportunity to return calls. The Joint Committee understands the nightmare the clockroom has sometimes when it gets really busy in there and trusts their records and their efforts. The Union Committee believed the supervisor was being unreasonable in asking the clockroom to start calling, when he knew the crew would be coming in that night and would see them.

The Company Committee stated that there was no contract violation, but agrees that the supervisor may not have been sensitive to the schedule of his crew. They will work with supervision to help build understanding for the need for sensitivity and what options are in cases like this one.

The Union Committee also requested that when the clockroom can, they leave messages on answering machines to the effect of "will wait (5,10 - pick one) minutes and if I don't hear from you within that time I will continue to call other people". That would give people a chance to call back.

The shop steward involved requested that Human Resources respond to the concerns and questions addressed in the letter he attached to the grievance.

#### 9. 1993 STANDING COMMITTEE SCHEDULE

Except for the January meeting, the Standing Committee meetings will be on the 3rd Wednesday of every month. The January meeting will be Thursday, January 21. Joint meetings will have a 10:00 a.m. start time.



10. MAINTENANCE WORK DURING CHRISTMAS CURTAILMENTS

The Company Committee told the Union Committee that IF work is scheduled over the Christmas holiday for maintenance, they plan to schedule by area, as is usually done, OR they may ask for volunteers since it is a holiday.

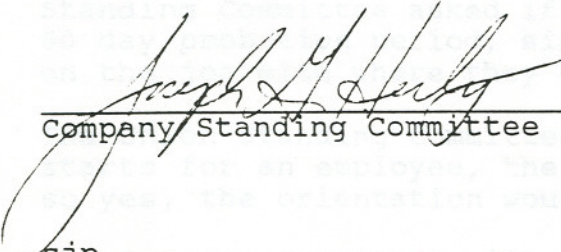
The Union Committee restated their position that the volunteer senior maintenance employees are the ones who work on any formerly restricted period. The Company Committee does not recognize any restricted periods - they were negotiated out years ago. At this point the Company sees no restrictions on their ability to schedule and how mechanics are scheduled IF work is done on the clarifier at Christmas. The Human Resources department will do some research of the negotiations notes when restricted holidays were negotiated out.

11. SICKNESS AND ACCIDENT BENEFITS

The Company Committee told the Union Committee that the Sickness and Accident Disability benefit Les Skirvin received for this specific disability for the hours he did not work, up to eight (8) hours, was not in accordance with the collective bargaining agreement. This payment did not set precedent for this case in the future, or any future cases.

12. MECHANIC ON MECHANICAL AND ELECTRICAL SENIORITY LISTS

Dan Sollars has requested to be put on both the mechanical and electrical seniority lists. (This has been done.)

  
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 Company Standing Committee

  
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 Union Standing Committee