



Volume VII Issue 1

Musicians' Association of Hawaii, Local 677 AFM

September 2002

# General Membership Meeting

Saturday, September 14, 2002

12:00 noon

Musicians' Association Building

949 Kapiolani Blvd.

Honolulu Hawaii

and

Saturday, September 21, 2002

12:00 noon

on Maui (location tba\*)



## Agenda:

### “Is it time to sell the building?”

An open discussion of the local's chronic financial problems and what we can do to fix them. All members are urged to attend this very important meeting and take part in this discussion, which will have a profound effect on the future of Local 677 as we know it. See page 6, the Secretary-Treasurer's Report, for information that will prepare you for this meeting.

*\* Maui location will be posted on the Association's website (livemusicbiz.com), and Maui members will be sent a location notification card.*

**UNION — a group of people who know they can accomplish more together than they can separately.**

Chartered in 1923  
**Musicians' Association  
of Hawaii**

**Local 677**  
American Federation of Musicians

**President**

Michael J. Largenticha

**Vice President**

Benedicto Villaverde

**Secretary-Treasurer**

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Janet Gillespie, Payroll Services Manager  
Tami Fitzpatrick, Membership Services

**Office Hours:**

9:00 a.m. - 4:00 p.m.

Monday - Friday

*Affiliated with the  
Hawaii State AFL-CIO*

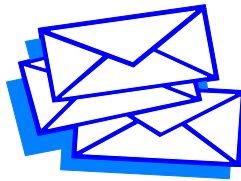


**Keola O Na Mele**

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***LETTERS TO THE EDITOR***

I believe in the Union 100%. I now collect from the AFM-EP fund and it is the best investment you could make. The situation for the blowout was handled correctly. The Jazz Blowout was discussed ahead of time. It was not a back-door deal. A wage was established and it was determined what the work tax would be and a pension contribution was also established.

The article described a club trying live music with a time-limited concession, with the rates going up after the success of the live music. To be real, I don't believe in concessions at all, and they should be abolished. No matter how you slice it, concessions are underscale rates sanctioned by the union. The union should stick by the wage scales so there is no confusion, deals or whatever. The question is: How can you get all the great union musicians who played the Jazz Blowout to agree that they will only perform if paid scale and get pension credit? In other words, no concessions allowed. OK with me.

Onward, Clyde

*Clyde Pound, a band leader, contractor and a member of Local 677 since 1971, has recently moved to Fort Collins, Colorado*



I read with interest the minutes of the Local meetings in the last *Keola O Na Mele*. It is pleasing to see that in spite of the cash flow problems, which would discourage ordinary locals, you guys are moving forward. So many committees. How fine that members are involved with the administration of the local. And, how fine that the local is comfortable enough to let them. Michael's speech to the membership was super and I hope it had some of the desired effect.

Lew Waldeck, former AFM Symphonic Services Director



Dear Michael,

I wish to thank you for your untiring efforts in helping me secure my recent leave of absence from the Symphony. From uncertain procedures to unfortunate timing, this leave request obviously was problematic, and I am certain it would have never been approved without your constant help. Thank you!

You unwavering commitment to the best interests of Local 677 musicians is greatly appreciated. I wish you and the Local a happy, successful year and hope some of the recent financial problems will be alleviated. All the best!

Jason Lichtenwalter



# Musicians' Association Hosts Labor Education Forums

Describing the threat of an anti-worker campaign waged by the National Right to Work Committee here in Hawaii as being frighteningly real, three expert panelists outlined the organization's systematic attack against unions in an open forum hosted by the Hawaii State AFL-CIO on Jan. 9 at the Musicians' Studio One.

"The campaign for right to work is tied to the minimum wage law and cutting wages in general," said local labor attorney Tony Gill, one of the forum's panelists. Joining Gill as a panelist for this first in a series of open forums scheduled throughout the year were Dr. William J. Puette, director of the Center for Labor Education and Research (CLEAR) at the University of Hawaii at West Oahu, and Bernard Correa, a staff member with the Hotel Workers Union (HERE) Local 5, who also spent some time as an organizer for HERE in Las Vegas.

Recounting the history of labor law in the U.S., Dr. Puette began the forum by detailing the events leading up to the introduction of right to work legislation in Congress. He explained that with the success of the Wagner Act in 1935 – known more affectionately to workers as the National Labor Relations Act – unionization rates soared as workers were granted the right to join unions.

"Of course employers and big business, led by the National Association of Manufacturers, were against the Wagner Act, and fought for 10 years against Democratic President Franklin Delano Roosevelt to overturn this legislation," Dr. Puette said. "Finally, when the Republicans gained control of Congress in 1946, they introduced the Taft-Hartley Act."

Passed over the objections of another Democratic president, Harry S. Truman, Taft-Hartley's main provision



*Bernard Correa, Tony Gill, and Bill Puette launch the first AFL-CIO Educational Forum in Studio One on January 9.*

was what Gill and Puette referred to as Section 14b, which allows states to pass laws that supercede federal laws when referring to open and closed shops.

"This was the start of state right to work laws," Puette said. "In states where this law is passed, any negotiated union security clause is basically banned. Employees who are covered under a union contract have no obligation whatsoever to join the union – which still has to represent them. Hawaii is one of 28 states that does not have a right to work law."

The forum's last panelist, Bernard Correa, spoke firsthand about what it was like to organize nonunion members in a state which has a right to work law. Correa, who worked in Las Vegas for the Hotel Workers in the 1980s, offered the example of an organizing drive at the MGM Grand to demonstrate the difficulties unions have in Nevada in terms of serving its membership because of such restrictive legislation.

"Because of Nevada's right to work law, one-half of our \$3.5 million organizing campaign at MGM was spent chasing down members for dues," he said. "There was no organizing in these cases. Consequently, there was no leverage at the bargaining table. The scary thing for workers in Nevada is if you are not in a union, you are making minimum wage and live

below the poverty level with very poor medical benefits."

The open forum, which was moderated by former KHON investigative reporter and American Federation of Television & Radio Artists (AFTRA) member Ray Lovell, concluded with a host of questions by the more than 60 union members in the audience.

"Overall, I would say that our first open forum to the working families of Hawaii was a big success," said Brenda Ching, executive director of Hawaii's Screen Actors Guild (SAG), and education and public relations chairperson of the Hawaii State AFL-CIO's Open Forum Series. "We will be holding many more in the next few months concerning issues affecting Hawaii's working people."

*by Gordon Wong, editor for the Carpenters Union.*

## Other Educational Labor Forums were held at the Musicians' Association building:

**March 20**

**"Tom Juravich: Labor in Song"**

**April 3**

**"Buzzwords and Propaganda"**

**June 12**

**"Hawaii Prepaid Health Care"**

*Presenters on health care at the June 12 forum.*





## Honolulu and Maui Symphonies To Host AFM Negotiator Nathan Kahn

Through a twist of good fortune, Local 677 will have the honor of a visit from distinguished AFM Symphonic Services Division negotiator Nathan Kahn during the month of October.

Nathan will be in Hawaii from October 4 to 18 and will meet with the orchestra committees and members of both the Honolulu Symphony and the Maui Symphony during that time. A tentative schedule is:

Oct 5 -- meetings with Honolulu Symphony orchestra committee.

Oct 6 -- HSO concert

Oct 7 -- morning and afternoon meetings with HSO full orchestra, evening meeting with Maui Symphony committee.

Oct 8-11 -- meetings with Maui and Honolulu musicians, management, and local officers.

Oct 12 -- meeting with MSO full orchestra.

Save these dates!

The remainder of Nathan's trip will be spent on the Big Island enjoying a well-deserved vacation.

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*An anonymous benefactor has generously donated 25 Mahasset music stands to the Musicians Association. These stands, now proudly bearing the logos of the Musicians Association of Hawaii and the American Federation of Musicians, are your property. Treat them with respect.*



## UNION LABEL WEEK

### September 2 -7

It helps all of us when we support our union brothers and sisters. For more information on union-made products and services, visit [unionlabel.org](http://unionlabel.org).



**PROTECT  
YOUR JOB:  
SHOP UNION**



## Hotel Strike Is Possible

In balloting held at the Hawaii Convention Center August 13, hotel workers voted by an 80% margin to support the Waikiki Negotiating Committee's call for Strike Authorization at the Hilton and Sheraton hotels.

"This secret ballot strike vote was the most accountable that Local 5 has ever held," said Eric Gill. "We wanted to make sure that the members would have complete confidence in the result."

70% of all eligible members at the Hilton and Sheraton hotels cast ballots.

The main issues that hotel workers are fighting for are job security, reasonable workloads and the protection of existing medical and pension plans, and fair wage increases.

# Concessions (and dark dates) Happen

**(but they don't have to)**

Everyone knows that dark dates happen. When you really need money, it is hard to resist when someone offers you cash under the table or asks you to work under terms that are not in keeping with the union rules you agreed to when you joined. You get a slight twinge of conscience, say to yourself, "I should try to get a contract on this gig," but in the end you give up and just take the gig. What's the harm, you say. It's money, and it beats sitting at home waiting for the phone to ring.

But there is harm being done, serious harm—to you, and to all your fellow union members. For practical purposes the market value of our services is set by the lowest common denominator. The person who is willing to work for the least money and the poorest terms sets the scale out there in the real world for everybody.

The best protection against the erosion that dark dates cause is to come to the union and work together to turn the tide. Talk to the union officials about the dark date—don't try to hide it. The union is not here to tell you not to work, so we are likely to advise you to accept the work and treat it as a reported engagement, or we might suggest that you file a concession contract on it. Even without a contract, the union will do its best to protect you as much as possible, but we can only help you if you want help, and if we know about the gig before it happens.

Our employers have the money to pay us, but they will only do so if we are firm in our expectations of them. When we collectively agree to set a higher standard and stick to it, we will get it. But it will take time, and it will take all of us.

This chart shows the ramifications of the different relationships we establish with employers:

	<b>union scale wages &amp; terms (or better)</b>	<b>union legal protection against loss</b>	<b>AFM pension contributions</b>	<b>work dues paid</b>	<b>royalties &amp; new use paid (if applicable)</b>	<b>union solidarity and strength intact</b>
<b>1. CBA</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>
<b>2. LP-1 contract</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>
<b>3. concession contract</b>	<b>NO</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>YES</b>
<b>4. reported engagement</b>	<b>MAYBE</b>	<b>NO</b>	<b>MAYBE</b>	<b>YES</b>	<b>NO</b>	<b>MAYBE</b>
<b>5. dark date</b>	<b>MAYBE</b>	<b>NO</b>	<b>NO</b>	<b>MAYBE</b>	<b>NO</b>	<b>NO !!!</b>

**1. Collective Bargaining Agreement (CBA)** – The best way to work. One contract usually covers many musicians working for the same employer over a long period of time, but the protection of a CBA is available to any musicians who want it, no matter what type of music they play, who the employer is, or how many musicians are working the job. CBAs are negotiated directly with employers, and the rates and terms set in such negotiations supercede the local wage scales and working conditions.

**2. LP-1 Contract** – The basic union contract for casual and steady engagements. Provides to all the musicians working under the contract all the legal protections of any standard professional business contract, and will hold up in court.

**3. Concession Contract** – If musicians are confronted with a work situation that does not technically meet all union standards for pay or working conditions, but may nevertheless have positive attributes and be worth doing, the musicians may consider working under a Concession Contract. Concessions must be approved by the union's Board of Directors, but such approval is not usually denied if the members can show some benefit to doing the job and some evidence that the terms of employment will improve over time. A Concession Contract provides the same legal protections as an LP-1 Contract.

**4. Reported Engagement** – No contract is filed, but union wages and working conditions are usually upheld. Musicians in self-contained groups who are their own employers, members working with and for each other, who produce their own concerts or who control the organizations that present them, are those who most commonly do reported engagements. Chamber Music Hawaii, Live Music Awareness, and "Live at Studio 6" events are usually reported engagements.

**5. Dark Date** – No contract, no protection, no pension, no special payments, no respect, no solidarity.

**See Michael or Steve at the union office for more contract information.**

Dear Members,

In 2001 I was elected to the office of Secretary-Treasurer of this local. For 3 year prior to that, I was a member of the local board and chair of the Finance Committee. In these four years or so I have come to know the financial inner-workings of our union all too well.

About 30 years ago, the Musicians' Association of Hawaii had over 2,000 members, most of them working, and money was plentiful. Then the bottom fell out of the Waikiki show scene, discos and karaoke took over, jobs went away, and so did musicians. You heard at last December's membership meeting that the local has been losing money annually for more than 20 years. The 3-year financial summary below shows that each year we lose another chunk of our equity in the tens of thousands of dollars. We now have no financial

# Secretary-Treasurer's Report

by Marsha Schweitzer

reserves and are forced to borrow every year to meet our periodic cash flow needs. We are currently (as of August 31, 2002) in debt to Unity House, our members, our subsidiary payroll services, and First Hawaiian Bank to the tune of nearly \$200,000.

Simply put, we are eating up our assets faster than we can replace them. Soon we will have no more leverage, no more collateral, left.

We have the building to mortgage, but our inability to pay back loans due to a shortage of incoming cash keeps us from being able to qualify for standard loans from the usual financial institutions. Regardless, no loan can fix our real

underlying problem, which is simply that we don't have enough money coming in.

Expenses are already cut to the bone. We are short-staffed, and the employees we do have are paid far less than they are worth. The building is not the problem; although it generates costs, it also generates revenue in rent. The net loss we take on the building is far less than the expense we would incur to rent even a small office if we didn't have the building.

However, our building is over 30 years old and is in need of major repairs and renovations, or soon will be. We have no building reserve fund (such as condominiums are required to have) to cushion the financial impact of such major improvements, and so these costs, when they are necessary, have to be borne by the union's general fund.

Unfortunately, the general fund cannot even handle the day-to-day costs of running the union and providing basic union services. We manage to continue to provide those services – at a level that is the envy of locals many times our size – only because our officers and staff are willing to work above and beyond the call of duty for little or no pay – because they care deeply about the welfare of the members and the cause of unionism.

This is a condition that cannot go on any longer. People cannot be expected to sacrifice their time and heart without compensation and without any sign that the sacrifice will end.

The members own the union; it is the members who must face these fundamental problems and find agreeable solutions. It is the members' responsibility to fund the union's operation and see to its good health. Come to the membership meeting on September 14 (or September 21 on Maui), and let's begin.

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## Local 677 Three-Year Financial Summary

	<u>1999</u>	<u>2000*</u>	<u>2001</u>
Member Dues	83,938	77,411	88,732
Work Dues	114,902	134,141	133,167
Bldg Rentals	58,188	63,829	59,341
Misc Income	9,355	40,267	52,707
<b>TOTAL INCOME</b>	<b>266,383</b>	<b>315,648</b>	<b>333,947</b>
Staff Salaries & Benefits	83,184	107,291	113,543
AFM Per Capita	23,169	22,437	23,544
Interest & Fees	16,394	16,379	14,550
Legal & Professional Fees	32,442	36,221	51,655
Bldg Repairs & Maintenance	32,029	24,353	28,571
Utilities	31,236	36,171	33,689
Office Expense & Misc	59,889	66,909	81,616
Depreciation	15,639	15,733	16,372
Loss in Subsidiaries	3,651	40,368	6,717
<b>TOTAL EXPENSE</b>	<b>297,633</b>	<b>365,862</b>	<b>370,257</b>
<b>NET INCOME</b>	<b>-31,250</b>	<b>-50,214</b>	<b>-36,310</b>

\* The Association converted from cash to accrual method of accounting in 2000.

## Provocations

### *Ideas to Provoke Thought in the Labor Community*

In the past decade, since the end of the cold war, we have witnessed the emergence of something that could be called global politics. The cold war can be regarded as the last great global clash between states; it marked the end of an era when the ultimate threat of war between states determined international relations and when the idea of war disciplined and polarized domestic politics. Indeed, this may explain why we became conscious of the phenomenon known as globalization only after the end of the cold war. Nowadays as September 11 demonstrated only too graphically, we live in an interdependent world, where we cannot maintain security merely through the protection of borders; where states no longer control what happens within their borders; and where old-fashioned war between states has become anachronistic. Today states are still important, but they function in a world shaped less by military power than by complex political processes involving international institutions, multinational corporations, citizens' groups and, indeed, fundamentalists and terrorists – in short, global politics.

— from “Wanted: Global Politics,” by Mary Kaldor, *The Nation*, November 5, 2001.

*Please submit your own provocative quotes by sending them to Editor Marsha Schweitzer at the union office or email to Editor677@aol.com.*

If you don't vote,

## Bad Government Is Your Fault !!!

So VOTE.

If you are not registered to vote, you may do so at the union office. Deadline for registering is October 7 for the general election.

The primary election is on September 21 and the general election is November 5. Take control of the politicians who control your livelihood with the laws they make and enforce. Before it's too late.



## Free-Lancers Bind Together

Making a living as a free-lance musician is a remarkable challenge. Around the country and the world, fine players strive to (1) make a decent living; (2) sustain high standards of professionalism; and (3) advance the musical culture of their community. Artists are renown for individualism (ever try to herd cats?), but many realize that it's only within an ensemble that musical dreams come true. Six of Honolulu's highly respected free-lancers have joined together to create a “new ensemble” for exploring ways to support Hawaii's free-lance musicians.

**Bruce Hamada Jr., Noel Okimoto, Rich Crandall, John Kolivas, and Brien Matson** hereby announce formation of the *Casual/Club Date Musicians Forum* to address issues, seek solutions, and take actions in support of Hawaii's free-lance musicians. The geographic nature of Hawaii's islands encourages us. We believe that musicians working together can have a positive impact on the marketplace and community that nurtures our musical culture.

The Casual/Club Date Musicians Forum met on August 14 at the **Musicians' Association of Hawaii** to realistically address problems that face free-lancers; offer suggestions for sound business practices; seek to mobilize support from fellow musicians; and share ways to enrich Hawaii's musical culture.

**Local 677** members are encouraged to share constructive ideas with members of the forum prior to our September meeting.

### A Reminder

If you have a problem with your employer, especially if you are not paid on time or in the right amount, please contact your union immediately! Sometimes these matters are time-sensitive, and if action is delayed, a successful resolution may not be possible.

# STANDING NOTICES

(You'd better sit down for these.)

The Members' Office opens at 9:00am and closes at 4:00pm, or when the last staff member leaves, if later. Please be sensitive to the needs of others who use the members' computer – official union business gets top priority, members' music-related business comes next, personal email and websurfing only if no other members need the computer for musical business purposes.

The Local 677 2001 Directory – Members may pick up a copy, one to a customer, anytime at the local office, or call Tami at the office if you would like it mailed to you.

Please see Tami if you do not already have a member's identification sticker for your car. Unauthorized vehicles in our parking lot will be towed.

Security continues to be a problem in our building and in the parking lot. Do not leave valuables unattended. The Association assumes no liability for any loss or damage.

Members' personal mail and parcels delivered to the Association's address will be held in the Members' Office for pickup. The Association assumes no liability for loss, theft or damage of such items.

**Kaiser group health insurance plan participants:** Finance charges of 1% per month (12% per annum) on balances overdue one month or more will be added, calculated from the due date.

Anyone three or more months in arrears in medical payments will be dropped from the plan. (Unpaid balances will still be due and payable, however, even though you may no longer be covered by the insurance.)

To participate in the union's group Kaiser health plan, you must be a current member of the Association.

By participating in the group medical plan you are agreeing to these terms.

A returned check charge of \$10.00 will be assessed by the Association on each check not honored by your bank.

Remember, a member may resign in good standing only if (s)he is fully paid up for the quarter in which (s)he resigns.

Attention! Members who use the Musicians' building for teaching: Remember that studios may only be reserved in advance for three hours per week, with extended hours allowed for steady work-dues-paying members. Also remember to register your students and non-member guests with Tami. We are required by our insurance carrier to keep a record of all non-members who are in the building.

Don't donate your services for benefits without calling the union first. Rule of thumb: no one donates unless everyone involved in the event donates -- the caterer, the venue, the producer, the headliner, etc.

## WORK DUES PAYMENTS ARE NOT OPTIONAL

At last December's membership meeting, members were informed that the union depends on all members' paying work dues on *all* their work, whether or not it is protected by a union contract.

It costs about \$739 per member per year to run the union. Membership dues are \$175 per year (less for life members). You can see that without work dues income, the union cannot survive.

Therefore, be advised that the long-standing, well-meaning, but harmful unofficial policy of this local to be lenient concerning the nonpayment of work dues has come to an end.

**Henceforth, any members found in violation of the Association Bylaws, in particular, the work dues payment requirement, will be subject to charges before the trial board.** Work dues are overdue if not received within 15 days after the end of the month during which the services were performed [Local 677 Bylaws Art. 30, and AFM Bylaws Art. 8.9].

The trial board is granted authority in Local 677 Bylaws to impose fines and other penalties, up to and including suspension or expulsion from the local [Art. 24.3(c)].

*President Largarticha, member Alita Arkin, and Vice-President Benny Villaverde attended the 25th annual Na Hoku Hanohano Awards ceremony on May 21 at the Sheraton Waikiki ballroom.*



### Suspended and Expelled members may not:

receive job referrals

use union facilities, including studios

perform on "Live@Studio 6" series

participate in medical insurance group plan or other benefits of the Association.

(Art. 26.3, Local 677 Bylaws)

