CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON CIVIL SERVICE & LABOR

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July 28, 2009 Start: 11:01 am Recess: 11:36 am

HELD AT: Council Chambers

City Hall

B E F O R E:

MICHAEL C. NELSON

Chairperson

## COUNCIL MEMBERS:

Council Member Elizabeth Crowley Council Member James F. Gennaro Council Member Robert Jackson Council Member G. Oliver Koppell Council Member John C. Liu

Council Member John C. Liu
Council Member Melissa Mark-

Viverito

Council Member Larry B. Seabrook

## A P P E A R A N C E S [CONTINUED]

Michael C. Nelson Chairperson Committee on Civil Service and Labor

Tracy Udell Committee Counsel Committee on Civil Service and Labor

Letter read into record by Comptroller William C. Thompson, Jr. Comptroller of New York City

G. Oliver Koppell Sponsor of Resolution for Stella D'Oro Workers New York City Council Member

Calvin Williams
Secretary Treasurer
Local 50

Michael Filippou Shop Steward Representative of Workers Stella D'Oro

Robert Jackson Sponsor of Intro 992-A New York City Council Member

Melissa Mark-Viverito New York City Council Member

CHAIRPERSON NELSON:

And Tracy

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Udell, Counsel of the Committee. And--oh, and
Robert Jackson to the far right, this way, okay.

To my far left. Today the Committee will vote to
override Mayor Bloomberg's veto of Introduction

992-A, a Local Law to amend the Administrative
Code of the City of New York in relation to

residency requirements for City employees.

Currently the Administrative Code requires certain City employees to be a resident of the City on the date that he or she enters City service or establish City residence within 90 days of employment and maintain City residence as a condition of employment. Failure to establish or maintain City residence constitutes grounds for dismissal.

The proposed law will allow City employees who have completed two years of City service to move outside of the five Boroughs and into the six surrounding counties. On June 19<sup>th</sup>, 2009, Introduction 992-A was approved by the Council and sent to the Mayor. Subsequently on June 29<sup>th</sup>, 2009 Mayor Bloomberg disapproved Introduction 992-A.

Additionally the Committee will

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hear testimony and vote on a resolution supporting
the continued operation of the Stella D'Oro
Biscuit Company in the Bronx. More than 130
workers at the Bronx factory face unemployment as
the company owners plan to close the factory in
October. The Council Resolution supports the
efforts of Local 50 and all workers at Stella
D'Oro Biscuit Company to maintain their jobs and
nrevent the closure of the Brony factor

We look forward to hearing testimony from interested parties. The Comptroller's Office has asked me to read something into the record. And I will.

New York City Comptroller William

C. Thompson, Jr. today urged Pennsylvania State

Employee's retirement system to consider his

concerns regarding its investment in Brynwood

Partners, parent company of Bronx-based Stella

D'Oro. In a letter to Pennsylvania State

Employees Retirement System, CIO, John Winchester,

Thompson wrote, as New York City's Chief Financial

Officer and Chief Investment Advisor to the City's

Pension Funds, I have consistently maintained that

companies have a duty to treat their employees

fairly and bargain in good faith. The failure to do so negatively impacts the company its employees and long term investors like Brynwood Partners, troubling management of its subsidiary Stella D'Oro, demonstrates a stark departure from this basic principle.

On August 13<sup>th</sup>, 2008, 136 Stella
D'Oro employees, members of Bakery, Confectionary
and Tobacco Workers and Grain Millers Local 50
went on strike. Stella D'Oro brought in
replacement workers shortly thereafter. Recently
the National Labor Relations Board found that
Stella D'Oro improperly refused to bargain in good
faith with the BCTGM Local 50. Following the
National Labor Review Board's decision ordering
the company to reinstate striking workers with
back pay, Stella D'Oro announced on the day before
workers were to return to their jobs that it will
close the factory.

Thompson continued it is my belief that such actions such as those taken by Stella D'Oro, and derivatively Brynwood Partners, are profoundly harmful to any investors' interests.

Such actions erode a company image, good standing

and civic relations. Before long an investment in that company becomes as unpalatable as that company's conduct.

I therefore urge you to carefully consider my reservations regarding Brynwood

Partners LT and the conduct of its subsidiary

Stella D'Oro. Thompson concluded. And there's just a little bit more. Okay having said that, people are going to testify? Okay. I have just two names to testify today. We have a Mr. Michael Filippou, did I pronounce that right Michael?

Thank you, of Stella D'Oro workers. Sure come right on up Michael.

COUNCIL MEMBER KOPPELL: Mr.

Chairman if I might make a brief statement.

17 CHAIRPERSON NELSON: Oh I'm sorry,

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19 COUNCIL MEMBER KOPPELL:

20 [Interposing] That's all right.

21 CHAIRPERSON NELSON: --and you can-

22 -you might as well take a seat and--

COUNCIL MEMBER KOPPELL:

24 [Interposing] Yes please.

25 CHAIRPERSON NELSON: --and Calvin

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2	Willia	ams of	Local	50,	please	you	can	sit	riç	jht
3	over t	here	and my	coll	league,	Oliv	er 1	Koppe	11	is

4 going to make a statement, thank you--

COUNCIL MEMBER KOPPELL:

[Interposing] Yeah. Thank you--

CHAIRPERSON NELSON: [Interposing]

Sorry Councilman.

COUNCIL MEMBER KOPPELL: appreciate Mr. Chairman, you putting this Resolution on the agenda. And I want to also thank the Speaker and the Speaker's staff for working on this. The Stella D'Oro Plant is in my District. It's been a fixture in the Kingsbridge, Riverdale area for many, many decades. In face I recall as a boy actually going to the restaurant that the Stella D'Oro management used to operate. The restaurant closed some time ago but the plant that makes the famous cookies and other bakery products has operated continuously. Until not too many years ago it was a locally owned and run business by the Zambetti [phonetic] family. Zambetti family sold it some years ago. I know it was owned by Kraft Food. And then more recently by the Brynwood Partners.

Mr. Chairman the actions taken by
the new owners, Brynwood Partners are the most
punitive actions towards labor that I have ever
observed in my many years in government. They
sought to reduce the worker's wages drastically,
well over--periodically the workers can testify
more specifically but well over 20%. They sought
to eliminate sick days. They sought to eliminate
vacation days. They sought to reduce the worker's
pensions. I mean basically they were moving back
the clock in terms of the benefits that these
workers earned by decades, by literally decades.
And no union, no workers could accept that kind of
treatment.

ensued, strike action ensued. We were, I was able to provide some assistance to the workers but unfortunately Brynwood Partners did not bargain in good faith. In fact I don't think they bargained at all. The National Labor Relations Board decided some weeks ago that the company was in violation of the National Labor Relations Act, ordered the workers to be rehired, ordered that a certain amount of back pay, although too little

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back pay as far as I'm concerned, be paid to the workers. The response of the company to the order of the National Labor Relations Board was to indicate that they were going to close the plant in October. This will cost over 100 jobs and it will eliminate, as I said, a local business that's been there operating for I think well over 50 years, going back to when, as I say, when I was a boy. And I'm hopeful that maybe something can still be worked out. I've put in an attempt to meet with the company to discuss this. I think a resolution hopefully will have some effect on the management so that we can reopen the issue of whether the plant will continue or not.

Again I want to thank the Committee for hearing this and assure the workers who are here today that certainly I and I know the Council will do everything in our power to see to it that Stella D'Oro continues in business.

CHAIRPERSON NELSON: Thank you

Council Member Koppell. It seems like there's a

laugh factory going on next door. Every time the

door opens. Which--either one of you gentlemen,

whoever would like to begin. Start first. Sure.

good faith. What we--at that particular time we

have 130 employees who was on strike and I'm glad

to say not 1 striker crossed the picket line at

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the time and they was out for 10 months. And we really think that that's really established because we really never had anyone who wanted to strike and we didn't have at least, you know, individuals that crossed the picket line. So we feel that was a victory.

Then we had a decision that the company had to bring them back which they did but at the same time we got a notice that they planned on closing Stella D'Oro within October. We just asking as much as help as we could possibly get and we'd like to have this Resolution brought to the table and have vote on it to accept this. And any help that y'all could give we would really appreciate it. Thank you.

MR. MICHAEL FILIPPOU: Good morning everyone. I want to thank you for giving me the opportunity to come here and give my testimony.

My name is Michael Filippou. I'm and electric shop steward and I'm here on behalf of my coworkers in Stella D'Oro.

And we on August 13 we went out on strike because we had no choice to defend our wages, pension, health benefits and our whole

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contract because the company wanted to rewrite the
whole contract from the beginning. So. That's
why we went on strike. We have no reason

otherwise to go out on strike.

So we've been on strike for 11 months and we all been united for all these months. We went through cold, heat, rains, snow and we be there strong. Finally we win the decision on the Labor Board. And we thought we have a victory but that victory was a bittersweet actually because they tell us in 90 days they're going to close the place.

And these people is, this Brynwood
Partners is—we think they have no heart actually
because on the negotiations on the table when
we're negotiating, one of the owners, he was
threatening us, I'm going to take my toy and I'm
going to leave. That's how they see Stella D'Oro.
They see it as a toy. Okay.

So that's the people who we have to deal with, Brynwood Partners Group. And we actually like you to help us to give some pressure to them so that Stella D'Oro stay in the Bronx.

We don't want the Stella D'Oro to move. It's a

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Comptroller's Office. Something like that could have an impact. And the only think that would impact perhaps the corporate heads is a financial problem. And we're hoping that we can incur this upon then. And we've been also, of course, sitting with us is Elizabeth Crowley, Council

COUNCIL MEMBER JACKSON: Good morning.

Member from Queens. Well thank you very much.

oh Robert Jackson. Council Member Jackson, RJ.

Any questions from any of my members? I'm sorry--

MR. WILLIAMS: Good morning.

MR. FILIPPOU: Good morning.

COUNCIL MEMBER JACKSON: First let

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me thank you as representatives of the workers in
coming forward and giving testimony on this
Resolution of the City Council that we're
considering. And let me just say that you are
heroes, not only for yourselves for standing up
but for your families and for all workers of the
Stella D'Oro factory, all workers in New York City
and all workers throughout the entire world.

MR. WILLIAMS: Thank you very much.

COUNCIL MEMBER JACKSON: Because what you have fought and basically won even though we don't know the final outcome, but you have won, because you have stood up and said no to greed.

Corporate greed.

MR. WILLIAMS: Yes.

GOUNCIL MEMBER JACKSON: Individual greed. As you know, as my colleague Oliver

Koppell had indicated, the Stella D'Oro factory
has been around for decades. And in fact I was
born and raised in New York a couple of decades
ago and I remember constantly smelling the good
smell at all times of day. And knowing that the
family sold the business and then it was
subsequently sold, but it's not only in this

COUNCIL MEMBER JACKSON: Partners

Group? My understanding, that's a private equity

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vote on by the City Council tomorrow is a clear indication that this City Council, the City Council of New York, stands with you and the workers and your colleagues in putting forward a Resolution supporting you. So we applaud you for standing up 'cause, you know, as you said during the 10 month or 11 month strike, over approximately 130 employees, not 1--[Interposing] COUNCIL MEMBER JACKSON: Not 1 Yes. COUNCIL MEMBER JACKSON: And even though you lived off whatever little monies that you had 'cause it's not like you were making \$200,000 a year or making \$1.5 million or making \$5 million a year. I assume that the average worker was only earning enough, just to get by, just to pay your rent or pay your mortgage and may even have to have a second job to do that. MR. WILLIAMS: He is correct. COUNCIL MEMBER JACKSON: So we

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support you. And yes, I was screaming out

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corporate greed because someone needs to scream that out. And yes I was saying that they are greedy. And no matter if they're fat, skinny, tall or short, black or white or yellow green, corporate greed is corporate greed. And in my opinion they're like rats. You need to get rid of them. Because basically it's destroyed the country. It destroyed the world. But we support you. And I just say congratulations to you for coming and representing yourself and your workers. And I as a member of this City Council, as someone who signed onto the Resolution, I will be speaking out tomorrow on the floor of the City Council in support of what you have done and also in opposition to corporate greed. So thank you very much.

MR. WILLIAMS: Thank you.

[Applause]

MR. FILIPPOU: Thank you.

CHAIRPERSON NELSON: Thank you

Council Member Jackson. It's in today's Post by
the way; I was reading it this morning in the
business section. I don't know if you guys have
seen this. The equity part of it. I'm going to--

well I have a question but I'm going to turn it over to Melissa Mark-Viverito. Council Member?

COUNCIL MEMBER MARK-VIVERITO:

Thank you. Thank you Mr. Chair and obviously I want to thank my colleague Robert Jackson for his impassioned words which I think really speaks on behalf of this Committee and this Council with regards to the support, you know, for the workers and for what you represent. And it is really my hope and my expectation that with this new Administration that we're going to have a much stronger National Labor Relations Board. That we're going to have an Administration that is much more willing to stand up and be strong for union workers in this country.

We've seen the erosion of unions and worker's rights over the past eight years under the Bush Administration. And it really is time for us to retake and reclaim our country.

That we understand very strongly in this Committee and I do as well that union jobs are quality jobs, are living wage jobs, provide benefits and stability to families, to neighborhoods, to communities, to cities across this country and

have done so for many years. So it really is important what you represent as workers, what you have withstood, that you have been united, that the National Labor Relations Board and hopefully the injunction will be upheld but that you have—it has found that this company has been egregious and has really—represents what we don't want to see happen in this country.

And the fact that they could sit and deny, you know, access to resources and access to the books and, you know, access to information that will, I'm sure if they made it available to you it would definitely demonstrate that they probably were not correct, that they were overstating their losses most probably.

But I really want to commend the work that you have done and the standing up of the workers and the union representing you. I think it's a really important measure and that we, again, stand strong as a City Council in standing up for you and that again my hope is that you will continue to see these kind of actions across the country and that we're going to hopefully see the rebuilding of quality jobs throughout this

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2 country.

So thank you very much for that and again I want to thank Robert Jackson for his impassioned words. Thank you Mr. Chair.

CHAIRPERSON NELSON: You're very welcome Council Member. Now the National Labor Review Board ordered Brynwood Partners to pay back wages. Could you explain what happened? Was it paid or if not, how much was paid or not paid?

MR. WILLIAMS: Okay they had ordered them to pay the back pay for what we did in May, we had sent the copy of the letter stating that we were willing to come back to work based on your old contract and to re-come up with a contract. And they refused to let the workers come back. So from that point on, they have to pay back all the back pay from that, you know, from all the wages from May all the up until what was it July when they first brought them back in. So they have to pay back all the wages from then. They're not going back from the beginning but they just going back from the time that we had put in the request that we will come back to work and they refused to bring them back.

2 CHAIRPERSON NELSON: How are you

making ends meet right now? Is?

MR. WILLIAMS: It's really rough.

Most of the people--right now they're back to work now but before then, we had a lot of people who was falling behind in their mortgage and everything but what we did was we had, we took up a strike fund and with the strike fund we've been helping out, you know, like helping out with the, helping the members with, you know, making ends meet, you know. Some of the, wives and husbands work at the same place so therefore you had two at one shot. You know, some places you had maybe the husband might work there but someone else, but the wife works somewhere else so it balanced off.

The biggest thing was the health coverage because throughout the whole ten month there was no health coverage at all, you know, so that was the main thing that was going on.

Fortunately we had a lot of support with the community and everything and they even had a health clinic that was willing to give them health coverage free of charge while they's on strike.

So that was very good, you know.

Also I'd like to thank, you know,
Oliver Koppell and, you know, all the Councilmen
and everybody on, you know, the City 'cause
they've really been very strong with us. We had
rallies. They showed up. They supported us very
well. And, you know, we would like to say that we
really appreciate all the help 'cause we strongly
believe that once the company has started seeing
that we did have support and we wasn't going to
just walk away from it, it made it much better to
deal with. And I believe that the membership felt
much better about it and that's why we didn't have

They believed in the union. And they believed in each other that this was the only way that you could survive because what we tried to explain to people, if they do it to them, the only thing they're going to do is just start a chain reaction and go from one to another. So we even had unions that backed, backing us up, strongly, because they understand that it's our fight today but tomorrow it'll be they fight. So everybody have been very strong and supportive of

not one person cross the line because they really

believed in the system.

MR. FILIPPOU: Thank you very much.

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thank you.

1	COMMITTEE ON CIVIL SERVICE & LABOR 26
2	MR. WILLIAMS: Thank you. Once
3	again we would like to say thank you on behalf of
4	the Stella D'Oro members and also the President of
5	Local 50, Joyce Alston and myself Calvin Williams.
6	Thank you very much for the time.
7	CHAIRPERSON NELSON: You're very
8	welcome. You're very good spokesmen,
9	spokespeople. Thank you very much.
10	MR. WILLIAMS: Thank you.
11	CHAIRPERSON NELSON: Is Billy here?
12	Oh there's Billy. All right. Would you please
13	call the roll for the vote?
14	MR. WILLIAM MARTIN: William
15	Martin, Committee Clerk. Roll call on the
16	Committee on Civil Service and Labor. Council
17	Member Nelson.
18	CHAIRPERSON NELSON: Aye.
19	MR. MARTIN: Gennaro.
20	COUNCIL MEMBER GENNARO: Mr.
21	Chairman I just wondered if this is a coupled vote
22	for the residency and also for the Stella D'Oro?
23	Is it?
24	CHAIRPERSON NELSON: Would that be
25	okay? Terrific Sure Sure

1	COMMITTEE ON CIVIL SERVICE & LABOR 27
2	COUNCIL MEMBER GENNARO: Okay. I
3	just, I didn't know. I didn't know if we were
4	voting for both of them
5	CHAIRPERSON NELSON: [Interposing]
6	Voting on both of them.
7	COUNCIL MEMBER GENNARO: Okay.
8	CHAIRPERSON NELSON: We have to do
9	the roll again for the next one, right? All
10	right. [Talking off mic]
11	COUNCIL MEMBER GENNARO: Happy to
12	do them separately. I just didn't know.
13	CHAIRPERSON NELSON: You want to do
14	the first? [Off mic]
15	COUNCIL MEMBER GENNARO: What's
16	that?
17	CHAIRPERSON NELSON: And then the
18	Stella D'Oro Reso? Oh I'm sorry. Okay. The
19	first vote will be for the residency requirements.
20	I'm sorry. And then it would be the Resolution on
21	Stella D'Oro. Intro, right, Intro 992-A, I
22	believe. Yes. I'm sorry. And could the Council
23	Members vote, couldn't he vote for both of them on
24	[Off mic] could he?
25	[Pause]

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service, of residency rather within the City of New York, you have a right to move anywhere within the six counties that are included in the law, Nassau, Suffolk, Westchester, Rockland, Orange and Putnam County.

And obviously this is a good cleanup bill. And what I don't understand is going back. I don't understand why the Mayor vetoed the first bill. And knowing that we overrode that veto why would the Mayor be insistent on vetoing this bill knowing that it's a cleanup bill, knowing that the Council was adamant to correct the situation for a couple of other thousand employees that was left out. Knowing that we're going to--we passed it in the City Council, knowing that we were going to override a veto if in fact he vetoed it and which he did.

So as a member of this City Council and as a prime sponsor of the previous legislation, I just don't understand the logic and reasoning of the Mayor to veto this knowing that we were going to override the veto. It just doesn't make any common sense to me. Maybe, maybe common sense doesn't rule in this City. So I say

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left out.

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on it on the	floor tomorrow, t	hat
tant bill for	the people that w	ere
	on it on the	, especially on this Committee, on it on the floor tomorrow, tant bill for the people that w

And if we are about a City of inclusion then you need to include everyone. And this bill that includes everyone who becomes a City employee that were in a covered title that residency is mandatory, that residency will be mandatory for two years of employment and subsequently they can move to any one of the six counties they so desire. So with that I urge my colleagues to vote yes and to override the Mayor's veto. Thank you.

CHAIRPERSON NELSON: Thank you

Council Member Jackson. Now to be crystal clear
this bill will re-pass the Intro 992-A as well as
override the Mayoral veto. This is--gets
sometimes a little convoluted. But if fairness
plays any role in life and legislation, 992-A
should pass and it will of course.

[Pause]

CHAIRPERSON NELSON: Right. So shall the Committee pass the Intro notwithstanding

1	COMMITTEE ON CIVIL SERVICE & LABOR 32
2	the Mayor's veto? Okay.
3	MR. MARTIN: Council Member Nelson.
4	CHAIRPERSON NELSON: Aye.
5	MR. MARTIN: Gennaro.
6	COUNCIL MEMBER GENNARO: I vote
7	yes.
8	MR. MARTIN: Mark-Viverito.
9	COUNCIL MEMBER MARK-VIVERITO: I
10	vote aye.
11	[Pause]
12	CHAIRPERSON NELSON: Council Member
13	Seabrook has a vote going on at the same time in
14	two different rooms. So thank you for bearing
15	with us.
16	MR. MARTIN: Council Member
17	Seabrook.
18	COUNCIL MEMBER SEABROOK: I vote
19	aye.
20	CHAIRPERSON NELSON: Now we will
21	vote to adopt the Preconsidered Resolution.
22	MR. MARTIN: Council Member Nelson.
23	CHAIRPERSON NELSON: Aye.
24	MR. MARTIN: Gennaro.
25	COUNCIL MEMBER GENNARO: I proudly

[END 1002]

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I, Laura L. Springate certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Laura L. Springete

Signature \_\_\_\_Laura L. Springate\_\_\_\_\_

Date \_\_\_\_\_ August 14, 2009