

CSEA HISTORY PROJECT

DAVID STACK INTERVIEW

June 22, 2006

INTERVIEWER: Today is August -- today is Thursday, June the 22nd, 2006. We're in Albany and speaking with David Stack, who is the Director of Internal Operations for CSEA and, David, welcome.

Let me ask you first, when did you first become aware of an organization called CSEA?

MR. STACK: I guess I first became aware when I was going to school, going to Siena College, working part-time in the Post Office. One of the jobs I had was to pick up the mail and on that route was the CSEA Office Building. I didn't know much about them but here's a spot I dreaded to come to because there was bags of mail every day to be picked up at CSEA, so that was kind of my first sense of what they were all about.

INTERVIEWER: And how did you come to work for CSEA?

MR. STACK: When I graduated from Siena I went to work with a local public accounting firm and one of the clients was CSEA so I was an auditor with the accounting firm in

downtown Albany and came up to 33 Elk Street as part of the audit team and that was probably '72 or so.

INTERVIEWER: Okay. And then how did your role evolve with the organization?

MR. STACK: I got to know the folks who were on the finance side of the operation and they got to know me. There was a guy who became Comptroller, Tom Collins. He talked to me about taking on a job at CSEA and I decided to make that change in December of '74.

INTERVIEWER: Okay. And so you came on board. What was -- what did the work entail at that time?

MR. STACK: It was real accounting. I mean back in that time it was still grinding out, posting virtually manually, records for the organization and I was responsible, for the most part, for that Finance Department; paying the payroll, taking in the dues, paying the bills, working with the treasurer, who was Jack Gallagher at the time, doing budgeting, those kinds of things.

INTERVIEWER: What were some of the

nuts and bolts of the way CSEA functioned? I mean they were looking to member dues. How did the dues money come in? Did they have to go out and sign up members and have direct payments or was there payroll deduction?

MR. STACK: There was payroll deduction. One of the big issues, however, was to get these dues cards in because the organization was really growing back then, growing by leaps and bounds, and we had literally thousands of membership cards that had to be processed which meant, back in that time, manually coding up some information and sending it off to the State or to the local government area, so there was a lot of manual intervention.

It was payroll deducted. Part of the old process was that a guy on staff would walk down the street. He knew what drawer in what desk our check was every week, so he walked down on his own and went into the State Office Building and picked up that check and brought it back and at the time that was a lot of money for us.

INTERVIEWER: Really.

MR. STACK: So it was a folksy kind of an operation.

INTERVIEWER: M-m h-m-m. And what -- what were dues -- what were dues like at that time for members of CSEA?

MR. STACK: Back in those days it was a flat rate and I suspect it was probably a dollar a pay period.

INTERVIEWER: Okay. So like -- basically like 50 cents a week --

MR. STACK: Something like that, yeah. When I first started, I think that's what it was, yeah.

INTERVIEWER: Okay. And were you responsible for all of the accounting of what was coming in, what was going out, how that worked?

MR. STACK: I was. When I first started I reported to Tom Collins, who was the Comptroller. But in terms of the actual Finance Department I was -- I was the head of that. My title back then was Director of General Accounts, I believe. Supervisor of General Accounts.

INTERVIEWER: Now did you also have payroll deduction for the local government members?

MR. STACK: We did. We had payroll deduction pretty much everywhere, yep.

INTERVIEWER: Okay. And what about membership records? How did that work? Was -- I know that over the years there seems to have been an issue that -- where you deal with the State of New York there's a fairly sophisticated approach to your personnel records and yet when you deal with, you know, smaller municipalities and school districts sometimes it's not quite as sophisticated.

MR. STACK: We had all of those issues and the State was in pretty good shape. Local government really ran the gamut from some of the larger ones that were, at least to that point, computerized. A lot of the information back in those days was the punch-card kind of operation.

CSEA in the early seventies went through a really difficult struggle with record keeping. They had an internal computer operation, an old IBM punch-card operation,

which they removed in favor of a service bureau commitment that never really came to be. So a service bureau came in, promised to do all these things and it didn't work and records piled up and they were months behind, and as it turned out they eventually had to go to another service bureau to get out from under.

But it was back in the time when the Board was much more involved in these issues than they are today, so this was a topic at what was then monthly Board meetings. It was a trying time.

INTERVIEWER: Interesting. The -- tell us about the CSEA voluntary insurance program because that's a program that dates back to the late 1930s and has had an enormous amount of success within the organization.

MR. STACK: That plan -- and I have to go back in history and remember what folks told me, but it did start way back at the beginning when there was really no hook to have individuals sign up as a member of CSEA since we really couldn't negotiate for them, but this group insurance plan really took hold and by the

time I got here in the early seventies there was probably 40- or 50,000 members in this group insurance plan.

And again, the record keeping was not very sophisticated although we did have, for the most part, payroll deduction. There was some direct pay involved in the insurance plan, but that really sold a lot of people on becoming members and I think it really added a lot of impetus to the growth of CSEA prior to the Taylor Law.

INTERVIEWER: What was the -- what's the benefit for the member from the program and then how does that in turn support CSEA?

MR. STACK: For the member it was, first of all, a convenience of payroll deduction so you could get a fairly good amount of insurance and you wouldn't miss the payment because it came right out of your check.

Secondly, it was group rates. The rates were lower because the insurance company knew they were going to get paid. They knew it was going to be an automatic deduction process and CSEA was in between.

We did the administration so the insurance company didn't have to process any of those records. We did them and we even -- we processed the death claims, we collected those benefits, and at the time delivered those benefits through the local president to the beneficiaries.

And also, I don't know if this is still true, but at one point we had the largest employee payroll group insurance plan in the country and that's what Travelers Insurance Company told us.

INTERVIEWER: Seems like this whole concept was very much ahead of its time. The idea of offering this kind of a benefit created an affinity between the individual and the members. This was a perceived value for being a part of the membership. Is that basically the concept?

MR. STACK: I would think so, and the guy who I really identify is Joe Lochner, the -- I guess the first employee of CSEA, the former executive director. He was a real champion of the insurance plans.

INTERVIEWER: Okay. And how has that program evolved and grown?

MR. STACK: That plan continues to this day. We still have in excess of 40,000 members. It's a very successful plan. We have over the last few years issued dividends and over the history of the plan we have issued \$30 million in dividends back to the membership, so it's been a very successful plan and operates well and we continue to grow that plan.

INTERVIEWER: M-m h-m-m. Are there other programs like that out there for people?

MR. STACK: In addition to the group life insurance plan we have a disability plan. They also can get auto and homeowners through us. There's other -- some other options on life insurance so you can purchase now whole life through CSEA, so we've evolved some of these other plans. But the basic flagship plan was that group insurance plan.

INTERVIEWER: Okay. You mentioned Joe Lochner. I assumed he was still here as executive director when you came on board. What can you tell us about him?

MR. STACK: Interesting guy, a real -- a real hard charger. He wasn't held back by things like departments. If there was a job to do, he just rallied the troops, got everybody together and got the job done. He wandered through all the departments and got in people's business but he was good. He was a great guy.

INTERVIEWER: And he was succeeded, I think, by Joe Dolan, as executive director. Tell us about him.

MR. STACK: Joe Dolan -- when I first came on board the -- I guess I'd think of -- the triumvirate was Lochner was the executive director, Dolan pretty much ran the local government side of things and Jack Carey ran the State side of things. Joe Dolan was out in the field, knew a lot about the politics of counties throughout New York State and still maintains some touch with CSEA these many years hence.

INTERVIEWER: Okay. Tell us about the personality and style.

MR. STACK: Personality and style for Joe Dolan was more than bull-in-a-china-shop approach, I'd say.

(Laughter.)

MR. STACK: You could tell when Joe was around. You could hear him and he wasn't afraid to tell you what he thought about things. Interesting guy, hard-charging.

INTERVIEWER: Okay. So these guys at that time were the executive directors and they were pretty much responsible for all of the internal operations dealing with the staff. What was the role of the officers of the union at that time?

MR. STACK: The officers, and this has really evolved a lot through the years, but in the early seventies my recollection is the only full-paid officer was the president, so all the other officers were not as vocal or not as visible to the organization.

For instance, Jack Gallagher was the treasurer and I worked with Jack for a number of years. He had a job on the Thruway, working for the Thruway Authority, and he would come down into headquarters once or twice maybe a week for half a day because he had a full-time job to do.

That was also true with the secretary

and all of the regional presidents, so if they had a deal out where they resided that was a no-show that was different, but for the most part they had maintained full time jobs.

INTERVIEWER: Okay. But you did mention that there was a Board that met on a monthly basis. Was it as large as the Board is today and what kind of involvement did they have in the operations?

MR. STACK: The Board back then -- and this was back in the days when we represented the PS&T Division, so you had people at some higher grade levels in State service. A lot of those folks had leadership positions on the Board. The Board was much more involved. The Board met monthly. They met at headquarters, at least way back in the early seventies, so there was a Board meeting downstairs in the building.

If they were on an issue they could call upstairs and get an employee down to ask some questions of. The Board committees such as personnel and budget, I recall being very vocal, very strong.

INTERVIEWER: A lot of interaction

with staff?

MR. STACK: A lot of interaction with staff and at the Board meetings -- now we experience a Board meeting that lasts maybe three hours. These are six-, seven-, eight-hour ordeals and they were monthly.

INTERVIEWER: Okay. Interesting that. You know, while we're on the subject of some of the officers, certainly there were some very colorful figures back in that day, not to say there aren't some at this point in time either, but certainly Ted Wenzel as the president of CSEA certainly sounds like he was just a very colorful leader of the organization. What were your relations with him?

MR. STACK: Wenzel to my mind -- and, of course, I was just a young guy starting out then. Difficult guy to get to know, at least from my impressions. I recall the story of -- and again, my first experience was through the outside auditing firm.

One of the partners in the auditing firm went to a meeting with Ted Wenzel. It was on a big issue and I believe it was the issue of

we lost payroll deduction for one of the State units who went on strike for a couple days, and so we were put -- CSEA was put in the position of having to collect those dues, a big important critical issue. The accountants were in for a meeting.

The partner at the accounting firm describing the meeting to me said Ted Wenzel was in a reclining chair. He had his shoes off and he was eating peanuts during the meeting, so he was a bit detached on some -- on some of the more detailed items.

INTERVIEWER: Okay.

MR. STACK: Very bright guy as -- was the impression I had.

INTERVIEWER: He obviously, you know, had a transition to Bill McGowan. There's a very famous story about McGowan's victory being very close and Wenzel refusing to actually vacate his office. Were you here and do you remember that incident?

MR. STACK: I was around during those times. The incident -- the piece of the incident that I remember more is when you think

back and we talked about some of the improvements and changes. The election that year was done similar to what the baseball All Star voting, how that is done.

It was just a punch-out kind of a ballot and as I recall hearing the story, the candidates were right there on the floor as these ballots were counted and processed and even had the ability to touch some of these ballots and this was a very close election and folks told me that Wenzel had a bunch of 'em and said they weren't counted right and you could see the little chads falling out of the ballots as he was talking.

So it was a very close election. I don't recall the part about not vacating the office but it was a bitter election.

INTERVIEWER: Okay. What was the mood among the staff when you had that transition from Wenzel to McGowan?

MR. STACK: I think folks knew a bit about Bill McGowan. He was the executive vice president. As I recall Bill McGowan went to the Board and said that he wouldn't be a part-time

officer and that's when there was a change to full time for executive vice president, so McGowan got to hang around a little bit more and the staff knew him.

Bill McGowan also had the backing of the attorneys at the beginning anyway, Roemer and Featherstonaugh. Got along well with the guys who ran the State side of the shop, Jack Carey, Bob Gile and folks like that, so he had a good following. He was popular.

INTERVIEWER: And what was his style like? How did he relate to folks in the building?

MR. STACK: He was a down-to-earth folksy kinda guy. Said hi to everybody. Came in full of life every day. Didn't get rattled too much. You saw him in the morning and he had the cigar in his mouth and he'd just go through a cigar a day and keep pretty much on an even keel. He spoke with everybody. I think everybody liked Bill McGowan.

INTERVIEWER: Okay. Now, probably around that time, maybe a little earlier, there was also kind of a big operational change for

CSEA in that they went to a regional concept and actually opened regional offices. How did that come about?

MR. STACK: Yeah, that was a big change and that change came a bit before I got on the scene, so there was regional offices at least started when I was here in '74, but you could see the place evolving as the regional officers became a bit more involved in the organization and had their own issues and, you know, wanted some equal time on things so it was the beginning of a stronger regional operation than previous.

INTERVIEWER: Okay. Certainly one of the watershed moments for CSEA comes in the late seventies when there's a decertification fight with the PS&T Unit and they leave to become PEF. I would imagine for you dealing with the finances of the organization that was a particularly challenging time.

MR. STACK: That was a staggering blow and there were some tough budget years as we tried to sort through that. It was -- it was tough but, again, on the administrative side it

was more behind the scenes. The guys on the front lines, particularly the State guys, very difficult for them because they worked hard on the campaign and that was a tough time for CSEA.

INTERVIEWER: What do you remember about the relationship between CSEA and PEF in those early times?

MR. STACK: Not a heck of a lot. I mean once they were out the door it was we don't wanna deal with them and I don't think they wanted to deal much with us, so --

INTERVIEWER: Do you have any perspective on what led to that, what led to that de-cert?

MR. STACK: I really don't, no. It wasn't my area. I -- you know, I look back on -- I think one of the biggest events in CSEA history, at least in my 30 years, happened in '75 at the Palace Theater. It's a thing that really stands out in my mind and that, I believe, was a meeting of State local presidents and it was called to take a strike vote on a State contract, and you had on the stage -- Ted Wenzel was president, and I believe the other

officers were there.

They called for a vote. Someone just reminded me that Marty Langer who you spoke to earlier made the motion for that. It was a voice vote. Standing in the back as kind of a new guy, it seemed awful close to me. The president banged the gavel and said the ayes have it and the meeting was adjourned.

All chaos broke out as I remember it. Wenzel and the other officers left the stage, left the building, but the people continued to have a meeting. As the afternoon wore on the executive vice president came back to the meeting, Tom McDonough.

Eventually Wenzel came back, confronted McDonough on the stage as to why he had come back and this thing was chaos that day for CSEA and I believe the newspapers even carried the banner that CSEA took a strike vote, and as it turned out I think that vote was overturned later in the day.

That led to difficulties between Ted Wenzel and Jack Rice, who was Chief Counsel. That led to Rice leaving the CSEA account.

Eventually it's why Roemer and Featherstonaugh, who were staff attorneys for Jack Rice, took over as CSEA Counsel, and all of those things I see rolling from that meeting back in '75 at the Palace Theater. I still say a big event in CSEA history.

INTERVIEWER: Because it basically changed the direction of a whole bunch of the way things operated.

MR. STACK: It certainly did, yep.

INTERVIEWER: Okay. And I would assume that that also -- that led into McGowan's election.

MR. STACK: Right into the McGowan election, yeah, and again the backing of the attorneys in those days, whether it was Jack Rice previously, or Roemer and Featherstonaugh later on, that was quite important.

INTERVIEWER: Well, talk a little bit about that because it seems that as you look at the overall history of CSEA, particularly from the early days on, the retained legal counsel seemed to have an enormous role, obviously much more so than we do today, but there was a much

more limited staff then as well. I wonder if you could talk a little bit about how that evolved as you saw it.

MR. STACK: Some of the early recollections I had was on the second floor at CSEA Headquarters, which we affectionately called Mahogany Row, Ted Wenzel was in one corner and right next to him was Jack Rice's office.

I recall going into Rice's office back in the old rotary phone days. Jack had two of 'em. I think he was on the phone to the Governor and he may have had the speaker on hold. He was extremely connected.

Joe Lochner, the executive vice president -- or Joe Lochner, the executive director, pretty much went through Rice in terms of what was going on in the organization and I certainly got the sense that the organization, whether it was on the State side, Jack Carey and his folks, didn't make too many moves without Jack Rice being involved, so extremely powerful position in CSEA at that time.

INTERVIEWER: And how did that evolve

when Roemer and Featherstonaugh came on as the retained counsel?

MR. STACK: Roemer-Featherstonaugh, when they came on, young guys back then and were well-connected to some of the Board members so they had to work a little harder. They didn't start in a position of power but they worked the organization well, they got along with people who were important, particularly Board members, and so they had great influence on Board members, particularly members or other officers within the organization. Great influence.

INTERVIEWER: Okay. You know, from all of this set of circumstances that we've been talking about over the last few minutes, it comes to some further development in the affiliation with AFSCME and, again, another watershed moment for CSEA in that for the first time the organization becomes affiliated with the AFL-CIO through the international union AFSCME.

How do you recall the actual affiliation coming to pass?

MR. STACK: That was around the same

time that our Benefit Fund started and Tom Collins, who was the Comptroller, left to head up the Benefit Fund so I became Comptroller. I worked closely with Jim Roemer in terms of some of the financial aspects of this affiliation agreement. How we could structure funds coming back to CSEA to ease the burden on our members because there was going to be a dramatic increase in dues to pay these per-capita payments.

So I worked a lot with Jim and also with our communications guy, Gary Fryer, who was part of the committee to educate the membership about this affiliation. I had the opportunity to go to Washington with Jim Roemer and Bill McGowan during these affiliation talks. We met with Jerry Wirth and Bill Lucey, who was still -- he was back then still treasurer, and their general finance guy, Jim O'Malley, so the six of us in a meeting in Washington spent a day working on how much would come back to CSEA in terms of grants, how we would structure that money and the impact of that on our dues.

I recall going out that evening to

kind of celebrate this agreement with Wirth to a French restaurant. It sticks in my mind because we had Bill McGowan who was kind of a hot-dog-and beans kinda guy at a fancy French restaurant in Washington and Bill without spending much time on the menu ordered French onion soup and French fries and a steak, which he would order anywhere, so the fact that he was in a big restaurant didn't impress him much. So that was McGowan at a very important time in CSEA history.

INTERVIEWER: How did the transition to being part of AFSCME work and, initially, I believe there was a trial affiliation for a limited period of time while the committee was studying whether to make it permanent.

MR. STACK: There was some of that going on and Bob Lattimer was on that committee along with Gary Fryer and some other folks. They had reports to the Board and to the delegates. There was some AFSCME people that came up to visit us. We went down to Washington; tried to get to know each other a little bit.

Certainly told about the benefits of being part of organized labor and Bill McGowan was certainly a champion of that. He certainly believed in organized labor and the affiliation and that was important.

And AFSCME put on a good show for us as well. Asked down to meetings with important people. I think we attribute the first visit when Jimmy Carter came to our convention as part of the strength that we received through the AFSCME affiliation.

INTERVIEWER: M-m h-m-m. Okay. We certainly went through, you know, another transition in the mid-1980s when there was kind of a power struggle between McGowan and McDermott. What was that all about?

MR. STACK: Boy, I look back and it's hard to even identify what it was all about. There was just a change, at least from my perspective, a change in how McGowan viewed Counsel. Counsel was close to McDermott. There was a question of loyalties and all of that kind of, you know, took a turn for the worse I guess I'd say. The particulars of it I don't even

recall.

INTERVIEWER: Okay. And, you know, in retrospect it almost seems like a very limited issue to you.

MR. STACK: It does now, yeah. At the time I'm sure it wasn't but it does now. There was real concern about changes. You went from a folksy kind of a guy like McGowan. Joe McDermott was more facts-oriented, more detailed, so there was a transition there.

INTERVIEWER: M-m h-m-m. What were some of the changes that you saw when McDermott became president, when Joe McDermott became president of CSEA?

MR. STACK: I believe there's a lot more reporting. In Bill McGowan's time it was pretty much, hey, if something comes up, let me know. Give me a heads up. McDermott's time it was more he wanted reports. I guess for me a little nutshell of how this worked, I would do the budget with Bill McGowan in ten minutes maybe. Bill, here's the budget, here's the numbers. He'd always ask me, you know, is there a little somethin' in there I can play with?

I'd say, sure, put that aside. Fine.

When I did the budget with Joe McDermott I had to, you know, line out the day. He wanted details. Every department, what was in it. You know, what the supplies were, just everything. A real change in how things are operating.

INTERVIEWER: Was there a change in a lot of operations at that time and how did that evolve?

MR. STACK: I think there were some restructuring of departments but in the 30 years that I've been here we've been through a lot of...

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MR. STACK: (Continuing) ...those so they really don't stand out for me, but there was some restructuring in terms of there was some replacement of folks, some new people on board, different reporting processes. The details kind of leave me but there were some changes.

INTERVIEWER: M-m h-m-m. How do you manage an organization on the scale and scope of

CSEA? Obviously with 265,000 members it's a big city. There's always, you know, a lot of nuts-and-bolts issues involved in dealing with numbers on a scale like that and certainly you're handling an extraordinary amount of money on a regular basis.

MR. STACK: First thing it takes is good people and we certainly have those folks. The people that have worked with me for a number of years, our Director of Finance, our Director of Information Systems, we've worked for 25 years together, so everybody knows their role and gets the job done.

The other interesting thing that I see, and this is probably true with a lot of unions, they pretty much leave the back room, the operation side, alone. Nobody wants to get too political on the money issues, so for -- it's pretty much been a hands-off operation.

As long as we report to them, let them know how things are going, they let us do the nuts and bolts, if you will, and I think that works.

INTERVIEWER: You know, as you look

back over the time you've been here with CSEA, what are some of the things that you see as being dramatically different and what are some of the things that you see as being the same?

MR. STACK: Dramatically different despite all the continued criticism that we're not up-to-date in terms of computerization and technology, there is a dramatic change in how we do business. We are connected, all of our offices are connected. We have voice and internet, over-the-phone lines, we have 300-and-some machines on line. We have a terrific phone system where anybody around the State is just an extension away. The whole processing of e-mails, just how we track membership, the information we have is dramatically different than what we used to do. That is a big change.

In terms of what hasn't changed, some of the things and some of the questions that you see at a Board meeting you could drop back 10, 20 or 30 years and those same kinds of things were really the same because you have turnover there. New folks get into the positions and they're asking questions which are new to them

but for us, you know, we've heard 'em before.
So in that respect, it's the same.

How our locals operate is very much the same, although we demand much more reporting from them. There's still a little microcosm, a small little mom-and-pop operation in terms of finances and we run into the same kinds of problems in terms of record keeping or people leaving office without us knowing it, so those are things we've dealt with for a number of years.

INTERVIEWER: M-m h-m-m. What are some of the indelible memories. You certainly talked about the Palace Theater situation back in '75. Are there some other watershed moments that come to mind for you; things that, you know, are just kind of etched in your mind?

MR. STACK: Well, certainly the affiliation and what happened then, not only -- I was very impressed by the meeting I had down in Washington with Jerry Wirth, who is just a fascinating guy. To look at him physically he is a very small man, had some paralysis; extremely tough, as tough a guy I think as I

ever met in negotiations. He was tough and he really, you know, let us know that we were affiliating with them. I mean this was -- he had something to say about, so that sticks out in my mind.

When the President -- when President Carter came to our convention, that was a big deal for CSEA. A lot of anticipation and it was quite an event. I think everybody felt good about being CSEA then.

The big march in Albany we had, and I forget what year that was, but to have --

INTERVIEWER: The hot day in February when Cuomo was Governor?

MR. STACK: I think even before that we had a larger one --

INTERVIEWER: Okay.

MR. STACK: -- and I can't remember just when that was.

INTERVIEWER: There was one in '75. There was --

MR. STACK: That --

INTERVIEWER: There was a big one in '75 with --

MR. STACK: I think it was back then.

INTERVIEWER: -- with Hugh Carey.

MR. STACK: That was a -- I mean we filled downtown Albany with CSEA that day, so that was a big event.

The meeting at the Concord when they went to an internal law firm, in-house counsel. That was a big event because Roemer and Feathers were such a big part of this organization for a number of years, so that was -- I thought that was dramatic.

INTERVIEWER: M-m h-m-m. Okay. Did -- let me ask you this: Why do you think CSEA's been able to survive and thrive for close to a hundred years?

MR. STACK: When I think of some of the things we have stumbled on yet the organization keeps going, my answer is that it is such a big, enormous machine. It's very difficult to change it, to move it, but it just keeps going. It's like a glacier. There's so many pieces of it and it's so large, I can't see it ever stopping. It's just gonna continue.

We have challenges, but in the big

scheme of things it is a big operation, a lot of people, a lot of dedicated members, and it's tough to stop.

INTERVIEWER: Okay. Well, Dave, thank you very much.

MR. STACK: Thank you.

(Conclusion of interview of David Stack.)

