

**NATIONAL SECRETARY-TREASURER'S REPORT  
TO THE  
NATIONAL EXECUTIVE BOARD**

Ottawa, Ontario  
June 14 - 16, 2016

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Dear Sisters, Brothers and Friends,

I would like to begin by welcoming the new National Executive Board members, Sister Nan McFadgen, Regional Vice-President, Nova Scotia and Brother Gord Delbridge, Regional Vice-President, Manitoba. I look forward to our work together. As we welcome our new NEB members, we are also saying goodbye to Sister Lucie Levasseur, Quebec General Vice-President who has decided to step down from her position of CUPE-Quebec President after many years of commitment service to CUPE. Sister Levasseur's successor will be elected on June 8 at a special convention.

By all accounts, as summer arrives, so do the opportunities for CUPE activism at cultural events, Pride parades, community picnics and other warm weather events. This season provides CUPE members with the opportunity to connect with our allies and communities in our efforts to build solidarity and to promote public services and the work of our union across the country.

As we have done since early May, we all continue to monitor the impact of the wildfires that devastated Fort McMurray and surrounding communities. From the moment of the evacuation to the present, CUPE continues to offer our assistance to our affected CUPE members, staff and the community. Our members in the Fort McMurray region work in elementary and secondary schools, municipalities, recreation programs, at the airport and in social service organizations. Many CUPE members lost their homes and some of their workplaces.

We also know that CUPE members were centrally involved in the evacuation efforts and remain on the forefront of the emergency response and re-entry preparation. We could not be prouder of our local leaders and staff in Alberta who continue to provide support and coordination from both evacuation centers and from our CUPE offices in Alberta. Their efforts have been heroic.

After consultation with CUPE Alberta and our staff on the ground, CUPE National has set up a *CUPE National Disaster Relief Fund – Wildfires in Northern Alberta* which will go directly to the communities impacted by the fires. Many of you have generously contributed to the fund. I am proud to report that with the generous contributions of the Divisions and locals, members and staff, CUPE National has raised over \$167,000 for the fund. This is in addition to the tens of thousands of dollars that CUPE locals in Alberta and elsewhere have contributed to the CUPE Alberta Fund. For all that has been done, and all that we will continue to do to assist, we can be very proud.

### ***Strike Fund Taskforce***

As you know, my office continues to support the very important work of the National Strike Fund Taskforce. During the Taskforce meetings we are taking the time to look closely at how we protect our Fund and how we can increase our support to our striking members.

The Taskforce has a mandate from the 2015 National Convention to discuss:

- the strike pay waiting period
- the amount of strike pay
- the impact of strike regulations on our members who are precarious workers
- the access to the fund for the essential services sector
- and other related strike issues

As planned, the Taskforce will report to the September NEB and we will then bring our findings to each Division convention in 2017.

### ***Division Conventions***

The 2016 Division conventions have now concluded. I had the great honour of participating in all nine conventions. While there are big geographical, economic and cultural differences between the regions of our country, the strong threads of unity are woven into the fabric of our great union and we are united in many ways. As I travel the country, I am increasingly aware that CUPE National provides that unity and strength. CUPE is at the forefront of the fight for strong communities and workplaces. We are all doing incredible work.

I would like to thank the NEB members who assisted in organizing my National Secretary-Treasurer's Breakfast at each of the Division Conventions. It was a privilege for me to be able to address close to 1,000 members who attended and to give them updates on per capita, the Trustees' Report and other financial issues. I heard many challenges concerning finances and the administration of our local unions. We will redouble our efforts to assist, train and support our locals in this aspect of their work.

### ***2015 National Convention***

For the third time in its history, CUPE hosted a carbon neutral event. In order to achieve this, we worked with CarbonZero who quantified greenhouse gas (GHG) emissions.

With this available data, we are able to offset these emissions with payments going directly to organizations that work closely with CUPE on environmental issues.

Some interesting key results collected by CarbonZero:

- The 2015 CUPE convention emitted a total of 4,116.91 carbon equivalent tonnes, compared to 2,090.70 in 2013, up 96 per cent from 2013. This is predominantly due to the location and the increased square footage required due to an attendance growth of 9%.
- 3,025 kilograms of materials from convention were recycled or composted in Vancouver, representing 63.5 per cent of the materials. The other 1,737 kilograms of materials went to landfill.

### ***Regional Activities***

I am very happy to say that significant regional and local campaign requests are being recommended at this NEB. As I discuss campaign plans with local leaders, or review their campaign proposals, I appreciate how much work goes into the planning of these projects. I am particularly heartened to see that almost all cost share requests now include a members mobilizing component. This will make a very significant difference in our campaign effectiveness, both inside CUPE and with the community in general.

This spring I was very pleased to be able to attend several dynamic sector conferences in Ontario.

Municipal locals came together at the end of March at the Ontario Municipal Employees Coordinating Committee (OMECC) conference to focus on building their bargaining strength. CUPE members in this sector committed to back each other up in bargaining and through campaigns to fight against privatization, contracting out and against the very serious concessions that many are facing. Some of the most dynamic campaigns to improve the rights and working conditions of our precarious workers are being launched in this sector. Further, I was inspired to hear of the plan to increase lobbying efforts directly with the politicians who make the decisions affecting our communities and workplaces.

Social Service locals met and mobilized at their Social Services Coordinating Committee (SSWCC) conference in London Ontario in early April. Their call for fair funding, and increased services and working standards was taken on and collectively, locals planned their campaigns for the upcoming year. I was inspired to hear of the creative and innovative ways that leaders in this sector are organizing across the province both within CUPE and with allies in the community.

The Ontario Council of Hospital (OCHU) workers also held their annual conference focusing on their province wide campaign to increase funding to all aspects of health care, and to strengthen the resistance against privatization and contracting out. OCHU's campaign to stop the violence that CUPE members face every day at work has taken on a heightened focus over the last months.

I was very pleased to be at the OCHU conference in person to recognize Sister Helen Fetterly, the outgoing Secretary-Treasurer of OCHU for the past 18 years. It has been an absolute honour to work side by side with Sister Helen. Her work has altered the future for hospital workers across Ontario and has resulted in many achievements most notably, heading up the efforts to add over 67,000 part-time CUPE hospital members into the Healthcare of Ontario Pension Plan. We all wish Sister Helen the very best for her retirement.

In Quebec, the Municipal Sector Council held its conference where delegates voted in favour of an important dues increase. The increase in resources allows the sector to augment their organizing and mobilizing capability in order to fight the provincial Liberal government attacks, such as the fiscal pact where the government has decided to remove the right to free collective bargaining. I participated in Quebec City in a powerful rally on May 12 with CUPE Quebec members from across the province on that matter.

### ***NDP Convention***

I was able to attend the national convention of the Federal NDP in Edmonton this spring. While our party has much rebuilding to do after the 2015 federal election, I was energized by CUPE's involvement at the convention and appreciate the commitment of our locals and activists in taking on the work that needs to be done.

### ***Progress Summit***

In April I attended the 2016 *Progress Summit - Shaping the Future*. The conference was held in Ottawa and organized by the Broadbent Institute. CUPE National continues to be a key sponsor of this event which brings together activists, academics and practitioners from the progressive movements across the country. This event continues to provide a forum for thought provoking debate, inspiration and renewal. This is a much needed antidote to much of what we hear in the main stream media on a daily basis.

### ***Federation of Canadian Municipalities***

I attended the 2016 FCM conference in Winnipeg, from June 2 to 5. The FCM provides an opportunity for CUPE to interact with municipal politicians, policy experts and activists from across the country as well as their provincial, territorial and federal counterparts. CUPE provided a strong presence in support of bringing contracted out services back in-house at our well attended workshop called "*From outsourced to in-house: Save money, avoid headaches*". We also were able to make a significant contribution to the discussion on supporting strong public services.

### ***Ontario Cornerstone Leadership Corporation (OCLC)***

Since 2005 CUPE National has participated in the Ontario Cornerstone Leadership Corporation (OCLC), which manages the property located at 101 Richmond Street, Toronto. The maintenance and upkeep of the property has presented considerable challenges, resulting in the Board of Directors investigating various sales options. In December 2015, I reported to the NEB that the option that OCLC has endorsed is one that would begin the process of selling the property and buying a smaller space in the building directly behind

the existing building. The sale of the building is now in process but the OCLC will not be purchasing from the adjoining site. Different go forward strategies are being considered.

### ***CUPE National's Auditor's Report for 2015***

At this NEB meeting, the Auditor will present the 2015 CUPE National audited reports for all three Funds: The General Fund, The National Defence Fund and the National Strike Fund.

## **FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2016**

### ***General Fund***

The total assets in the General Fund at March 31, 2016 were \$206.9 million compared to \$207.2 million at December 31, 2015 and \$199.6 million at March 31, 2015. The items of significance are discussed below.

The bank balance at March 31, 2016 was \$13.9 million compared to \$14.8 million at December 31, 2015 and \$16.5 million at March 31, 2015. The bank balance includes various internal cash reserves which are set aside for retirement payouts, future benefits funding, the balance of the 2015 Convention, a property management reserve and the Regional Building Fund.

The total liabilities in the General Fund were \$151.9 million at March 31, 2016, up from \$151.4 million at year-end.

Due to the good governance CUPE established by creating the Roadmap on the Employee Future Benefit Liability in 2005, we are continuing to make progress toward the goal of recording the full liability on the Balance Sheet. Due to inflation, rising health costs, rising salaries etc., it is usual to expect the real liability to increase each year. So from last year to this year, the real liability jumped from \$170.3 million to \$184.4 million.

The December 31, 2015 Balance Sheet has recorded a liability of \$96.9 million leaving an unrecorded gap of \$87.5 million compared to a gap of \$87.4 million at the end of 2014. 2015 was the first year where the employee future benefit expenses booked in the accounts exceeded the service cost for that year and allowed us to record \$558,000 toward reducing the gap.

The Fund Balance at March 31, 2016 is \$55.0 million of which a total of \$4.8 million is restricted as follows: Convention and National Events Assistance Fund, \$1.1 million and Regional Building Fund, \$3.7 million. Of the remaining Fund Balance, we have invested \$58.6 million in fixed assets leaving an unrestricted negative balance of \$8.4 million. This means that all of the equity in the General Fund is spoken for either in terms of being allocated for a restricted purpose or tied up in fixed assets.

The preliminary operating deficit (before the provision for the Regional Building Fund and Unrealized Gain on Investments) for the year to date is \$591,000, as compared to a budgeted deficit of \$290,000. Per Capita revenue is under budget by \$760,000 and

total revenue (per capita and other income like investment revenue) is under by \$1.0 million. Total Expenses are currently under budget by \$717,000.

1. Strategic Directions is \$465,000 under budget due to the timing of payments made during this first quarter of the year.
2. Fixed Staffing costs are \$251,000 under budget.
3. The Fightback Fund is currently \$170,000 under budget.
4. The Union Development Department is \$144,000 under budget due to the timing of staff development courses yet to take place.
5. Operational Travel is \$204,000 over budget due to the volume of travel required to attend staff meetings and conventions during the first three months of the year.
6. National Committees is \$447,000 over budget due to the number of meetings taking place during the first quarter.

### ***National Defence Fund***

As at March 31, 2016, we have \$11.6 million in Total Assets compared to \$10.6 million at December 31, 2015 and \$8.8 million at March 31, 2015. The cash balance at March 31, 2016 is \$4.4 million compared to \$3.6 million at December 31, 2015. In addition, we have investments totalling \$5.6 million, virtually unchanged from December 31, 2015.

Under Liabilities we have accounts payable and accrued liabilities of \$1.3 million, relatively unchanged from December 31, 2015 and in comparison to \$1.4 million at March 31, 2015. There is also \$4.5 million in cost-sharing campaigns' liability, slightly down from \$4.6 million in December 2015.

Cost-shared campaigns approved by the National Executive Board for the quarter totalled \$762,090 of the annual budget of \$3.1 million. Major Organizing expenses were \$301,505, while National Strategic Initiatives totalled \$626,977. Spending on Regional Strategic Initiatives totalled \$125,334.

### ***National Strike Fund***

Total Assets in the National Strike Fund as of March 31, 2016 were \$86.8 million, as compared to \$85.5 million as at December 31, 2015, and \$83.0 million at March 31, 2015. These assets consisted of \$8.7 million in cash, \$1.6 million in per capita receivable and \$76.5 million in investments.

Under Liabilities we have accounts payable and accrued liabilities of \$202,000, down from \$1.0 million in December 31, 2015. At March 31, 2016, the Fund Balance was \$86.6 million, compared to \$84.5 million at December 31, 2015 and \$81.5 million at March 31, 2015.

Revenue into the Strike Fund, including investment income, was \$2.9 million as at March 31, 2016. Expenditures for the quarter totalled \$1.8 million. This results in a net surplus for the year to date of \$1.1 million, before taking into account unrealized investment losses of \$457,012.

## **STRIKES, LOCKOUTS AND SETTLEMENTS**

Local 4325, 130 CUPE members from Family and Children's Services of Guelph and Wellington County (Social Workers & Clerical), went on strike April 9 and returned to work on May 2, 2016.

## **PER CAPITA ARREARS**

For the quarter ended March 2016 the total arrears were \$5,765,660, which was a decrease of \$1,964,132 or 25.41% from the previous quarter ended December 2015. Total arrears have increased 3.76% as compared to March 2015.

## **INFORMATION TECHNOLOGY (IT) REPORT**

The IT Branch continues to progressively drive CUPE along the path towards achieving its vision and strategy for IMIT (Information Management/Information Technology). In the coming months, the primary focus on the application development side will be further evolution of CUPE's Member Relationship Management System (MRMS) and continuing to strengthen Electronic Document and Records Management (EDRM) at CUPE. The IT Help Desk will be renamed to the IT Service Desk as we embark on the launch of a new and improved IT service and support model.

### ***Systems Development:***

#### ***Member Relationship Management System (MRMS)***

The MRMS is CUPE's new, bilingual information system which will house all contact information for members and locals in one centralized, secure database accessible from any device, laptop, smartphone, tablet or desktop.

On March 24, we launched the MRMS Release 1. The team is currently focusing on delivering R2 which includes a new module called Collective Agreements (CA), the replacement for the legacy Collective Agreement Information System (CAIS). R2 also includes numerous enhancements to R1, in the Local Union Information and Engagement Hub modules of the MRMS as well as an Interface to the Maurice System used in Quebec.

The MRMS will allow CUPE to enhance its ability to connect with members. The system will ultimately allow for all CUPE legacy applications (LUIS, CAIS, Fairness, Arbitration Tracking, Education Tracking, Maurice, PCT Tax, Just Pay, Convention and Conference Registration) to be replaced and operate all under one system.

## ***Information Management:***

### ***Electronic Document and Records Management (EDRM)***

The first phase of the Electronic Document and Records Management System (EDRMS) project has been completed. Over the course of the last year and a half, CUPE has completed a thorough needs analysis and we have documented the specifications for what CUPE employees have identified they need in an organization wide EDRMS solution. CUPE has learned a lot about how staff across the country store and access CUPE information.

CUPE faces two major challenges from the get go with this project:

- CUPE information is stored in a variety of ways on hard drives, in various network file shares, on memory sticks and in various cloud storage options and;
- There are many duplicate documents, older versions of documents and documents that no longer have any ongoing CUPE value.
- There is also a wide variety of ways that current Folders and Files/Documents are named.

Remedying these issues is key to readying for a new organization wide EDRMS solution.

## ***IT Infrastructure:***

### ***Operations***

In December 2015, CUPE IT chose a new IT Help Desk partner through a competitive selection process. The new vendor, IBM, along with current CUPE IT Help Desk staff, have begun the process of integrating/updating CUPE's current IT Help Desk system and procedures to allow enhanced IT Service and Support to all CUPE employees. This new partnership replaces the old partnership CUPE had with TUC for IT Help Desk services to all Area Offices.

There continues to be a greater emphasis on IT solutions to help CUPE pursue a more environmental friendly workplace. As all CUPE staff now have access to Skype for Business from their laptops wherever they can connect to the Internet, CUPE will encourage them to turn to this mode of communication if an in person face-to-face meeting is not required.

CUPE IT is reviewing strategies to replace CUPE's aging land line phone systems. By 2018, most of CUPE's 67 offices will have a phone system that will be obsolete and unsupported by any National vendor. With the push towards a more mobile and connected user, CUPE IT is moving forward with a trial of using Skype For Business to replace traditional phone systems. This new technology, while not only being more cost effective, will allow users more freedom and control to take calls from anywhere they decide such as their laptop (in the office/away from the office or smart phone).



## **PROPERTIES AND LEASEHOLDS**

### ***Properties***

We have completed the preliminary design of our new space to house the new British Columbia Regional Office (BCRO) in Burnaby. Our project team has worked very hard to adapt what has now become a standard in modern design – the open concept – to fit CUPE’s operational realities and philosophy. The result is a modern, flexible and respectful work environment which will encourage exchange of ideas and collaboration. We are very excited about this new standard setting project. The BCRO staff have been consulted and have demonstrated an open mind about the new design, and have shared some concerns with our design team. This has helped guide the appropriate decisions in the design. The team is dedicated to make this future space work for CUPE. The move into these new premises is scheduled for the Fall of 2017.

We have retained the services of a multi-disciplinary national engineering firm to proceed with detailed building condition reports and life-cycle analysis of all of our owned properties, which should be completed by the end of 2016. This will allow us to better evaluate the state of our assets and to improve our preventive maintenance and long-term capital investment planning.

### ***Leaseholds***

We are working diligently on lease renewals in several locations including Sudbury, Kenora, Oshawa and Winnipeg, and are analyzing our options in regards to other locations such as Abbotsford, Terrace, Barrie and Dalhousie. We are also in the process of fitting up the new Peel Office, which will be moved this summer.

Our Finance and Administration Department has seen its long time devoted Sister Diane Prévost, Administrative Officer – Leaseholds & Properties, retire. We wish her all the best and we thank her for the many years of devoted service. We would like to welcome our new Director of Property Management Marc St-Onge.

## **CONFERENCES AND EVENTS**

This year has been a busy one for CUPE – both for our members and staff. The All Committees Meeting took place at the beginning of March and was a huge success. The meeting brought together 340 participants including all CUPE members who serve on a national committee (both seasoned committee members and members who are participating for the very first time), staff advisors and NEB members. The All Committees Meeting provided members with a chance to participate in plenary sessions and in individual committee meetings.

Our sights have now turned to the second ever CUPE Sector Council Conference taking place in Winnipeg, Manitoba from October 17 to October 20, 2016. The delegate hotels for this event are: The Fairmont Winnipeg, Holiday Inn & Suites Winnipeg Downtown, the Delta and the Radisson Hotel. The Fort Garry Hotel has been chosen as the headquarters hotel for CUPE staff, NEB, guests and speakers.

Our registration went live on the CUPE.ca website on June 1, 2016. We anticipate a successful turnout and full house for this conference.

In addition to the Sector Council Conference taking place in October, CUPE continues to plan a number of other meetings including branch meetings, committee meetings, training and orientation sessions as well as the National Executive Committee and National Executive Board meetings. In addition, a wide variety of other meetings and educational events continue to be planned across the country.

## **TRAINING AND DEVELOPMENT**

### ***Mental Health in the Workplace***

Mental health in the workplace issues are among the greatest challenges that CUPE members and staff confront. These are difficult issues to deal with. In part, this is because Canadian society has much to improve in how mental health is understood and promoted through meaningful educational and social programs. More equitable distribution of wealth to the 99% would create positive mental health gains in our country.

In response to both the 2013 and 2015 Strategic Directions documents adopted by the CUPE National Convention, our Union Development Department (UDD) has expanded its educational work on mental health in the workplace issues.

We have worked with the Canadian Mental Health Association (CMHA), CUPE staff, and members to develop two new modules in the Steward Learning Series.

In the *Understanding Mental Health* module, we explore the steward's role in supporting and representing members regarding mental health and mental illness. We learn what to do about stigma, and how we can approach a conversation with a member about a possible mental health issue.

In the *Creating Psychologically, Healthy, and Safe Workplaces* module, we begin by discussing what is a psychologically healthy and safe workplace. We learn to identify psychological hazards in our workplaces, and the role of the steward in eliminating them.

We have a newly revised *Preventing Mental Injury at Work* workshop in the Health and Safety Learning Series. This module focuses on the workplace as the cause of mental health issues, and not the individual. We discuss strategies and actions that help make workplaces psychologically healthier and safer.

### ***Weeklong Schools***

Registration is high for the CUPE spring and summer schools across Canada. Members choose from an exciting, wide variety of educational offerings. The schools are a positive environment in which we identify and build the strength of upcoming leaders. The educational programs reinforce locals in all their core functioning while addressing the key social and political issues that help CUPE become a more diverse, representative union.

We acknowledge and appreciate the key role that staff and member facilitators play in facilitating these schools. Their hard work is rewarded by being part of a constructive growth experience that strengthens CUPE's foundation.

Here is a sampling of the workshops taking place:

- Bargaining Solidarity
- Women Breaking Barriers
- Introduction to Human Rights
- Social Media and Building a Local Website
- Health and Safety Learning Series
- Financial Officers
- Steward Learning Series
- Taking on Privatization
- Parliamentary Procedure and Public Speaking

All of our UDD courses are now available in both French and English.

## **PENSION ADMINISTRATION**

Effective April 2016, there have been further changes to the Trusteeship of the CEPP Joint Board of Trustees.

- Brother Brian Edgecombe was elected as Union Trustee (CSU-National Office Component) replacing Brother Amessan Gnawa;
- Brother Amessan Gnawa was elected as alternate Union Trustee (CSU-National Office Component), replacing Sister Catherine Louli (CSU-National Office Component);
- Sister Heather Dillabaugh, Alternate COPE Trustee, will now be the COPE Trustee.

The Board of Trustees held its second meeting of the year in June to discuss ongoing issues of the pension plan. The Trustees invited the Settlers to attend the presentation of the January 1, 2016 actuarial valuation result. As mentioned in my last report, as co-chairs, both myself and Brother Brian Edgecombe, are continuing to work with the Plan's professional advisors and Settlers in identifying potential approaches to addressing solvency funding requirements. The market value solvency ratio is estimated at 84% as at May 1, 2016.

The Auditors of the CUPE Employees' Pension Plan have completed the 2015 Pension Fund audit and the 2015 Financial Statements were approved by the Trustees at the June meeting. They will be posted on the CEPP website.

The 2015 Report to Members is well underway and will also be posted on the CEPP website in July/August. The Pension Plan staff are currently working on the preparation of the 2015 Pension Plan Annual Statements for all active plan members, retirees and deferred members which will be mailed in June/July.

Planning for the fall 2016 pre-retirement seminars is in process. The seminars will be held in Halifax, Vancouver, Toronto and Montreal. These seminars are offered to pension plan members who have reached age 45 and have five years of credited service under the Plan. The seminars support and prepare members for retirement by addressing the psychological and financial aspects of their retirement.

### ***Deaths***

Spouse of late retiree Sister Arlene Litherland from Ontario Regional Office, Mr. Roy Litherland – February 7, 2016  
Spouse of retiree Sister Clarice Dewar from National Office, Mr. Cecil Dewar – March 10, 2016  
Brother William Whalen – retiree – Moncton Area Office – April 2, 2016  
Brother Murray Newman – retiree – National Office – April 30, 2016  
Spouse of late Retiree Brother George Cole from BC Regional Office, Mrs. Eva Cole – April 30, 2016

### ***Retirements***

Brother Gerry McDonnell, Hamilton Area Office – April 1, 2016  
Brother Edward Hanson, Calgary Area Office – May 1, 2016  
Brother Andrew W. Mele, Ontario Regional Office – July 1, 2016  
Brother Wayne J. Thomas, New Glasgow Area Office – July 1, 2016  
Sister Louise Brochu, Sherbrooke Area Office – August 1, 2016  
Sister France Montplaisir, Trois-Rivières Area Office – August 1, 2016  
Brother John G. McCracken, Atlantic Regional Office – September 1, 2016  
Sister Shaheen Kamadia, B.C. Regional Office – September 1, 2016

## **CONCLUSION**

As we conclude the first half of 2016, we continue to closely monitor our finances. We will ensure the ongoing support for the needs across the country as we face continuing attempts by governments and employers to dismantle the services and working conditions of CUPE members and communities across the country.

I wish you all the best for the upcoming summer and vacation season.

Respectfully submitted,

CHARLES FLEURY  
National Secretary-Treasurer

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