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**NATIONAL SECRETARY-TREASURER'S REPORT  
TO THE  
NATIONAL EXECUTIVE BOARD  
Ottawa, Ontario  
September 17-19, 2019**

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Dear Sisters, Brothers and Friends:

When this report is presented to the National Executive Board in September, our 29<sup>th</sup> CUPE National Convention will be just two weeks away. We anticipate welcoming over 2,000 delegates from every region across the country to the beautiful city of Montréal. Significant convention preparation has been underway throughout 2019 with considerable effort dedicated by staff and leadership. Preparations include pre-convention sector meetings and caucuses as well as forums on a variety of priority areas.

At this National Convention, our National Events Assistance Fund is being well utilized as a significant number of delegates and alternates who require financial assistance are able to attend thanks to this support. This assistance particularly benefits our small locals. Our goal is to continue to increase access to our union for all CUPE members and locals regardless of their socio-economic status.

Considerable efforts have also gone into making sure our National Convention is as environmentally responsible as possible. In addition to implementing carbon offsetting, we continue to improve our "Green Steward" program as well as continuing to work hard to reduce our paper consumption. At this convention, delegates will have access to an electronic version of the kit through the convention application while still having the option to pick up a hard copy convention kit.

We also continue to expand our efforts to ensure that our National Convention is as accessible as possible for delegates of all abilities such as providing accessible transportation, closed captioning, supports at Youth Camp, ASL sign language, motorized scooters and other supports.

**MARK HANCOCK**  
National President/Président national

**CHARLES FLEURY**  
National Secretary-Treasurer/Secrétaire-trésorier national

**DENIS BOLDUC, PAUL FAORO, FRED HAHN, JUDY HENLEY, DANIEL LÉGÈRE**  
General Vice-Presidents/Vice-présidences générales

As is now the case for all national events, we have a quiet room for people who require this accommodation to go to and relax between sessions. Any delegate with a mental or physical disability is invited to take advantage of this quiet room when needed.

### ***Ontario School Board Council of Unions Leadership Meeting***

On August 11, I was honoured to be in Toronto to attend the OSBCU leadership meeting to solidify bargaining and mobilization plans for central negotiations for 55,000 CUPE school board workers across the province of Ontario. In my remarks, I brought a strong message of solidarity and emphasized that the full extent of CUPE National resources are there to support the bargaining and mobilizing teams centrally and locally across each and every community of the province.

### ***Saskatchewan Regional Office, Regina***

After careful analysis of the condition of our current building in Regina, and after thorough analysis of the significant investment required to renovate, we have determined that it makes sense to sell the property and find new space to house our Saskatchewan Regional Office.

We investigated several possibilities for relocation including leasing an existing property, buying a building or developing a new property to meet our requirements. We opted to pursue the development strategy, so we are now looking for land to purchase on which we can build our new CUPE Saskatchewan Regional Office in Regina.

We carefully analyzed the real estate market in Regina and are now engaged in negotiations with vendors of a short list of development sites that meet our requirements including: easy access, visibility, substantial meeting and educational space, room for growth, and price.

While it is a bit too early to establish clear schedules regarding this project, but we could see the start of construction of our new property in the spring of 2020, with a move in at the beginning of 2021.

### ***PSI InterAmerican Regional Conference (IAMRECON) 2019***

CUPE participated in the 12th Public Service International (PSI) InterAmerican Regional Conference (IAMRECON) in Argentina in June 2019. I was honoured to lead a seven-person delegation participating in the week-long conference by debating and discussing the diverse and common struggles facing workers in South, Central and North America and the Caribbean. Issues such as the rise of corporate power, the proliferation of international trade agreements, digitalization in the public sector, the impact of public debt on citizenship, climate change and tax justice were all discussed in depth.

The conference theme was “Defending the state from corporate power”, and I presented at the first plenary panel on the topic of quality public services and the responsibility of the state to provide these services. My message highlighted examples of CUPE mobilizing to bring services back in house, including water services in White Rock and a pilot in-house solid waste project in Winnipeg. I was honoured to share the stage

with UN Special Rapporteur on extreme poverty and human rights, Philip Alston, and representatives from the American Federation of Teachers (AFT), and the PSI Young Workers Committee. This was a rich discussion that highlighted the human rights impact of privatization and the struggles being waged keep services public.

### ***CUPE Local 1505 Wood Buffalo Housing Strike***

In July, I was able to make the trip to northern Alberta to walk the picket line with the members of local 1505 on strike against Wood Buffalo Housing at the Regional Municipality of Wood Buffalo. After many months on the picket line members remained determined to stand strong and united in their efforts to resist the employer's efforts to contract out groundskeepers, maintenance workers and housekeepers and replace them with minimum wage contract workers. As is the case with each and every strike we face, our National Strike Fund has been there from day one to support these courageous members in their efforts.

### ***Northern Ontario CUPE Conference***

In early September, I joined Brother Mark Hancock at this year's Northern Ontario CUPE Conference in North Bay Ontario, less than an hour away from my home town of Ville-Marie, Quebec. It is always a privilege for me to spend time with our members and staff in the north and although they face particular challenges, as across the rest of the province, members here are mobilizing and resisting the Ford governments cuts and attempts to destroy public services and attack unions.

In my remarks, I highlighted the drinking water crisis that affect First Nations communities in Northern Ontario and across Canada. CUPE Local 4313 members who provide child and family services in Moosenee, Moose Factory, Attawapiskat and Kasheshewan, know too well how not having a reliable access to safe drinking water affect aboriginal communities. For decades, federal Liberal and Conservative governments have allowed this crisis to worsen. And now, the Green Party wants to privatize First Nations' water infrastructure. We know this is not the solution. The NDP has been advocating for years that the federal government must make significant investments in First Nations' water infrastructure to make the water supply safe and public.

### ***Internship Program***

Following from the recommendations of the National Secretary-Treasurer's Task Force on Staffing, our new National Representative Internship Program has been developed. This 12-week program will run from September 20, 2019 until December 13, 2019. We currently have 17 participants with 8 of those participants identifying as racialized workers. The program contains 10 weeks for shadowing field placement of National Representatives in their home region and 2 weeks of residential training at the Ontario Regional Office. The residential training will cover a wide range of topics including topics such as: The Role of the Staff, Member Engagement, the CUPE National Constitution, Bylaws, Campaign Funding, Strike Support, CUPE IT, Handling Grievances, Labour Law Research and Strategic Planning for Bargaining.

The 10 weeks of shadowing field placement will ensure that the participants are exposed to as many of the National Representative's roles and responsibilities as possible such as the bargaining process, grievance handling including arbitration, various types of Labour Management meetings, local union meetings and the daily management of a National Representative's assignment.

So far this year, we have also provided individual development plans to 10 candidates across the country. These types of plans are geared towards candidates who do not need the full 12 weeks of shadowing field placement and residential training but require approximately 2 to 6 weeks of shadowing field placement in order to further assess their abilities and to prepare them for the role of becoming a National Representative.

## **FINANCIAL STATEMENTS FOR THE QUARTER ENDED JUNE 30, 2019**

### ***General Fund***

The total assets in the General Fund at June 30, 2019 were \$290.7 million compared to \$279.0 million at December 31, 2018 and \$288.2 million at June 30, 2018. The items of significance are discussed below.

The bank balance at June 30, 2019 was \$22.9 million up from the bank balance at December 31, 2018 at \$17.9 million and down \$7.1 million from June 30, 2018. The bank balance includes various internal cash reserves which are set aside for retirement payouts, future benefits funding, property management, the 2019 Convention, the Regional Building Fund and the remaining start-up funds for the OSBCU ELHT.

The total liabilities in the General Fund were \$234.9 million at June 30, 2019 up from \$223.6 million at December 31, 2018 and \$233.8 million at June 30, 2018.

The Employee Life and Health Trust for the OSBCU has now been established. Of the more than \$7 million start-up monies that CUPE has been managing, approximately \$1.0 million was spent on start-up costs, and a total of \$5.6 million has been transferred to the Trust. CUPE continues to hold back \$1.0 million of the original funds received until all final costs have been submitted. As previously reported, this amount is showing as a liability on our Statement of Financial Position until such time as all reconciliations are complete. This final balance was transferred to the trust at the end of August.

The true liability for Employee Future Benefits as calculated by our Actuary at December 31, 2018 stood at \$205.1 million, in comparison to \$192.5 million at the end of 2017. The December 31, 2018 Balance Sheet has recorded a liability of \$150.7 million leaving an unrecorded gap of \$54.4 million at that time. In the first six months of the year, we have recorded an additional \$10.8 million of the liability, bringing the total recorded liability as at June 30, 2019 to \$161.5 million.

The Fund Balance at June 30, 2019 is \$55.9 million of which a total of \$2.1 million is restricted as follows: Convention and National Events Assistance Fund, \$789,000 and Regional Building Fund, \$1,312,000. Of the remaining Fund Balance, we have invested \$68.5 million in fixed assets leaving a negative unrestricted balance of

\$14.7 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 surplus (before the provision for the Regional Building Fund) at June 30, 2019 is \$529,250, as compared to a budgeted deficit of \$1.7 million.

Per Capita revenue is ahead of budget by \$2.1 million, and total revenue is over by \$6.3 million due primarily to an unrealized gain of \$4.6 million caused by a rebound in the financial markets since the sharp drop off at the end of 2018. Total expenses are over budget by \$4.1 million.

Salaries are under budget by \$564,000, current benefits are over budget by \$225,000 and future benefits, excluding the provision to add the unrealized investment gains to the liability, are under budget by \$32,000.

Cumulatively, the other operating expenses including Programs are approximately \$191,000 over budget. Below are some of the more significant items:

1. Strategic Directions is \$692,000 under budget.
2. Election Spending is \$262,000 under budget.
3. Fightback Fund is \$258,000 under budget.
4. Overall programs are \$51,000 under budget.
5. Operational Travel is now \$506,000 over budget.

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

As at June 30, 2019, we have \$14.5 million in Total Assets compared to \$14.4 million at December 31, 2018 and \$14.8 million at June 30, 2018. The cash balance at June 30, 2019 is \$301,000, up from \$280,000 at December 31, 2018. In addition, we have investments totalling \$12.3 million on the books at June 30, 2019, up \$263,000 from December 31, 2018.

Under Liabilities we have accounts payable and accrued liabilities of \$1.5 million at June 30, 2019 compared to \$1.8 million at December 31, 2018. There is also \$9.0 million in cost-sharing campaigns' liability compared to \$8.1 million at the end of the previous year. Finally, there is a small liability owed to the General at the end of this quarter.

At June 30, 2019 the Fund Balance was \$3.8 million, compared to \$4.4 million at December 31, 2018 and \$6.4 million at June 30, 2018.

Cost-shared campaigns approved by the National Executive Board in the first half of the year was \$3,142,374 with an annual budget of \$3.65 million. There was a recovery of \$591,137 in unused funds from prior years cost-shared campaigns that have been closed out during the this first quarter. Major Organizing expenses were

\$3,035,788 against an annual budget of \$3.65 million. National Strategic Initiatives totalled \$1,239,466 against an annual budget of \$2.85 million. Spending on Regional Strategic Initiatives totalled \$428,702 with a budget for the year of \$2.325 million.

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

Total Assets in the National Strike Fund as of June 30, 2019 were \$109.7 million, compared to \$99.9 million at December 31, 2018, and \$96.7 million at June 30, 2018. These assets consisted of \$4.7 million in cash, \$1.9 million in per capita receivable and \$103.0 million in investments.

Under Liabilities we have accounts payable and accrued liabilities totalling \$257,000, down from \$360,000 in December 31, 2018 and \$494,000 at June 30, 2018.

At June 30, 2019 the Fund Balance was \$109.4 million, compared to \$99.5 million at December 31, 2018 and \$96.2 million at June 30, 2018.

Revenue into the Strike Fund, including investment income, was \$7.7 million at June 30, 2019 and expenditures totalled \$1.1 million resulting in a surplus of \$6.7 million before taking into account unrealized investment gain of \$3.3 million.

### **STRIKES, LOCKOUTS AND SETTLEMENTS**

Local 2118 – City of Mascouche, 130 members on strike for two days February 12-13, 2019.

Local 1186 – University of Montréal, 17 members on strike from March 13 to July 9, 2019.

Local 1505-06 – Wood Buffalo Housing, Regional Municipality of Wood Buffalo, 44 members locked out since May 13, 2019.

Local 1761 – Town Council of Placentia, 14 members on strike from July 16 to August 29, 2019.

Local 1282 – City of Bathurst (Inside Workers) 22 members locked out since July 25, 2019.

Local 1294 – UQAM Support Staff Union, 1,800 members on strike since September 3, 2019.

### **PER CAPITA ARREARS**

For the quarter ended June 2019, the total arrears were \$9,349,167 which was an increase of \$1,659,971 or 21.59% from the previous quarter ended March 2019. Total arrears have increased 8.68% as compared to June 2018.

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

In the third quarter of 2019, the IT Branch has been focused on readying the MRMS to support the 2019 CUPE Convention and enabling the Quebec Region to migrate from their Maurice System to the MRMS as well as, planning for the replacement of CUPE's Per Capita system and lastly, continuing to move to stronger Information Management across CUPE via the CUPEcloud initiative.

## ***MRMS***

In May, CUPE released the MRMS Events Management (EM) module to replace the old Convention Registration system. The IT Development team is now focusing on the next iteration of EM that will give CUPE the ability to organize and manage conferences. The new conference functionality of EM is scheduled to be released in early 2020.

The IT Development team is continuing to work with the Organizing and Regional Services Department in a data validation/purification exercise with a focus on improving the accuracy of the existing data in MRMS and the processes needed to ensure the data is regularly and easily maintained going forward.

The last minor MRMS release in 2019 is planned for the middle of December and will see enhancements to the Engagement Hub (EHub) and Education (ED) modules of the MRMS.

## ***CUPEcloud***

Over the past year, the CUPEcloud project has evolved considerably and continues to help CUPE move towards better Information Management practices overall.

Retention schedule consultations are now well underway with over 82 completed so far with approximately another 20 to go.

Over a two-week period in June, the CUPEcloud Project Lead presented to over 100 servicing representatives who participated in half-day educational session on the various CUPEcloud initiatives, OneDrive For Business (OD4B) and Office 365 Groups. These sessions were very well received, and as a result, CUPE has seen an increase of 32,000 files uploaded onto OD4B!

Another positive note is that the CUPEcloud Project Team are happy to report that the project has now reached a total completion of 87% across the country (progress includes: file cleanup, folder structure and naming convention).

## ***Per Capita Tax Replacement***

Over the course of the past year, work has been underway to research and plan for a new system to replace CUPE's Per Capita Tax system. A detailed plan to deliver the new system has now been received and it has been reviewed and accepted by Finance. A contract to deliver the new system has been signed with WebSan, the same Vendor that delivered CUPE's electronic expense statement system). The target completion of this project will be mid-2020.

Phase 1 of this project will be to replicate the current functionality of the existing system. Once that is implemented, CUPE will turn their minds to Phase 2 which will explore how best to introduce the ability of on-line payment for all locals.

## ***Finance and HR Systems***

Work is underway to upgrade the servers that house these two important systems and move them to the cloud; this move will have benefits to CUPE by adding and improving functionality of the systems, reducing operating costs, as well as, giving CUPE a more comprehensive, built-in IT Disaster Recovery Plan (DRP). The HR System was migrated at the end of May. Testing and final deployment of the Finance system is targeted to be completed by the end of third quarter 2019.

Concurrently, IT and HR are working closely with Avanti (the HR System provider) to establish an approach and implementation plan for the introduction of an electronic leave request process, as well as, an on-line job posting and application submission process for CUPE staff.

## ***IT Infrastructure & Operations***

CUPE IT has executed on a plan to improve and make the IT infrastructure consistent at all CUPE offices. Offices will now experience better networks, security and monitoring and management of those networks.

## **PROPERTIES AND LEASEHOLDS**

We have successfully completed negotiations for new leases in Prince Albert, Calgary, Nanaimo and Yorkton. We will be moving into these new locations in 2019 following the completion of leasehold improvement projects. We have also renewed several existing leases in Fort McMurray, Dauphin, Niagara, Dalhousie and Pembroke. We are analyzing our options regarding some leases coming to terms in 2020, such as Kitchener, Peterborough and Windsor.

We have started the renovations of our existing property in Trail office which should be completed before the end of the year. We have also started the construction of our new leasehold improvements in Prince Albert where we will be moving at the end of October. We will be starting new fit-ups in Calgary and Nanaimo shortly. We are also about to start construction for the fit out of the expansion space at the Ontario Regional Office in Markham, which will include building out space on the main floor to house the OSBCU.

Regarding the relocation of the Regina office, we are currently attempting to secure development land in Regina in order to build the new Saskatchewan Regional Office. We have surveyed the real estate market in detail and are now negotiating with a short list of possible site owner.



## **CONFERENCES AND EVENTS**

As at September 6, 2019, we have approximately 1,715 delegates and 177 alternates registered to our 2019 convention. This is slightly more than registration at same date in 2017. Of these 1,715 delegate registrations, 869 registered to the various sector meetings taking place on Sunday, October 6. Due to a higher demand for hotel rooms than expected, we have contracted rooms with the Queen Elizabeth Hotel and the Monville Hotel in Montréal for both delegates and staff. We expect a great turnout!

CUPE conducted an accessibility site audit on July 23-24-25, 2019, with two members from the Persons with Disabilities Committee. They visited the Palais des congrès de Montréal, Fairmont Queen Elizabeth Hotel, Holiday Inn Centre-Ville, Doubletree Hotel, Delta Montréal, Courtyard Marriott Montréal Centre-Ville, Intercontinental Hotel, Westin Montréal, Embassy Suites Hotel and the Montréal Marriott Château Champlain Hotel. The representatives from the Persons with Disabilities Committee offered some insight into what we should be looking for in assessing levels of accessibility. Feedback regarding the venues was very positive and we were pleased to see that the hotels and convention centre were accessible for our delegates and staff and where needed, hotel staff were very open to hearing our members' suggestions and comments.

While summer is a time where most workplaces can scale back their workload, we have been busy planning several committee and branch meetings and we are seeing this trend continuing into September. In addition to our usual meetings, CUPE has helped put together an Atlantic and Maritimes Indigenous Gathering at the Holiday Inn and Conference Centre in Truro, Nova Scotia, September 5-6, 2019.

CUPE continues to work hard planning meetings and events and we look forward to seeing you in Montréal for our CUPE National Convention.

## **PENSION ADMINISTRATION**

The Joint Board of Trustees (JBT) held its third meeting of the year in September to discuss ongoing activities of the Plan.

In July, in an effort to diversify investments, the JBT hired a new investment manager with a global equity mandate. Fiera Capital was created in 2003 and their headquarters are based in Montréal. Approximately 6% of the CEPP Fund was allocated to this new investment mandate.

The 2018 Report to Members and the Financial Statements Year ended December 31, 2018 are both available on the CEPP website at [www.cepp.ca](http://www.cepp.ca).

The 2018 pension annual statements were mailed to all active, retired and deferred plan members in June. Active plan members have access to their 2018 annual statements through the Plan's website for pension estimates purposes.

The pre-retirement seminar locations for this year have now been finalized. The seminars will take place in Vancouver, Montréal and Ottawa.

## **Retirements**

Sister Wendy Hill, Hamilton Area Office – September 1, 2019  
Sister Terry Parker, Ottawa Area Office – October 1, 2019  
Sister Wendy M. Johnston, Maritimes Regional Office – November 1, 2019  
Sister Ellen Williams, Ontario Regional Office – December 1, 2019  
Sister Jennifer Moniz, Ontario Regional Office – January 1, 2020  
Sister Sandra McNama, Ontario Regional Office – January 1, 2020  
Sister Marilyn Mottola, Manitoba Regional Office – January 1, 2020  
Sister Jo-Anne Tremblay, National President's Office – January 1, 2020  
Sister Isabel Hermano-Lau, Accounting Branch – May 1, 2020

## **CONCLUSION**

CUPE National's activities over the past quarter have continued to ramp up through out the summer and early fall. While many continue to be extremely busy in each of the regions across Canada, I look forward to welcoming all delegates to our CUPE National Convention in Montréal in a few short weeks. At this 29<sup>th</sup> National Convention all delegates will have the opportunity and responsibility to engage, debate, strategize at the national level on the course of our great union for the upcoming two years.

Respectfully submitted,



CHARLES FLEURY  
National Secretary-Treasurer

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