

1375, boul. St. Laurent Blvd., Ottawa, ON K1G 0Z7

Tel./Tél. : (613) 237-1590 Fax/Télé. : (613) 237-5508 Toll free/Sans frais : (844) 237-1590

cupemail@cupe.ca/courriel@scfp.ca – cupe.ca/scfp.ca

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

Ottawa, Ontario  
September 21-22, 2022

Dear Sisters, Brothers, and Friends:

This has been an extremely busy summer. In-person events have continued to increase, as we learn to adjust to the ongoing pandemic and find ways to gather safely despite it. Parallel rising inflation and interest rates are placing real pressure on CUPE members. COVID-19 also continues to take a toll on those in frontline jobs, who continue to face employers and governments who do not prioritize their health and safety.

Through this quarter, I've been really inspired by the work so many of you are doing to organize and build power to realize gains in the face of a volatile economy and a pandemic that continues to put you at risk. You are doing important work at bargaining tables and in your communities to change the public conversation about who is hurting and who profits from inflation and high interest rates.

***Visits to Striking Locals***

This summer Mark and I made several visits to striking locals. Mid-July we visited CUPE members at the City of Mount Pearl in Newfoundland, who have been on strike since July. We attended their community barbecue, donated to their strike effort, and spent some time on their picket lines. Those members walked the picket line for several months in their effort to stave off concessions, and as of September 19 they reached a tentative agreement, with a prospective full return to work by September 23.

We also visited two striking locals in Quebec, making donations and spending some time with them on their energetic picket lines. The croupiers at the Montréal casino (Local 3939) have since settled their strike and ratified a new collective agreement after more than two months on the picket line. But the workers at the Société québécoise du cannabis (SQDC – Local 5454) continue to be on strike against a government that refuses to pay them wages comparable to similar crown corporations.

**MARK HANCOCK**

National President/Président national

**CANDACE RENNICK**

National Secretary-Treasurer/Secrétaire-trésorière nationale

**PATRICK GLOUTNEY, FRED HAHN, JUDY HENLEY, SHERRY HILLIER, LEE-ANN KALEN**

General Vice-Presidents/Vice-présidences générales

## ***Ontario School Board Council of Unions (OSBCU) Leadership Conference***

In August, the OSBCU hosted a leadership meeting, to clarify their mobilizing plans for bargaining with the Ford government, which is now well underway. They voted to undertake a central strike vote this fall. I spoke at their leadership meeting, on the importance of their efforts to raise wages for some of the lowest paid workers in the education sector, and reiterated they have the support of the national union. As you will recall, the National Executive Board agreed to grant access to strike averting monies in advance of their strike vote this fall, on an exceptional basis. As of the writing of this report, strike vote efforts are underway, and OSBCU is working toward both a high participation rate in the vote and a strong endorsement for striking as necessary to raise their wages.

## ***Ontario Women in Leadership Development (WILD)***

As part of their commitment to the national anti-racism strategy, the Ontario region in concert with the national union held a weeklong women's leadership training, specifically for Black, Indigenous and racialized women members. This cohort will work together for a year of leadership development work, which will include training, organizing, activism and mentorship. I had the privilege of addressing this powerhouse group of CUPE women in late August, and I look forward to seeing what comes out of this excellent initiative.

## ***Safe Union Spaces Working Group***

In mid-August, assigned staff met for a full day to further plan for the work and support needed to execute the ambitious workplan established by the working group. I was able to stop in and meet with them on that day. Also during the summer, the sub-groups we established at the February meeting of the working group commenced their work. The full working group came together in Toronto in early September, and we will further provide a separate report this week.

There are eleven sub-groups working:

### Prevention:

- Reaching organizational consensus on acceptable behaviour
- Bystander intervention training
- Supports for women leaders and new leaders; review of education material
- Design and planning of union events including pre-event
- Made in Manitoba solutions
- Staff training and role in prevention; staffing resources for divisions; supporting staff

### Response:

- Complaints processes (explaining and updating)
- Trials and alternate process review (harassment and discrimination issues)
- Code of Conduct
- Independent Ombudsperson Office (propose a new CUPE model)
- Restorative practices and mediation

### ***Pivot Airlines Members Held in the Dominican Republic***

For over 150 days, two CUPE members employed by Pivot Airlines have been held without charge in the Dominican Republic. This has been an extremely stressful situation for them, as you might imagine. CUPE staff have been working hard with representatives of the other unions who have members also held there, to hold the employer to its responsibilities to provide a safe and secure living situation while they await the outcome of ongoing legal proceedings. In August I was able to connect directly with the two members by phone, and to reassure them of CUPE's efforts to secure both their comfort and their release. Mark and I also sent a letter to all CUPE locals, asking them to contribute to a fundraising appeal to help these members meet their financial responsibilities in Canada, and asking them to pressure the Canadian government to do all it can to get our members home.

### ***Inflation Webinar***

Several hundred CUPE members came out to a webinar hosted by Union Education one evening in August, and Mark and I had the opportunity to address the participants and listen in on a great discussion featuring CUPE's economist Angella MacEwan, as well as members who've had some success tackling inflation at the bargaining table. I commend the Union Education Branch for creating a silver lining for us during COVID, with the introduction of the webinar format to CUPE. It is a terrific way for us to stay connected between in-person events, and to allow members who cannot always travel to CUPE events to participate in discussions on timely issues and hot topics.

### ***Alberta Leadership Meeting***

Mark and I also attended an evening meeting with the leadership of most Alberta locals mid-August, to hear updates on Bill 32 and its impact on our work in the province. The huge amount of legwork Alberta locals and staff have done, and the unity they continue to display, is totally inspiring. The Alberta Division and national staff in the region have done a great job of getting us ready to meet requirements as best we can under this highly problematic legislation. We are simultaneously well-positioned to mount a Charter Challenge with other unions on Bill 32, which will be advanced in the months to come.

### ***Labour Day and Other September Events***

I was able to attend Labour Day celebrations in Toronto this year. CUPE locals were out in force, with huge turnouts from many sectors gearing up to fight the newly re-elected Doug Ford government. As always, the event provided an opportunity to reflect on past victories, but more importantly to re-commit to fight for workers' rights.

I also brought video greetings to the Northern Ontario CUPE Conference held in Sault Ste. Marie, and the Syndicat des technologues d'Hydro-Québec (STHQ) Conference in Bagotville, Quebec.

## ***COVID-19 Update***

We continue to live with COVID, despite the denial of many Conservative governments in Canada. CUPE will continue to work to prioritize the health and safety of members and staff in our offices and at national events. We won't follow the lead of Conservative governments and pretend that COVID does not continue to represent a threat to the frontline members we represent, who report for work despite the ongoing pandemic, as they have done for the last 2.5 years.

We will be hosting our first large national event since before COVID, in early October in Ottawa – the National Sector Council Conference. Some aspects of this event may look different as a result of adjustments we have made to make the event COVID-safe, as well as a result of recommendations coming out of the Safer Union Spaces Working Group.

The senior management pandemic working group is also meeting in September with infectious disease expert Dr. Tara Moriarty, to get advice from her on COVID modelling for the fall and winter, and recommendations on best practices for moving forward.

The existing COVID-19 Policy for events and workplaces remains in effect until Tuesday, October 11, and will be examined for ongoing utility and any needed adjustment following the September meeting with Dr. Moriarty.

## ***Welcoming a New Managing Director of National Services***

We welcomed Sylvia Sioufi into the role of Managing Director, National Services, in mid-July. Sylvia brings over 23 years of experience in CUPE, working in the research and union education branches, most recently as Director of Union Education. Sylvia also worked for HEU for seven years before coming to CUPE. Many of you have had the privilege of working with her in some capacity before now, and I know you join me in welcoming Sylvia to her new role, where she will oversee and support the five branches in the National Services Department, as well as the work of the Safe Union Spaces Working Group.

## ***CUPE Staff Bargaining Update***

All staff unions have ratified new collective agreements, with the exception of CDU and Unifor 2013 (national representatives' unit). A further bargaining date is set for CDU on September 26, and additional bargaining will be set with Unifor this autumn.

## ***Employee Future Benefit Roadmap***

As I reported to you in the last quarter, we achieved our goal of fully recording the entire liability for our future employee benefit costs on our balance sheet at the end of December, two years earlier than projected. While we are still ahead of the originally projected schedule on the roadmap, our ongoing goal of achieving stability in this area has been delayed by fluctuating markets and consequent investment losses, which have extended into the second quarter of 2022. I want to highlight that the

work of developing a comprehensive strategy for managing our benefit liabilities, both short and long term, is an ongoing process. It is one that remains subject to dynamic and presently volatile economic circumstances. Moving forward, any strategy will have to consider the degree to which liabilities are funded.

## **FINANCIAL STATEMENTS FOR THE QUARTER ENDED JUNE 30, 2022**

### **GENERAL FUND**

#### ***Statement of Financial Position (Balance Sheet)***

The total assets in the General Fund at June 30, 2022 were \$346.9 million, compared to \$350.9 million at March 31, 2022 and \$351.8 million at December 31, 2021. The items of significance are discussed below.

The bank balance at June 30, 2022 of \$18.4 million is a \$1.7 million increase from the bank balance at March 31, 2022, due to normal operating activities. The bank balance includes various internal cash reserves, which are set aside for the 2023 convention, retirement payouts, future benefits funding, property maintenance and the Regional Building Fund.

The total liabilities in the General Fund were \$297.8 million at June 30, 2022, compared to \$305.1 million at March 31, 2022, and 305.1 million at December 31, 2021.

As at December 31, 2021, CUPE had recorded the full liability of \$240.3 million on the balance sheet, and had met the goal of the Employee Future Benefit Roadmap that was put in place in 2005. Unfortunately, equity markets have been on a significant downturn since then, and the assets set aside to fund these liabilities have lost \$17.3 million in the first six months of 2022. Although we have continued to book the expense through the first six months of the year (as established by the roadmap), as of June 30, 2022, the liability recorded for employee future benefit has dropped to \$231.5 million. As of June 30, the gap is at least \$9 million, but will fluctuate between now and the next valuation at year end.

The fund balance at June 30, 2022 is \$49 million, of which a total of \$3.5 million is restricted as follows: Convention and National Events Assistance Fund \$1.1 million, and Regional Building Fund, \$2.4 million. Of the remaining fund balance, we have invested \$67.3 million in fixed assets, leaving a negative unrestricted balance of \$21.7 million. This means that all 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.

#### ***Statement of Operations***

The operating surplus for the year to date is \$2.4 million, compared to a budgeted deficit of \$2.9 million. Per Capita revenue is slightly above budget by \$2.6 million and total revenue is under by \$13 million, due primarily to an unrealized loss of \$17.4 million in our investment accounts. Total expenses are under budget by \$18.5 million.

Salaries are over budget by \$772,000, current benefits are over budget by \$590,000 and future benefits, excluding the provision to add the investment gains and losses to the liability, are over budget by \$643,000. Directors and Representatives salaries are over budget by 3.2% or \$1 million while Administrative and Technical Salaries are 3.7% or \$233,000 over budget. Clerical salaries are also over budget by 1% or \$88,000. Vacation Relief is under budget by 57% or \$594,000.

Cumulatively, the other operating expenses including Programs are \$4.7 million under budget. Below are some of the more significant items:

1. Operational Travel costs are \$1.3 million under budget due primarily to reduced business travel.
2. Overall programs for the national departments are \$1 million under budget largely due to the timing of expenditures incurred.
3. Strategic Directions is \$793,000 under budget to this point in the year.
4. Fixed Staffing Costs are \$466,000 under budget largely due to reduced vehicle travel so far in the year.
5. EAP Care Costs are \$275,000 over budget.

## **NATIONAL DEFENCE FUND**

### ***Statement of Financial Position (Balance Sheet)***

As at June 30, 2022, we have \$25.5 million in total assets, compared to \$24 million at March 31, 2022 and \$23.3 million at December 31, 2021. The cash balance of \$4 million at June 30, 2022 is up \$1.7 million compared to March 31, 2022 and down \$2.3 million from December 31, 2021. In addition, we have investments totalling \$19.3 million on the books at June 30, 2022, down very slightly from March 31, 2022.

Under liabilities we have accounts payable and accrued liabilities of \$435,000 at June 30, 2022, compared to \$270,000 at March 31, 2022 and \$1.8 million at December 31, 2021. There are also \$12.3 million in cost-shared campaigns' liabilities, which have increased by \$1.6 million from March 31, 2022. Finally, \$329,000 is owed to the General Fund at June 30, 2022.

At June 30, 2022, the Fund Balance was \$12.5 million, the same as at March 31, 2022.

### ***Statement of Operations***

Cost-shared campaigns approved by the National Executive Board so far in 2022 were \$3,605,861 with an annual budget of \$4.4 million. There was a recovery of \$1.1 million in unused funds from prior years' cost-shared campaigns, which were closed out during the first half of the year.

Major Organizing: expenses were \$1,333,835 against an annual budget of \$4.25 million.

National Strategic Initiatives: expenses were \$1,142,256 against an annual budget of \$2.85 million.

Regional Strategic Initiatives: expenses were \$390,621 with a budget for the year of \$2.375 million.

## **NATIONAL STRIKE FUND**

### ***Statement of Financial Position (Balance Sheet)***

The Statement of Financial Position is set out as Statement 1. All receivables and payables relate to the varied activities and ongoing programs of the National Strike Fund, and they represent a picture of our assets and liabilities on June 30, 2022.

Total assets in the National Strike Fund as of June 30, 2022 were \$137.6 million, slightly down from \$139.5 million at March 31, 2022. These assets consisted of \$4.9 million in cash, and \$2.2 million in per capita receivable and \$130.2 million in investments.

Under liabilities we have accounts payable and accrued liabilities totalling \$758,000, and no amounts due to the General Fund.

### ***Statement of Operations***

Revenue into the Strike Fund, including investment income, was \$6.4 million and expenditures of \$1.9 million. This results in a surplus before unrealized gains of \$4.5 million. There was an unrealized loss of \$3 million recorded on our Strike Fund investments in the first half of 2022.

Strike Related Expenses: \$453,698

Strike Averting Expenses: \$842,682

Legal and Arbitration Expenses: \$458,606

Bargaining Rights Legal Challenges: \$105,000

## **STRIKES, LOCKOUTS AND SETTLEMENTS**

Local 3939 (QC) – Montreal Casino, 545 members on strike from May 14 to August 29, 2022.

Local 5454 (QC) – Société québécoise du cannabis, 150 members on strike since May 17, 2022.

Local 2099 (NL) – City of Mount Pearl, 200 members on strike from July 6 to September 18, 2022.

Local 2614 (QC) – Société des arrimeurs de Québec (longshore workers), 81 members locked out since September 15, 2022.

## **PER CAPITA ARREARS**

For the quarter ended June 2022 the total arrears were \$8,057,319 which was an increase of \$3,255,827, or 67.81% from the previous quarter. Total arrears have decreased 17.16% as compared to June 2021.

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

With the third quarter of 2022 nearing an end, the IT Branch continues to work on approved plans for MRMS, enhancements to CUPE's Avanti human resource management system, CUPE's information management solution, a new grievance management system for labour relations, and finally, strengthening CUPE's IT security posture.

### ***Per Capita System Re-Development***

We have met challenges with this project and are analyzing how we complete the remaining development. We may need to shift gears on this project. We are testing for functionality, as well as the accuracy of calculations in various complex scenarios. The original timeline to roll out this project is now delayed until the new year.

### ***Avanti Human Resources System Enhancements***

The next HR project is to enhance the recruitment/onboarding framework for CUPE, which is planned for September 2022 – November 2022.

### ***Grievance Management System – Labour Relations***

Xerox will be the vendor for this system, and implementation is planned for September 2022 – November 2022.

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

The IT Development team remains focused on the new strike fund project, with the objective of automating workflow processes, creating the ability to fill out forms online, and expediting approval and reporting processes online. In the long term, this will eliminate the problem of maintaining and managing paper forms, as well as delays caused by collecting signatures and providing the necessary reporting and auditing requirements.

The project is in the development phase. This will be followed by a testing phase tentatively scheduled for early fall with a possible release of the new system toward the end of this year.



As part of the CUPE's IT reporting strategy, MRMS end users and managers will be provided with the capability and tools to run through analytical dashboards, operational and analytical style reports. The first phase of this project is building a reporting data warehouse, which is in the advanced stages of development. Phase two will introduce to users of MRM LUI the capability to analyze and query local union, bargaining units, organization, national representatives and members.

Lastly, the IT Development team, in collaboration with ORS, are in the implementation planning stage for releasing an MRM LUI enhancement for tracking and reporting on organizing drives.

### ***Information Management (IM) Solution***

CUPE is moving forward with the implementation of a bilingual IM Solution called (CUPEDocs | DocsSCFP), based on Microsoft 365 tools. The first phase of the project for 2022 will focus on implementing the IM solution for CUPE National, with the objective of rolling out the IM solution across all regions in 2023.

The CUPEDocs project has been moving along nicely. Since the last report, the National Secretary-Treasurer's Office and the National President's Office have been fully trained and both departments are starting to use the new CUPEDocs solution. The CUPEDocs Project Team will be moving to address the IM needs of the National Services Department (NSD) next, where representatives from each branch have been identified.

### ***IT Infrastructure and Improving CUPE's IT Security Posture***

With the ongoing increase in security threats, it is imperative we continue to enhance our security measures and vigilance to protect CUPE resources. Testing has been completed on an antimalware solution for smartphones within the CUPE IT user group. Beginning in September, the solution will be implemented for all CUPE mobility users. We have also begun testing an enhanced password policy, with the goal of starting deployment to all users in late September 2022.

## **PROPERTIES AND LEASEHOLDS**

The Property Management Team continues to implement and manage COVID preventive measures to maximise the safety of our staff at the office. The measures include daily disinfection of points of contacts, increased ventilation and fresh air, supply of masks, hand disinfectant, and signage.

Like many other organizations, we are in the process of reviewing the design of our offices and looking at different ways they can better serve our operational requirements. In light of recent developments in real estate markets, and of new realities highlighted by this pandemic period, we seek to improve our facilities and better align them to our new realities. The property management team is supporting this analysis, by providing information on various products and technologies available in the market that can support these new functions.

Due to COVID-related budgetary restrictions and associated uncertainties, we had been opting for short and medium-term lease renewals. We are now transitioning to medium and long-term strategies.

During this third quarter of the year, we are pursuing a renewal and expansion agreement in New Glasgow, negotiating for new space in Sydney and Oshawa, and are looking at the Regina real estate market, in order to evaluate various opportunities for a long-term solution relating to the Saskatchewan Regional Office. We are also evaluating our options for various other locations such as Dauphin, London, Victoria, Niagara and Edmonton.

The leasehold improvements for our new space in Gatineau is on-going, as well as the expansion of the Manitoba Regional Office. We are also performing capital investments in several of our properties, including numerous security systems upgrades.

## **CONFERENCES AND EVENTS**

It has been a busy summer. CUPE held several virtual meetings, including many national committee meetings, webinars as well as several trial appeals. CUPE hosted an in-person National Executive Board meeting and Regional Directors' meeting in June at the Shaw Centre in Ottawa.

Planning is well underway for our in-person 2022 Sector Council Conference, which will be held at the Shaw Centre in Ottawa from October 3 to 6, 2022. Registration for the Sector Council Conference opened on Monday, July 18. Registration closed on September 16 with a total of 775 registered participants.

CUPE's COVID Policy, including our vaccination policy, will be in effect at this first in-person conference since the start of the pandemic. We are all excited to be planning and attending an in-person conference, and CUPE will remain vigilant in doing all we can to prevent the spread of COVID and ensure the health and safety of all attendees.

In addition to the Sector Council Conference, an All-Committees Meeting will be held at the Vancouver Convention Centre from October 31 to November 3, 2022.

Our National Services Department will be hosting a department-wide meeting at the InterContinental Toronto Centre Hotel from November 28 to December 2. This meeting will bring together CUPE staff from the Communications, Health & Safety, Human Rights, Job Evaluation, Legal, National Services and Union Education Branches.

## **PENSION ADMINISTRATION**

The 2021 pension annual statements were mailed to all active, retired and deferred plan members at the end of June. For pension estimate purposes, active plan members also have access to their current and past pension annual statements through the Plan's website at [www.cepp.ca](http://www.cepp.ca).

The actuarial valuation report effective January 1, 2022 was filed with government authorities. Consequently, effective January 1, 2022, the employer contribution rate increased from 14.92% to 15.12%. Retroactive relevant employer contributions will be remitted to the CEPP Fund by the end of 2022.

The Joint Board of Trustees will hold its next JBT meeting on September 27 to discuss ongoing issues and activities of the pension plan.

The 2021 Annual Report to Members is now available under the Plan's website at [www.cepp.ca](http://www.cepp.ca).

2022 Pre-Retirement Planning Seminars will continue to be delivered by Zoom.

### ***Retirements***

Darlene E. Bergeron, Human Resources Department – August 1, 2022

Cavelle Lane, Human Resources Department - November 1, 2022

Laura Lesko, Ontario Regional Office – January 1, 2023

Philippe Gagnon, Communications Branch – February 1, 2023

Réal Leboeuf, Sherbrooke Area Office – July 1, 2023

### **CONCLUSION**

As the third quarter of 2022 closes, I want to highlight how I am constantly reminded of the way CUPE members show up for their communities every day, and how proud I am of CUPE members for organizing and building power despite all the challenges we currently face. We are living in volatile times, but every day you demonstrate that CUPE activism never stops, just as CUPE members never stop. I am proud to be your National Secretary-Treasurer.

Respectfully submitted,



CANDACE RENNICK  
National Secretary-Treasurer

:mar/ceu