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

Ottawa, Ontario  
June 14-15, 2023

Dear Sisters, Brothers, and Friends:

The second quarter of 2023 has been as busy as it always is with spring Division conventions. This year, with our first full round of in-person conventions since 2019, it has been wonderful to see members in person again, and to hear first-hand about all the amazing work happening in your regions. There are so many creative campaigns and efforts underway in your regions. I am so inspired by the smart strategies you are using to challenge employers, to build strategic alliances in your communities, and by your organizing efforts inside our union. I heard so many great stories at your conventions, so many reports of fightbacks and triumphs and ongoing organizing. I also heard many incredibly hard stories of struggle among our members during these very challenging economic times. I am so proud to represent you all as National Secretary-Treasurer.

***Division and Sector Conventions***

**OCHU, OMECC and CPSS:** I was thrilled to be able to attend the opening evening of the Ontario Council of Hospital Unions conference in April, and to bring greetings to the Ontario Municipal Employees' Coordinating Committee meeting virtually. I also attended the CPSS (Quebec education workers) conference in Mont-Tremblant in April for the first time, and I am grateful to Brother Richard Delisle for the invitation and the warm reception.

**Anti Racism Strategy Officers' Breakfasts:** At all Division Conventions this year, Mark and I hosted a National Officers' breakfast (or lunch), where we spoke about CUPE's commitment to our organizational Anti-Racism Strategy. I was pleased to see the turnout at these events, and inspired by the members who told us about the various ways they are, in their locals, implementing recommendations laid out in the Anti-Racism Strategy adopted at National Convention. It is crucial this document not just be something that lives on a website, but rather a useful guide that helps locals take meaningful action to combat racism inside our workplaces and union.

**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

**New Brunswick Division Convention:** Brother Steve Drost presided over a dynamic convention in April, where Sisters Sherry Hillier, Nan McFadgen and I delivered an update on the work of the Safe Union Spaces Working Group. During my time in New Brunswick, we attended a convention rally in support of the teachers engaged in tough bargaining with the province, and walked the picket line with members of PSAC who were on strike. Congratulations to Brother Steve on his re-election for a two-year term as President of the Division.

**British Columbia Division Convention:** I was able to attend the BC Division Convention in Victoria at the end of April, where Sister Karen Ranalletta was re-elected to her second term. Congratulations, Karen! I had to leave the BC Convention early as my family gathered to say good-bye to my sister-in-law who lost a very short but courageous battle with cancer. Thank you to CUPE BC for their support and understanding and allowing me to record my speech to be played for convention delegates.

**Newfoundland Division Convention:** May kicked off with virtual greetings to Newfoundland's Division Convention, as I stayed home with my family to grieve the loss of my sister-in-law. Congrats to Sister Sherry Hillier on a successful convention in St. John's, who was re-elected as President of the Division.

**Quebec Division Convention:** It was great to be in Quebec City for the SCFP convention this year. Delegates took to the streets to demand common front bargaining progress and a fair deal for CUPE members on strike. In an incredible show of solidarity, delegates raised over \$230,000 on the floor for locals 5454 and 2614, currently on strike. Patrick, Frédéric and Richard were all re-elected by acclamation for a two-year term. Congratulations to all three brothers.

**Manitoba Division Convention:** Sister Gina McKay presided over a dynamic convention in Brandon mid-May and treated delegates to a 60-year history celebration that featured former National President Paul Moist and CUPE Ontario Vice President, Tiffany Balducci. Congratulations to Gina on her re-election, and on all the exciting work she is leading in Manitoba. I was pleased to deliver a report on the work of the Safe Union Spaces working group along with Sister Judy Henley, Sister Debra Merrier, and Brother Mark Hancock.

**PEI Division Convention:** Congratulations to Brother Leonard Gallant, on his final convention as President of CUPE PEI. Additional congratulations to Ashley Charmaine Clark, newly elected President – I look forward to working with you, Ashley! Along with Sisters Sherry Hillier and Debra Merrier, I provided delegates with the report of the Safe Union Spaces working group.

**LTC and Community Services Coordination Committee Conference:** This year, I was able to attend a conference of long-term care and community services workers, scheduled immediately before the Nova Scotia Division Convention in Membertou, as they celebrated 30 years in Cape Breton. It was inspiring to hear from those members all they are doing to support their communities and build union power in Nova Scotia. I want to wish a long and healthy retirement to Louise Riley who after 25 years as President of the Committee announced her decision to retire.

**Nova Scotia Division Convention:** I attended the CUPE NS convention in Cape Breton Island as wildfires were raging through parts of the mainland, and displacing thousands of residents, and ravaging homes and businesses. Convention delegates got to hear directly from CUPE Local 5047 members on strike, and came together to raise over \$60,000 from the floor. Sisters Nan McFadgen, Sherry Hillier, Debra Merrier and I delivered the Safe Union Spaces report to delegates at the NS convention. Congratulations to Nan on being re-elected for another term.

**Ontario Division Convention:** The last week of May, I closed out convention season coming home to Ontario, to a convention program rich in culture and diversity. Congratulations to Brother Fred Hahn and Sister Yolanda McClean on a very successful, well-attended convention in Toronto. Sisters Karen Ranalletta, Debra Merrier, and Yolanda McClean joined me in giving the Safe Union Spaces report to convention in Ontario.

### **CLC Convention, Week of May 8th**

I attended the CLC Canadian Council meeting in Montreal on May 6, in advance of the CLC convention kicking off on May 8. We also held a well-attended CUPE Caucus on the evening of May 7. It was terrific to be back at the CLC in person where CUPE members provided strong representation during the debates on many important topics. Congratulations to the Team Unite crew (President Bea Bruske, Executive Vice Presidents Larry Rousseau and Siobhan Vipond, and CUPE's own Lily Chang, Secretary Treasurer) on their re-election.

### **Funeral of Marion Moist**

I was able to represent the National Executive Board at the funeral of Marion Moist, spouse of former CUPE President Paul Moist, in Winnipeg. I know all CUPE members join me in expressing condolences to Brother Moist, and to Marion and Paul's daughter Kelly Moist, former CUPE Manitoba President and current national staff representative, and to Scott Moist, son of Marion and Paul. Marion will be deeply missed by many friends, family, and her community.

### **CUPE Staff Bargaining Update**

Agreements were reached in this quarter with CDU and with Unifor 2013 (national representatives' unit in Quebec). This concludes all staff bargaining. I want to take this opportunity to thank all of the staff unions for a respectful and collaborative approach to bargaining.

### **Safe Union Spaces (SUS)**

As noted above, the women of the NEB have delivered updates on the SUS work to all Division Conventions through the spring. After the National Executive Board approved the creation of a Sexual Harassment and Gender-based Violence Prevention & Support Office, the working group has been focusing on the scope and timeline for the office, which will be presented at this meeting in a draft form.

We anticipate hiring the staff lead for this office in the autumn of 2023, with a projected opening date for the office in early 2024.

### **Trustees' Audit:**

CUPE's trustees have conducted their annual review as of June 9. I thank Talitha, Donna, Christian, Luc and Bob for their thorough work on behalf of our union.

### **External Audit:**

Deloitte has completed CUPE's external audit. As always, our audited financial statements will be posted on cupe.ca when the documents are ready.

## **FINANCIAL STATEMENTS FOR THE QUARTER ENDED MARCH 31, 2023**

### **GENERAL FUND**

#### **Statement of Financial Position**

The total assets in the General Fund at March 31, 2023 were \$367.3 million. The bank balance at March 31, 2023 was \$25.1 million. The bank balance includes various internal cash reserves 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 \$321.2 million at March 31, 2023.

The Fund Balance at March 31, 2023 was \$46.0 million, of which a total of \$3.6 million is restricted as follows: Convention and National Events Assistance Fund: \$1.1 million, and Regional Building Fund: \$2.4 million. We also have invested \$69 million in fixed assets, which means 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 deficit for the year-to-date is \$802,000, compared to a budgeted deficit of \$3.2 million.

**Revenue:** Per Capita revenue is over budget by \$628,000 and total revenue is over by \$5.7 million, which includes unrealized gains of \$3.9 million.

**Expenses:** Total expenses are over budget by \$3.3 million.

Salaries are under budget by \$380,000 and current benefits are over budget by \$445,000. Employee future benefits (see next section) are over budget by \$4.6 million, of which \$4.4 million relates to investment gains and losses. Directors and Representatives' salaries are under budget by \$149,000 while Administrative and Technical Salaries are \$100,000 over budget. Clerical salaries are under budget by \$86,000. Vacation Relief is under budget by \$243,000.

## Employee Future Benefits

In 2005 CUPE established the Roadmap on the Employee Future Benefit Liability as a good governance measure. I am pleased to report we have met our objective of fully recording the amount of these liabilities on our balance sheet as of December 31, 2022.

We have been weighing our practice of recording this liability according to a discount rate reflective of the earnings we expect to achieve on our investments, versus new standards mandating a more conservative discount rate. The National Executive Board has confirmed that the assets we've set aside to safeguard future benefits are to be used for the sole purpose of funding future employee benefit liabilities. We will continue to record the liability as we have been to date.

Under the method where we use the expected rate of investment earnings, the true liability as calculated by our actuary at December 31, 2022 stood at \$249.5 million. This amount is fully recorded under Long-Term Liabilities on our balance sheet.

In the first quarter of 2023, we have continued to record these expenses using a modified version of the Roadmap we have been following since 2005. Instead of increasing the amount of the annual expense by \$900,000 year over year, we have increased it by \$750,000 from the prior year. Using the modified Roadmap, and taking into account investment returns, we have booked an additional \$7.2 million in liability in this first quarter of 2023.

## Operating Expenses

Cumulatively, the other operating expenses, including Programs, are \$1.4 million under budget. Below are some of the more significant items:

1. Overall programs for the national departments are \$786,000 under budget for the first quarter largely due to timing of expenditures incurred.
2. Rent is \$243,000 under budget largely due to some delays in getting capital work underway.
3. Fixed Staffing Costs are \$189,000 under budget, but \$475,000 higher than in the first quarter of 2022. This is due to the return of vehicle travel, though it should be noted that this is still at a lower volume than it was prior to COVID.
4. NEB/NEC other expenses are \$178,000 over budget, largely due to in-person events starting up again.
5. Operational Travel costs are \$739,000 over budget due to the return of in person meetings and events. In particular, in the first quarter of 2023, staff meetings were held in each region in person, and the National Women's conference was held in Vancouver. We expect this expenditure category will fall in line as we progress through the year.

## **NATIONAL DEFENCE FUND**

### **Statement of Financial Position**

As at March 31, 2023, we have \$29.3 million in Total Assets. The cash balance at March 31, 2023 is \$7.2 million. In addition, we have investments totalling \$19.9 million on the books at March 31, 2023.

Under Liabilities we have accounts payable and accrued liabilities of \$1.2 million at March 31, 2023. There is also \$10.4 million in cost-shared campaigns' liabilities. Finally, \$1.0 million is owed to the General Fund at March 31, 2023.

At March 31, 2023, the Fund Balance is \$16.7 million.

### **Statement of Operations**

Including unrealized gains, the fund had a surplus of \$1.3 million at March 31, 2023.

**Revenue:** Total revenue at March 31<sup>st</sup> was \$5.3 million. This includes \$1.3 million of unused funds from previous years' campaigns.

**Expenses:** Total expenses for the quarter ending March 31<sup>st</sup> were \$4.2 million as follows:

Cost-shared campaigns approved by the National Executive Board in the first quarter of the year were \$2,329,257, with an annual budget of \$4.9 million. Major Organizing expenses were \$914,315 against an annual budget of \$4.575 million. National Strategic Initiatives expenses were \$751,846 against an annual budget of \$2.85 million. Regional Strategic Initiatives expenses were \$206,900 with a budget for the year of \$2.450 million.

## **NATIONAL STRIKE FUND**

### **Statement of Financial Position**

Total Assets in the National Strike Fund as of March 31, 2023 were \$138.2 million. These assets consisted of \$9 million in cash, \$2.2 million in per capita receivable, \$6 million in accounts receivable and \$120.9 million in investments.

Under Liabilities we have accounts payable and accrued liabilities totalling \$1.6 million, and \$3 million due to the General Fund.

### **Statement of Operations**

At March 31, 2023 the fund had a surplus of \$287,000 with unrealized gains of \$2.7 million bringing the total surplus to \$2.984 million.

**Revenue:** Total revenue at March 31<sup>st</sup> was \$4.2 million, which represents a combination of Per Capita Tax and Investment income.

**Expenses:** Total expenses at March 31<sup>st</sup> were \$3.9 million as follows:

Strike Related Expenses: \$2,845,825  
Strike Averting Expenses: \$612,636  
Legal and Arbitration Expenses: \$109,317  
Bargaining Rights Legal Challenges: \$350,000

## **STRIKES AND LOCKOUTS FOR THE Q1 2023 FINANCIAL REPORTING PERIOD**

CUPE members are standing up and demanding more and better all across the country. During the reporting Q1 reporting period the following locals were on strike, or locked out:

QC – SCFP 2929 Société québécoise des infrastructures  
QC – SCFP 5454 Société québécoise du cannabis  
QC – SCFP 2614 Société des arrimeurs du Québec (lockout)  
QC – SCFP 1690 Municipality of Sainte-Julie  
QC – SCFP 301 City of Westmount  
BC – CUPE 561-07 First Canada ULC, Transit  
ON – CUPE 4600 units 01 and 02 – Carleton University Teaching Assistants and Contract Instructors

## **STRIKES, LOCKOUTS AND SETTLEMENTS FOR THE CURRENT QUARTER (Q2)**

At the date of writing this report, the following locals were on strike:

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

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

SCFP 1690 (QC) – Municipality of Sainte-Julie, 100 members on rotating strikes since December 6, 2022

CUPE 561-07 (BC) – First Canada ULC, transit local of 138 members on rotating strike in early March, and on full strike since March 20, 2023.

CUPE 4600 units 01 and 02 (ON) – Carleton University Teaching Assistants and Contract Instructors, 2,738 members on strike from March 27 to April 6, 2023.

CUPE 2276-03 (ON) – Community Living Port Colborne, 106 members on strike from March 31 to April 25, 2023.

SCFP 3332 (QC) – Ville de Longueuil, 115 members on a one-day rotating strike on April 4, 2023

CUPE 233 (ON) – Toronto Metropolitan University (formerly Ryerson University), 98 members on strike from April 17 to May 8, 2023.

CUPE 5047 (NS) – The Halifax Regional School Board, 1,850 members on strike since May 10, 2023.

## **PER CAPITA ARREARS**

For the quarter ended March 2023, the total arrears were \$7,718,755, which was an increase of \$2,179,275 or 39.34% from the previous quarter ended December 2022. Total arrears have increased 60.76% as compared to March 2022.

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

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

The IT development team is focused on enhancing the MRMS Local Union Information (LUI) module, revamping the officers' form, the employer section, building new reporting capabilities, and the ability to merge duplicate member records, which will help keep the data clean.

The IT development team is also developing a new, improved "Just Pay" application, which will eventually replace the system currently in use by our Job Evaluation staff.

### ***WSIB Management System***

In collaboration with the Workplace Safety and Insurance Board (WSIB) team in Ontario, the IT team developed a new case management system. Rollout of the new system was completed in early May.

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

Work in Q2 included the rollout of the CUPEDocs Solution to Human Resources and Organizing and Regional Services. The CUPEDocs implementation at the National Office is almost complete, with only the Fleet and Properties team remaining.

The next phase for the CUPEDocs team is to wrap up all things related to the National Office, and to start planning out the regional rollout for late 2023 and throughout 2024.

Since the beginning of the solution rollout, over 172 staff have been trained (Teams and SharePoint) on the solution.



## ***Finance System Replacement***

Our current financial accounting system has been serving us for nearly 20 years and is now quite outdated. Microsoft has also announced that it will be discontinuing support of this software in the near future.

We will be moving to a system called Dynamics 365 Finance and Operations (F&O). The project to implement Dynamics 365 F&O is now underway, and is expected to take the remainder of 2023 before we are ready to go live.

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

The work that has been done on finding a replacement for our existing Per Capita Tax system stalled mid-way through last year, when the external IT Partner we were working with told us they lacked the needed resources and confidence to complete the project.

We needed to search for a new IT partner with sufficient experience and resources to handle a project of this complexity. We feel we have found the organization that can meet our requirements. The implementation project will restart at the beginning of June, and we are targeting a go-live date in early 2024.

The new system will be called the Local Remittance System, or LRS for short.

## ***Moniroo***

We are working on testing changes needed to enforce the new six-month rule on expense submission. We expect this new functionality to go live by July 2023.

## ***End User IT Infrastructure / IT Security***

CUPE's aging fleet of Xerox printers is scheduled to be replaced starting the second quarter of 2023. With an eye on efficiency, CUPE IT has begun testing smaller, more efficient printers and where possible, consolidating devices to reduce our printing/copying footprint.

In today's world of IT security threats, viruses and malware are now also targeting smartphones. We will start to roll out an anti-malware solution for smartphones in June 2023. In conjunction with our mobility support partner, Microsoft Defender for Endpoints will be implemented for all CUPE mobility users.

Testing has also been completed on an enhanced password policy within the IT employee group. We will deploy this new policy to senior staff in September with a full rollout to all users in early December 2023. The new password policy will require all CUPE system users to harden their current password following industry standard IT Security standards.

Cybersecurity training is also paramount to ensure our IT environment is protected against external threats. As a condition of our cybersecurity insurance policy, we must train staff annually. We are currently working on the delivery of the 2023 staff training.

## **PROPERTIES AND LEASEHOLDS**

We are in the process of implementing a new standard office design that aligns with our operational requirements, and in light of all we've learned about the ability to work and meet remotely during COVID. The property management team has started rolling out this new design in 2023 as we relocate leased offices and renovate owned facilities.

During this second quarter of the year, we are in lease negotiations to secure new office space in Edmonton and Regina, and are looking at various options regarding our offices in London, Niagara and Kitchener.

We have on-going leasehold improvement projects for new spaces in Dauphin, Oshawa, Sudbury and New Glasgow, and for the expanded space at the Manitoba Regional Office. We are also performing capital investments in several of our properties, including a major HVAC upgrade and major exterior repairs at the Ontario Regional Office, HVAC and lighting upgrades at the Saskatoon Area Office, refitting the Sudbury Area Office and renovations at the Brandon Area Office, and numerous security systems upgrades throughout the portfolio.

## **CONFERENCES AND EVENTS**

CUPE has been busy the last few months, following the hugely successful Women's Conference that was held in Vancouver, BC from March 12-15, 2023.

On the heels of the Women's Conference, we have been very busy planning and holding in-person committee meetings for our 18 national committees and branch meetings.

## **2023 CONVENTION**

Preparations for our 31<sup>st</sup> Biennial CUPE Convention, scheduled to take place at the Centre des congrès de Québec in Québec City, on October 23-27, 2023 are well under way.

The Advance Notice for the 2023 National Convention went live on cupe.ca, and locals were emailed the link on April 25, 2023. The Official Call and credentials forms will be sent out to CUPE locals, and will go live on July 25, 2023. Once again, we look forward to a successful convention. Not only will this commemorate our 60<sup>th</sup> anniversary as a union, but it will also be the first in-person convention since COVID-19.

## **PENSION ADMINISTRATION**

The retirees' inflation protection payments were processed for June 1 2023 as a result of the January 1, 2023 actuarial valuation and in accordance with Plan provisions. Effective January 1, 2023, members who retired prior to January 1, 2022 had their pension benefits payable from the CEPP increased by 4.44%. This rate was proportionally adjusted for those who retired in 2022. The June payments also included a retroactive adjustment for the period from January 1 to May 31, 2023. A letter with indexation details was sent to all retired members in May.

The Joint Board of Trustees held its JBT meeting on June 6, 2023, to discuss ongoing issues and activities of the pension plan.

The auditors of the CUPE Employees' Pension Plan are completing the 2022 Pension Fund audit and the 2022 Financial Statements will be filed with the Regulators in June.

The spring edition of the CEPP newsletter "Pension Connection" will be available soon on the CEPP website.

The Pension Plan staff is currently working on the preparation of the 2022 Pension Plan Annual Statements for all plan members. Active plan members will also have access to their 2022 annual statements through the Plan's website at [www.cepp.ca](http://www.cepp.ca) for pension estimates purposes.

### **Retirements**

Daniel J. Pike, Ontario Regional Office – May 1, 2023  
Louise J. Payette, Human Resources Department –October 1, 2023  
Anne Healy, National Secretary-Treasurer's Office – February 1, 2024  
Paul T. Edwards, Sault Ste. Marie Area Office – May 1, 2024

I want to make special mention of Anne Healy, who has provided support to the National Secretary Treasurer for the past nine years, first as an Executive Assistant and then a senior advisor on our safe spaces work. Anne has been an incredible asset to the team during the past decade, handling many complex and challenging files during that time.

Anne was an enormous support to me personally as I transitioned into my new role and I want to personally thank her for her dedication and commitment to CUPE members, her leadership in the Treasurer's office, and her friendship to me. Thank you, Anne. Congratulations and all the best.

## CONCLUSION

As Division Convention season comes to a close, I want to reiterate how proud I am to represent you as your National Secretary Treasurer. The current economic climate remains very difficult for many of our members. I am proud that our union has the resources to stand behind you, supporting CUPE members and locals as they fight for better wages and working conditions. Seeing all the ways you show up for your communities and for each other gives me so much inspiration. Your activism and commitment make the labour movement in this country so much stronger.

Respectfully submitted,

A handwritten signature in black ink that reads "Candace Rennick". The signature is written in a cursive, flowing style.

CANDACE RENNICK  
National Secretary-Treasurer

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