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Canadian Union of Postal Workers

September 2015

PERSPECTIVE



This year we vote for a better future for working people

It couldn't be more clear: how we vote in the 2015 federal election will express how we want workers to be treated in this country.

So how have we been treated by the current federal government? The Conservative Party assault on our rights and hard-won benefits is like never before. The government's record speaks for itself:

- The Conservatives have legislated workers back-to-work more than any government in history. In 2011, the federal government sided with Canada Post by passing back-to-work legislation that eliminated our right to free collective bargaining, including the right to strike.
- It passed Bill C-525, which makes it harder to become unionized and easier to decertify unions.
- It also passed Bill C-377, a bill that requires every union and every union local to file a detailed financial report annually for posting on a public website. This new legislation is a thinly disguised attack on unions. It's designed to set the stage for workers to complain about their union dues being spent on particular activities. It is meant to undermine

the automatic dues check off and the financial strength of unions to protect members.

- The government has blocked the expansion of the Canada Pension Plan (CPP) even though there is an overwhelming consensus among provincial and territorial leaders, pensions experts, unions and other stakeholders that an expanded CPP is the most effective, efficient and affordable way to improve income security for retired workers. The government's recent announcement that it will hold consultations on allowing voluntary individual contributions to the CPP is nothing but a cynical attempt to appear to be addressing the retirement income needs of Canadian workers.
- It has threatened to convert defined benefit pension plans, which provide retired workers with a known amount of money, into much riskier target-benefit pension plans whose payments could fluctuate with economic factors.

- The government oversaw the expansion of the Temporary Foreign Worker Program (TFWP), which resulted in widespread abuse of foreign workers. It was forced to make changes to the TFWP but the modifications did not address the precarious and vulnerable conditions of migrant workers in Canada.

- Harper's Conservatives have made it extremely difficult for people to access Employment Insurance.
- They have cut tens of thousands of public service jobs.
- Youth unemployment has increased since the Conservatives took power in 2006. The unemployment rate for youth aged 15 to 24 was a horrendous 13.2% in May of this year. The official rate underestimates unemployment for this group, by not including young people who have given up their job search or gone back to school because they couldn't find jobs.

- The federal government also endorsed Canada Post's five-point plan, which includes the destruction of 6000 to 8000 jobs, the elimination of home mail delivery, large postage rate hikes, the closure and downsizing of public post offices and the reduction of their hours of service.

In short, the Conservatives have been the most anti-worker government in living memory.

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In the upcoming federal election, vote for a candidate who respects workers' rights and is on record opposing the service and job cuts that Canada Post announced on December 11, 2013 and that the Conservative government endorsed.

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Our future is on the line

Over the last four years, our union has faced unprecedented attacks from the Conservative government led by Stephen Harper. After first hiring a new CEO from the largest private mail supply company in the world, the government proceeded to lock-out our urban members, legislate us back and then gut our collective agreement. Our RSMCs were forced to swallow a contract that doesn't solve any of our substantive issues. And finally, in December 2013, a plan was announced to dismantle our public postal service - ending home mail delivery, privatizing post offices, attacking the wages, benefits and pensions of our members and jacking up the price of stamps.

In this election, the stakes could not be higher for CUPW members.

This is why CUPW launched a national tour to Save Canada Post this summer, taking our message to the public and encouraging our members to get active on the election campaign. Our aim is to ensure that every voter in this country understands that these cuts are unnecessary, and they can be stopped on October 19th. The Save Canada Post bus will stay on the road right until election-day.

We are not only mobilizing for the federal election, but also for the bargaining table.

Both of our major collective agreements expire soon – our RSMC agreement on December 31 and our Urban Operations agreement on January 31. We are currently conducting contract demand ratification votes for both collective agreements, and we are asking our members to give our bargaining committees a strong mandate.

Our convention sent a clear message on the approach we will take at the bargaining table: this union is finished with concession bargaining. Postal workers have faced roll-backs in successive rounds of bargaining. Enough is enough! Canada Post continues to make healthy profits.

There is no justification for concessions. What's more, we have demands which must be met. Our members have sacrificed enough. We have heard your cries; now, we will hear you roar.

Without our labour, Canada Post cannot exist. Without our work, there are no profits. We have faced attacks from the bosses and their government. We have endured cuts, restructuring, mechanization, disrespect and more. It's time to fight back. Postal workers are drawing a line in the sand. At the end of the day, the only real power we have is to withdraw our labour. Governments can pass laws to ban our strikes, they can fine

us, and even arrest us – but the one thing they cannot do is deliver the mail without the Canadian Union of Postal Workers.

The next year is a pivotal one for postal workers. Our future is on the line. We must defeat Stephen Harper's government, and be prepared to fight to defend the service we provide to the public.

In Solidarity,

Mike Palacek
National President



Continued from front page

Heave Steve.....

What CUPW has been doing

We're fighting on the postal front, for jobs and service. In rallies, public meetings, canvassing, conferences and other forums, we're discussing the recent cuts and the future of public postal service and jobs with Canadians all across the country. The public is telling us that the cuts to postal service and jobs are an election issue.

Once a federal election is called, the union will inform members about federal party positions on the postal service cuts, postal banking, postal privatization and deregulation, child care and more. Watch for this material on our website (cupw.ca) and bulletin boards. Vote in the upcoming election, and volunteer to support a pro-worker candidate in your area. The future of Canadian workers will be shaped in this election.

Welcome to the new National Executive Board



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1. Mike Palacek, National President

"I'm proud to be a part of the fighting history of this union. Together, we will defeat Stephen Harper and the conservative agenda." -

2. Jan Simpson, 1st National Vice-President

"I want to unite the membership in support of workers' rights."

3. Bev Collins, National Secretary-Treasurer

"I value accountability and transparency for the membership. This is the fight of our lives and we all have to get out and fight for our jobs. The union is only as good as we all are. I'm concerned about all equity-seeking groups and bringing Sisters forward in the union." -

4. Peter Denley, National Grievance Officer

"Our union's at a pivotal point in history – this is an era where we can effect positive change for workers and I'm stoked to be part of that change."

5. Dave Bleakney, 2nd National Vice-President

"We have choices – we can be victims or agents of change. Change agents win. When our hearts hold passion and our guts conviction, we are unstoppable."

6. George Floresco, 3rd National Vice-President

"We need justice for the membership."

7. Martin Champagne, 4th National Vice-President

"I think we are ready to work together to face the fights ahead. All our struggles are linked and we need to be a team, and our members need to be part of that team."

8. Tim Armstrong, Director, Pacific Region

"I think the public values us but the current government doesn't. We need to bring in a government that respects quality public services and the work we do."

9. Gord Fischer, Director, Prairie Region

"We have to unite and build a stronger organization to fight government attacks against workers."

10. Gerry Deveau, Director, Ontario Region

"I'd love to see the defeat of the Conservatives and the implementation of door-to-door delivery everywhere as well as moneymaking measures to secure the viability of Canada Post and security for our members in the future."

11. Sanjay Sapra, Director, Metro-Toronto Region

"I stand for unity and I stand for human rights."

12. Mark Evard, Director, Central Region

"(quoting Noam Chomsky): If you don't like what someone has to say, argue with them!"

13. Sylvain Lapointe, Director, Metro-Montréal Region

"It's time postal workers got what we deserve – respect and good working conditions."

14. François Senneville, Director, Québec Region

"I look forward to bringing a different perspective to the Quebec Region and a new energy to the National Union."

15. Jeff Callaghan, Director, Atlantic Region

"CUPW is facing unprecedented attacks from employers and governments determined to eliminate everything we've ever fought for. We must be better prepared to aggressively meet these challenges head on."

CUPW PERSPECTIVE

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Tel: (613) 236-7238
Fax: (613) 563-7861
www.cupw-sttp.org

Letters to the editor are welcome.

Please e-mail your feedback to: feedback@cupw-sttp.org

Editor: G. Floresco

Production and translation:
A. Boulet, C. Drouin, G. Laflamme,
B. Luijkenaar, M. Parrot, M. Prévost

Associate editors:

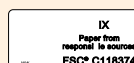
D. Bleakney, M. Champagne, B. Collins, P. Denley, M. Palacek, J. Simpson

Contributors:

A. Ahmad, J. Gillies, S. Lapointe, K. Matthews, K. Steinhoff

Affiliations:

- Canadian Association of Labour Media (CALM)
- Canadian Labour Congress (CLC)
- UNI Global Union
- International Transport Workers Federation (ITF)



LETTERS POLICY

CUPW Perspective welcomes letters to the editor. We will print any letters from a CUPW member provided it:

- is 400 words or less. Union members may submit longer items for consideration as commentary pieces.
- Does not violate CUPW policy opposing discrimination and harassment against women, people of colour, First Nations, Inuit, and Métis people, lesbians, gays, bisexual and transgender individuals, people with different abilities, and/or CUPW policies and principles.

- is typed or written neatly.
- includes the author's name, address, local and a phone number where they can be reached if there are problems.

Perspective will withhold the author's name if necessary. Otherwise, the author's name and local will appear.

Perspective will contact authors if there are problems with their letters. We accept letters by mail, fax and electronic mail.

Rural and Suburban Mail Carriers (RSMC) Negotiations 2015

RSMC members deserve full equity with members of the urban operations unit and that's what this round of bargaining is all about. The union had hoped to achieve full equity during the last round, but we ran up against the Harper government and its harsh record of backing unjust employers like Canada Post with back-to-work legislation. What we faced was unfair, undemocratic and unacceptable. In the end, RSMC members voted to accept an agreement with Canada Post that contained some improvements. They voted for, what was in our estimation, the best we could get in a difficult bargaining climate.

We are determined that this round of bargaining will be different, but first we must regain our collective bargaining rights by defeating the most anti-worker government in living memory. If we do not, Canada Post will continue to take a hard line at the bargaining table, backed by the Harper's heavy hand.

It may be an uphill battle but the union is fully committed to achieving equal wages, benefits, meal periods and paid rest periods. Of course, we will need the support of RSMCs to do this. If you are a RSMC, please stay informed and participate in any actions that are called.

As you may know, the negotiations process has already begun. The union has chosen negotiators. Members attended pre-negotiations regional conferences to discuss demands over the spring and summer. At press time, the NEB is set to review and consolidate the demands from conferences and submit a program of demands to the membership for a vote in early fall.

The union is urging all RSMCs to vote on the program of demands and in the upcoming federal election.

In solidarity,
George Floresco,
RSMC Chief Negotiator



Urban Operations Negotiations 2015

Another round of bargaining is already here for both the urban (Urban Postal Operations) and RSMC (Rural and Suburban Mail Carrier) bargaining units. It follows up on our 2011-12 negotiations, when our collective bargaining rights were undermined. After several days of rotating strikes, the employer locked us all out and then relied on the power of Stephen Harper's Conservative majority government: the government legislated us back to work and imposed a final offer selection (FOS) arbitration process. We remember all this because it sets the stage for the coming round.

Canada Post will once again have a long list of demands, all aimed at increasing its profit margin. Remember: four of the five points in their action plan involve decreasing services, contracting out, and cutting labour costs.

Opposed to this is our vision, a vision of a universal public post office that truly serves the interests of the population today and tomorrow, instead of focussing excessively on profit. A service powered by people working in decent conditions. We'll push Canada Post to recognize that it is postal workers who keep the wheel turning, we who create this Crown Corporation's success and its brand value. This vision will back up the demands that come from the members.

Your demands will be based on the everyday realities of the work floor – not simply on a numbers analysis. Your negotiating committee's task

is to defend and argue the validity of your demands with the employer. The negotiators know this will be no easy task, but they'll also be assured that the will of the membership is behind them. We'll have to express and demonstrate our collective power to the negotiations and to Canada Post throughout the process, so that we can get the collective agreement we deserve.

But we also have one job to do before our next round of bargaining. We must put the Harper Conservatives out of work. We can't leave them at the helm of the country, and thus of Canada Post. If we negotiate once again with Canada Post backed up by an anti-worker Conservative government, we can expect the same unjust treatment and violation of our rights as last time. We must mobilize and make our families, friends, acquaintances and the whole population understand that this government must not be re-elected.

It is time to remind the employer and the government that postal workers are more determined than ever to get what we are entitled to: respect and real improvements to our working conditions.

It will be a tough battle, but remember: we fight for decent jobs so we can provide for our needs and the needs of our families. What's at stake isn't a few dollars on a paycheque, it's our future.

In solidarity,
Sylvain Lapointe,
Urban Operations Chief Negotiator

They're with us! Stories of Public Support

It's not just postal workers fighting the cuts to Canada Post. People all over are on our side and more and more are standing up to say so.

When the cuts were first announced in December 2013, an Angus Reid poll showed 58% of respondents opposed ending door-to-door delivery, even after being fed a steady stream of deceptive figures about Canada Post's finances. 80% of respondents agreed that "losing home mail delivery [would] pose a real hardship for some people" and 71% said they were worried about the loss of 6000 to 8000 jobs.

- Since then, Save Canada Post or Save Door to Door lawn and window signs have sprung up everywhere.
- - Municipal councillors and federal politicians have had to contend with a torrent of calls, letters and petitions opposing the service cuts.
- - Almost 600 municipalities – and the Big City Mayors' Caucus, representing our most populous cities – have raised concerns or voiced opposition to the cuts.
- - Protests have appeared in the media ever since the cuts were announced – often in the form of an angry letter to the editor.
- - And some folks have even taken direct action to stop CMBs from coming to their neighbourhoods! Here are just a few examples:

Henry Evans-Tenbrinke (seated) and allies block a CMB installation site in Hamilton earlier this year.

Lynda Kitchikeesic sitting in her new medicine garden, occupying the previously-planned installation site of a CMB.



HANS DYBKA (Dorval, Quebec)

On April 13 Hans Dybka got a large load of earth dumped in front of his house on the site that Canada Post wanted to use for a CMB. He also fenced off the site and covered his front lawn with dozens of CUPW's "Save Door-to-Door" lawn signs – "just in case Canada Post didn't get the message" as the Montreal Gazette put it (April 14, 2015). Mr. Dybka also applied for a building permit for a second driveway because CMBs cannot be placed within three metres of an existing driveway.

HENRY EVANS-TENBRINKE (Hamilton, Ontario)

Sometimes joined by his friend Ken Stone and his dog Albert, Henry Evans-Tenbrinke has occupied multiple CMB sites, chased away contractors, and captured international media attention. A member of the Congress of Union Retirees of Canada (CURC), Henry started fighting back against CMBs on May 11 and continues to draw attention to the issue, although he is no longer sitting in at the sites. His stand has inspired large numbers of supporters to sit-in with him. The City of Hamilton remains a key opponent of the cuts and its court case against Canada Post continues in an appeal. -

LINDA KITCHIKEESIC (Ottawa, Ontario)

When a contractor poured a concrete slab in front of a surprised Lynda Kitchikeesic's picture window, CTV News aired her story and CUPW members rushed to her aid. Lynda, an Indigenous rights activist who suffers from a terminal illness, cherishes her view of the river. She did not want one of her remaining pleasures in life to be marred by an ugly mailbox, especially as the site was not even supposed to be there. Lynda's story is yet another example of Canada Post's complete failure either to consult or to respond to concerns. CUPW members at the National union office and the Ottawa Local came to help Lynda, keeping up a 24-hour occupation of the CMB site for over two weeks. They then helped Lynda plant a medicine garden with four plants sacred to Indigenous traditions – sage, cedar, sweetgrass and tobacco. Lynda will harvest these plants to use in her community organizing work. Canada Post has installed CMBs on her street and in the neighbourhood, but has not (at time of writing) disturbed the garden. Our Union thanks all the brave and spirited members of the public who have taken a stand against the postal cuts. These stories inspire us to keep up the struggle!



Campaign Turns a Corner

The Save Canada Post campaign will be two years old this December. It's been through a few phases of growth, and this fall it gears up for the federal election.

On December 11, 2013, Canada Post announced its five-point plan to offer less service for higher rates, and cut thousands of jobs. CUPW responded right away with Save Canada Post, a campaign to stop the cuts and fight for a postal service that listens to the public's needs and serves their real needs.

Canada Post wants to offer less for more, based on scaring the public with bogus financial projections and phony invite-only "consultation." To counter this, we've been in the media and in communities to debunk the financial myths, and to promote keeping services, expanding into new revenue-generating services including postal banking.

GAINING TRACTION

Our list of allies has grown and grown. When we first launched our Charter of Rights challenge regarding the cuts, the Disabled Women's Network and the National Pensioners' Federation, ARCH Disability Law Centre, Susan Dixon, the Congress of Union Retirees of Canada and others were with us, and more organizations – now including the City of Montreal – are joining in.

Then hundreds of municipalities, seniors' groups, ACORN (community activists who fight poverty), Aboriginal bands and organizations, the National Farmers' Union, are supporting the campaign.

The Canadian Postmasters and Assistants' Association also want to protect a healthy public postal service for the future. Like CUPW they're keen on postal banking – which would increase job security for rural postmasters, and they want to fight reduction in hours at rural post offices.

Recently the NDP have been increasingly vocal on the issue. They've heard the public and the municipalities, and they want to maintain a

healthy public postal service that people can rely on for the future – at the time of writing this, they're the only party that has promised to reverse the cuts.

These are just some of the campaign's milestones. All the work that locals and coordinators have put into the campaign – many town hall meetings, door-to-door canvassing, radio ads, billboards, bus ads, letters, editorials and more – has borne fruit. Not only have we steadily gained public support, we've made it a federal election issue. Municipal governments and now federal politicians are well aware of how strongly people value their postal service.

GO VOTE

So the next short-term focus for the campaign is the federal election. The Save Canada Post caravan is now on the road to mobilize voters in federal ridings across the land.

The Harper Conservative government likes to claim that they maintain an arms-length relationship with Canada Post. But there's no doubt where they stand: when the opposition introduced a motion to stop the door-to-door cuts, the conservative majority defeated it with every vote they had. They clearly approve of the job-killing plan.

Following up on the famous "Stop Harper" sign, campaign coordinators have created "Go Vote" materials to help us spread the word that voter turnout will be crucial to a better outcome from this federal election.

Opposition positions vary, but there are candidates in every riding who – unlike the conservatives – would help halt or reverse the cuts to door-to-door delivery. Make sure your family and friends vote, and let them know that they have pro-postal-worker options when they go to the polls. Once we've defeated the federal conservative government, we'll have removed a major obstacle to saving our public postal service.

CUPW National Convention



This year marks several important dates for our union. Our 25th national convention was held in Toronto from May 4 to 8, with 575 delegates in attendance. During the convention, we took time to celebrate CUPW's 50th anniversary and the 25th anniversary of the CUPW National Women's Committee with special events, videos and slide shows.

CUPW 50th anniversary videos: cupw.ca/en/cupw-50th-anniversary-videos

The work of the union for the last three-and-a-half years was presented and debated by delegates. This included reports from the National Executive Board, national officers and directors, detailed financial statements and reports from the National Trustees, National Women's Committee and the National Human Rights Committee.

Reports to convention: cupw.ca/en/reports-2015-cupw-national-convention

Delegates elected union representatives and passed an action plan that outlines what CUPW is going to do over the next four years to build the union, prepare for negotiations and fight for the future of universal, public postal service.

CUPW Action Plan (2015-2019): cupw.ca/en/capaign/resources/action-plan-2015-2019

Delegates also passed resolutions aimed at strengthening the union and the voices of various groups within CUPW, plus resolutions relating to finances, training, administration and representation. You can find more detailed information about the resolutions on page 7 in this issue of Perspective.

Additional highlights from convention included a riveting women's panel discussion on women in CUPW and the labour movement, several rousing speeches by guest speakers*, a video entitled "Together We Make It Better" produced by the LGBT subgroup of the human rights committee, and an international solidarity evening.

It Gets Better video: cupw.ca/en/campaign/resources/together-we-make-it-better

There was also a massive demonstration in support of postal banking that went through downtown Toronto to the heart of the financial district on Bay street.

CUPW's next national convention is scheduled to be held in May 2019.

*Speakers included Hassan Youssef (Canadian Labour Congress), Daniel Boyer (Fédération des travailleurs et travailleuses du Québec.), Sid Ryan (Ontario Federation of Labour), John Cartwright (Toronto and York Region District Labour Council), Dr. Dawn Lavell-Harvard (Native Women's Association of Canada) and Chantal Locat (Quebec Women's Federation).



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Union democracy at work: Convention 2015

575 delegates from locals across the country met at our union's National Convention, May 3 through 8 in Toronto.

On behalf of the membership, delegates decided:

- - that locals will visit Rural and Suburban Mail Carrier (RSMC) workplaces at least once a year.
- - to strengthen the voices of the National Women's Committee (NWC) and the National Human Rights Committee (NHRC): committee members elected to report to the National Executive Board (NEB) will now take part in deliberations with respect to committee recommendations.
- - to hold one National Women's Committee meeting each year instead of two, and to add one regional women's conference per mandate.
- - that there will be an option to hold a joint women's and men's equity session of women's issues in each region, in addition to regional women's caucus meetings and equity sessions for men.
- - that the National Executive Committee and National Executive Board (NEB) will make it a priority to help CUPW retirees establish a national organization.
- - that the NEB will regularly communicate with Canada Post Corporation (CPC) retirees about the CPC pension plan and discuss ways of improving communication and involvement. CUPW National will send a letter to newly retired members to inform them about retired member status, local retiree committees and retiree organizations within the labour movement. In addition, locals will encourage participation of retirees.
- - that CUPW will develop a formal policy on mental illness, work with the Canadian Mental Health Association on raising awareness, and train representatives in assisting workers who suffer from mental illness.
- - that the CUPW Turtle Island course will be included in the regular education agenda.
- - that union dues will remain status quo. Funds will be transferred from the Defence Fund into the General Fund if there is a deficit in the General Fund, but with limits on the amount and a commitment to transfer money into the Defence Fund if there is a surplus in the General Fund.
- - that strike pay will be increased from \$175 to \$200 per week.
- - to limit the amount of money that accumulates in two funds to \$40,000 during each mandate. (Money over and above \$40,000 will be returned to the - General Fund.) The funds in question are one used to assist women's participation in forums related to women and another used to help CUPW people of colour, disabled people, lesbians, gays, aboriginal people, transsexual, transgender and bisexual members to participate in forums related to equity and human rights.
- - that every member has the right to express their opinion freely during the ratification of a tentative agreement.
- - to develop a training program for newly elected officers and union representatives.
- - to add the arguing of grievances at arbitration to the duties of National and Regional Union Representatives
- - to increase the number of alternates for each National Human Rights Committee working group from one to two per region.
- - to create a process for conflict resolution and discipline. Each region will now have a 4-member conflict resolution committee to deal with issues arising within locals. The committee will be chosen by the Regional Executive Committee (REC) and under the direction of the REC. As well, a 3-member committee will be appointed by the NEB to deal with issues arising out of national and regional offices.
- - to elect rather than appoint representatives, allow groups to elect their own representatives and hold more elections regionally. Regional representatives and alternates to national and regional committees will be elected at pre-convention regional conferences, with a few exceptions. Elections for women's representatives and alternates for national and regional committees will occur at the women's caucus at pre-convention regional conferences, and equity group caucuses will elect equity representatives and alternates for national and regional committees. These changes will take effect at the 2019 pre-convention regional conferences.
- - to allow each elected member of the National Women's Committee and her alternate to share up to 10 days of paid union leave each year, if authorized, for work on campaigns, events and bulletins.
- - ensuring that all provisions in the RSMC and Urban Operation contracts have national application.
- - having social stewards recognized contractually by employers.
- - creating a new members' handbook.
- - increasing the number of Aboriginal Peoples employed by Canada Post and ensuring that post office workers at contract post offices on Aboriginal Band Lands (there are over 300) have fair wages and rights.
- - allowing local membership services to be provided by union officers or representatives from a regional office other than the one that normally services the local.
- - supporting moves to better regulate payday lenders in order to protect the poor and working poor.
- - recognizing May 1st as a Day of Action in solidarity with our brothers and sisters around the world.
- - working with allies to establish a highway of tears shuttle service.
- - supporting aboriginal movements such as Idle No More
- - improving the support available to individuals with special needs as they transition from being dependent children to being legally adult, and advocating for these individuals and their families.
- - changing laws in connection with sex workers to legalize prostitution.
- - making prayer rooms available at union functions and demanding that employers provide these rooms in all newly constructed facilities.
- - supporting the struggle against "fracking".
- - supporting a negotiated, political solution to the Colombian conflict and having union representatives on the Canada Post Pension Advisory Committee oppose all investments in Canadian mining companies in Columbia that do not adhere to laws of the land and ILO provisions.

New and improved policies

Delegates to convention also passed policy resolutions, which revise or add to the policies in the union's constitution. They passed resolutions about:

- - opposing attempts to convert Defined Pension Benefit Plans to Target Benefit Plans.
- - working to make Family Day a federal statutory holiday and a negotiated holiday.
- - developing an action plan to push back on the conservative neo-liberal agenda.

You can find more information on what happened at convention from your local or the CUPW website (cupw.ca). We will post new constitutional language and policies on the website when it's ready.

I. INTRODUCTION

The National Board of Trustees met from February 17 to 28, 2014 at the National Office of the Union in Ottawa for the third verification of this mandate.

As provided in the National Constitution under sections 4.96 to 4.99, we have completed an examination of the financial transactions of the Union for the period of July 1, 2012 to June 30, 2013.

The work of the National Board of Trustees consisted of examining the national treasury books, vouchers pertaining to expenditures, expense accounts for National and Regional Officers and Union Representatives as well as all other documents deemed useful and necessary for a sound administration of the union funds.

2. COMPOSITION OF THE NATIONAL BOARD OF TRUSTEES

The National Board of Trustees is composed of the following members:

Central Region	Sister Bev Collins	Chairperson
Pacific Region	Brother Anthony Holzer	Secretary
Atlantic Region	Brother Kevin Peterson	Member
Quebec Region	Sister Josée Lambert	Member
Metro-Montreal Region	Brother Roland Savard	Member
Metro-Toronto Region	Sister Adele Chaplain	Member
Ontario Region	Sister Donna Hardy	Member
Prairie Region	Sister Arla Mephram	Member

At our first meeting held on February 13, 2012, the National Board of Trustees elected Sister Bev Collins, Central Region, and Brother Anthony Holzer, Pacific Region, Chairperson and Secretary of the Board respectively.

Sisters Josée Lambert and Adele Chaplain were unable to attend the third verification. They were replaced by the 1st Alternate Trustees, Brothers Jean Marcon from the Québec Region and Bright Acquah from the Metro-Toronto Region.

3. RESOLUTIONS AND RECORDS OF PROCEEDINGS

The National Board of Trustees verified all resolutions and records of proceedings of the National Executive Board meetings for the period of July 1, 2012 to June 30, 2013, for the purpose of verifying financial resolutions, as per section 4.99 of the National Constitution.

During this verification, the National Board of Trustees found several resolutions that did not contain a dollar amount attached to an expense so as to allow us to properly verify that expenses were constitutional. The Trustees found a resolution that would bring four members to work on a campaign, without an appropriate timeframe or dollar amount.

Therefore the National Board of Trustees recommends:

- That the National Executive Board rule a resolution out of order, when applicable, until an estimated dollar and timeframe are attached.

The National Executive Board understands the intent behind this recommendation and endeavours to meet that intent in adopting resolutions. In the few cases where the details requested by the Trustees were not known at the time, the Union could not wait to proceed with the action required. A motion should not be ruled out of order unless it is in conflict with the National Constitution, which was not the case in the examples cited by the Trustees.

4. ANNUAL VERIFICATIONS

A meeting of the National Board of Trustees, as per section 4.96 of the National Constitution, convened for its third verification since the 2011 Convention, from February 17 – 28, 2014. The National Board of Trustees conducted a full year’s verification, from July 1, 2012 to June 30, 2013.

The scheduled meeting for the National Board of Trustees’ fourth verification is February 16 to 27, 2015. During this period, there are three committees scheduled to hold meetings at the National Office:

- Constitution Committee – February 9 to 23, 2015;
- General Resolutions and National Policies Committee – February 17 to 23, 2015;
- National Human Rights Committee – February 21 to 23, 2015.

It is during the fourth verification that the National Board of Trustees prepares and finalizes its report to the 2015 National Convention.

Therefore the National Board of Trustees recommends:

- That for the next verification in 2015, the entire National Board of Trustees will require three additional working days in order to complete its verification and prepare and finalize its report to the 2015 National Convention.

The National Executive Board agrees to reschedule the fourth verification of the National Board of Trustees to January 26 to February 8, 2015. This will provide the NBT with additional time to complete the verification as well as prepare its report to National Convention. Further, it will not impact the potential participation of members of the NBT on either the Constitution Committee or the General Resolutions and National Policies Committee.

- That for the fourth verification in 2015, the National Board of Trustees convene at the National Office January 21 to February 6, 2015 and that a video-conference meeting be held February 6, 2015 with the National Executive Board for the National Board of Trustees to present its report.

Arrangements will be made for the National Board of Trustees to report on the fourth verification to the National Executive Board by videoconference on February 6, 2015.

5. STRIKE/LOCKOUT EXPENSES

During this verification, the National Board of Trustees was able to verify the amounts that were taken from the Defence Fund to pay for strike/lockout related legal activities, as per section 7.20 of the National Constitution.

“Amounts Owning by Locals” is deducted off the Local’s rebates.

The chart below reflects verified reports received from Locals as of June 30, 2013.

REGION	STRIKE/ LOCKOUT PAY ADVANCES	STRIKE/ LOCKOUT PAY	* OTHER EXPENSES	FUNDS RETURNED BY LOCALS	AMOUNTS OWING BY LOCALS
Atlantic	650,368.00	568,267.00	4,993.31	77,107.69	
Quebec	758,480.00	679,368.00	3,413.06	71,124.94	4,574.00
Metro-Montreal	1,906,025.00	1,427,651.00		478,374.00	
Central	665,188.00	528,278.00	4,656.10	130,846.99	1,406.91
Ontario	1,606,248.05	1,238,984.00	7,875.08	358,548.47	840.50
Metro-Toronto	1,301,520.00	895,821.60	1,019.84	404,678.56	
Prairie	1,336,529.00	875,745.00	5,364.39	455,227.61	192.00
Pacific	1,217,381.90	965,363.00	4,649.63	242,413.47	4,955.80
TOTAL	9,441,739.95	7,179,477.60	31,971.41	2,218,321.73	11,969.21

* Strike/lockout pay expenses include all bank charges incurred for the distribution of strike/lockout pay.

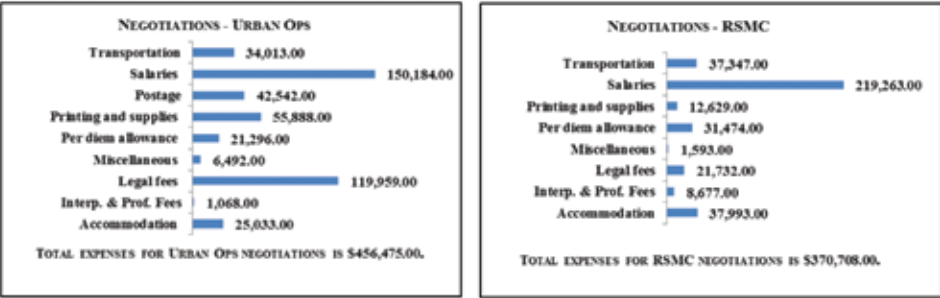
Therefore the National Board of Trustees recommends:

- That the National Secretary-Treasurer, in conjunction with the National Directors, ensures that Locals forward final financial reports and outstanding funds to the National Union.

All Locals have fully reported on their strike/lockout expenses and outstanding advances have been accounted for.

6. NEGOTIATION EXPENSES

During this verification, the National Board of Trustees verified the amounts spent on negotiations for the various bargaining units. The charts below indicate the amounts spent.



Negotiation expenses for 11 Private Sector Bargaining Units totalled \$96,514.00.

7. LOCAL FINANCIAL REPORTS

The National Board of Trustees reviewed the Annual Financial Statements received from the Locals covering the period of July 1, 2012 to June 30, 2013.

Financial Statement forms covering the period of review were sent to the Locals in accordance with section 9.30 of the National Constitution. The obligation of submitting an Annual Financial Statement by each Local to the National Secretary-Treasurer is contained within section 9.29 of the National Constitution.

	Number of Locals in Region	Reports not received 2012-13	Locals under Trusteeship	Non-payment to Labour Council ⁽ⁱ⁾
Atlantic	35	2	0	18
Quebec	32	1	0	11
Montreal	2	0	1	0
Central	36	5	0	16
Toronto	2	2	0	2
Ontario	29	4	1	7
Prairie	35	15	1	10
Pacific	36	8	0	15
Total	207	37 37	3	79

⁽ⁱ⁾ Non-payment to Labour Council does not include those Locals that have not filed a 2012-2013 Annual Financial Statement, thus there is no way to determine if such payment was made, or if they are exempt from this payment.

- 7.1 There were 37 Locals that did not submit their July 1, 2012 to June 30, 2013 annual financial statements, an increase of 4 Locals from the 2011-2012 reporting period.

7.2 There were 79 Locals that did not submit the per capita dues payment to Labour Councils. This represents a decrease of 23 Locals from the 2011-2012 reporting period. This is a requirement under section 9.42 of the National Constitution.

7.3 A few Locals are not submitting their Annual Financial Statement on the proper form, as sent to Locals by the National Secretary-Treasurer. Some Locals are not completing all information lines on the statement and 69 statements do not balance.

7.4 The 37 Locals that did not submit their July 1, 2012 to June 30, 2013 Annual Financial Statements, plus the 69 Locals whose Annual Financial Statements did not balance, represent 51 % of the total number of Locals.

7.5 Some Locals have more funds other than the General Fund. We found that some Locals report all fund accounts, while others do not.

7.6 There are three Locals who have not filed an Annual Financial Statement in six years, one Local has not filed in five years, three Locals have not filed in four years, three Locals have not filed in three years and five Locals have not filed in two years.

Therefore the National Board of Trustees recommends:

- 7.1 That the National Secretary-Treasurer, in conjunction with the National Directors of each region, contact all Locals in writing as a reminder to meet their obligations under section 9.29 of the National Constitution. A copy of said notice to be placed in the Local Annual Financial Statement file at National Office.

In June of each year, all Locals are advised in writing of their obligation under section 9.29 of the National Constitution. Locals that fail to submit their Annual Financial Statements (AFS) by the end of September are sent a written reminder, a copy of which is placed in their file at the National Office.

7.2 That the National Secretary-Treasurer, in conjunction with the National Directors of each region, contact all Locals in writing as a reminder to meet their obligations under section 9.42 of the National Constitution. A letter of explanation for non-payment to District Labour Council to accompany the Annual Financial Statement.

The letter to Locals referred to above provides instructions on completing the AFS and includes reference to section 9.42 of the National Constitution. Those instructions will be amended to require Locals who report no per capita payments to a District Labour Council to provide an explanation for same.

7.3 That the National Secretary-Treasurer, in conjunction with the National Director of each region, continue to contact applicable Locals in writing, reminding them to submit the Annual Financial Statement using the proper statement form.

Section 9.30 of the National Constitution exempts Locals using the services of a chartered accountant from using the National supplied form for the AFS. Those not using a chartered accountant for preparation of their financial statements are expected to use the National form or an electronically generated facsimile which provides the information in the same format as our form.

7.4 That the National Secretary-Treasurer, in conjunction with the National Directors of each region, continue to provide education and/or one-on-one assistance to Locals to ensure that they submit balanced Annual Financial Statements, as per sections 9.29 and 9.30 of the National Constitution.

The National course for Local Secretary-Treasurers includes a section on preparing bi-monthly and annual reports. The course is provided on a regular basis. The National Secretary-Treasurer provides one to one coaching for Local Secretary-Treasurers experiencing difficulties and National Directors are always prepared to assist Local Executives in carrying out their duties.

The request for on-line education has been referred to the education department for their consideration.

- 7.5 That the National Secretary-Treasurer, in conjunction with the National Directors of each region, contact all Locals in writing to report on all funds of the Local.

The letter referred to in response 7.1 has been amended to direct Locals on the need to fully report on all funds held by the Local.

7.6 That the National Secretary-Treasurer in conjunction with the National Directors, contact the applicable Locals in writing to investigate this non-compliance under section 9.29 of the National Constitution. The National Secretary-Treasurer, if not satisfied with the results of the investigation, shall apply section 9.31 of the National Constitution.

Locals not in compliance with section 9.29 of the National Constitution for greater than one fiscal year are currently having their rebates withheld, as per section 9.31 of the National Constitution.

8. EXPENSES FOR REGIONAL ACTIVITIES

The National Board of Trustees examined the expense accounts with respect to union activities for which the National Directors have received an advance. During the verification, 35 activities were held in the eight regions.

- 8.1 All regions have submitted their expense reports required under section 5.13 of the National Constitution. The vouchers included were clear and easy to check.
- We, the National Board of Trustees, appreciate the work done by the regions in submitting their activity reports, and ask them to continue their efforts in this regard.
- 8.2 All regions had an outstanding balance as of June 30, 2013. This is to be expected because of the timeframe involved between the advance going out, holding the activity and then the final reconciliation of the accounts.

9. EXPENSES FOR REGIONAL OFFICES

The National Board of Trustees reviewed the files containing bank statements, reconciliation reports, forms and receipts for the expenses of regional offices for the period of July 1, 2012 to June 30, 2013.

- 9.1 The Metro-Toronto, Prairie and Pacific Regional Offices’ expenses are paid by National Office. The other five regions have submitted their monthly expense reports.
- 9.2
- In one region, reconciliation reports for both office expenses and meetings (activity account) were not filled out properly for this verification.
 - One region did not send the reconciliation report for meetings (activity account) in to National.

Therefore, the National Board of Trustees recommends:

- That the National Directors ensure that all copies of bank reconciliation reports, for all accounts, be filled out completely and submitted to National Office.

The National Secretary-Treasurer has directed staff to work with the specific Regional Offices to correct any deficiencies in the bank reconciliation process.

10. ARBITRATION COSTS

During this verification, the National Board of Trustees verified costs associated with the arbitration process for the period of July 1, 2012 to June 30, 2013.

The charts below indicate:

- Arbitration costs 2012-2013 for National and Regional Offices (includes arbitrators, cancellation fees, legal fees, witness fees, worker advocates, professional fees and other)
- Legal fees
- Worker Advocates

ARBITRATION COSTS July 1, 2012 to June 30, 2013	
National	\$ 681,280.15
Atlantic	\$ 250,923.30
Quebec	\$ 190,430.93
Montreal	\$ 241,691.31
Central	\$ 140,272.84
Toronto	\$ 445,734.97
Ontario	\$ 576,115.38
Prairie	\$ 318,680.70
Pacific	\$ 254,984.67
Total	\$ 3,100,114.25

The above table totals \$3,100,114.25 and from this amount, we have broken down the cost of legal fees and worker advocates, for National and Regional Offices.

LEGAL FEES	
National	\$ 469,092.49
Atlantic	\$ 3,539.15
Quebec	\$ 84,050.75
Montreal	\$ 127,749.53
Central	\$ 37,811.80
Toronto	\$ 275,693.42
Ontario	\$ 273,571.45
Prairie	\$ 0.00
Pacific	\$ 38,184.09
Total	\$ 1,309,692.68

WORKER ADVOCATES	
National	\$ 0.00
Atlantic	\$ 634.96
Quebec	\$ 416.39
Montreal	\$ 0.00
Central	\$ 0.00
Toronto	\$ 0.00
Ontario	\$ 0.00
Prairie	\$ 0.00
Pacific	\$ 19,673.68
Total	\$ 20,725.03

The National Board of Trustees believe that there is room to improve legal fees costs.

Therefore, the National Board of Trustees recommends:

- Training and using Worker Advocates for the arbitration process, as per section 10.08 (i).

The National Executive Board is concerned that some of the expenses making up the totals provided to and reported by the Trustees may have been misclassified and a review is being done to ensure the accuracy of the figures.

The Union has provided training in regular arbitration to Union Representatives as well as to Worker Advocates in regions utilizing Worker Advocates. Formal arbitration training has not been recently provided but is being planned. Union Representatives are taking on an increasing number of formal arbitration cases and this trend will continue to reduce the Union's reliance on lawyers.

- Union Representatives having a bigger role in the arbitration process.

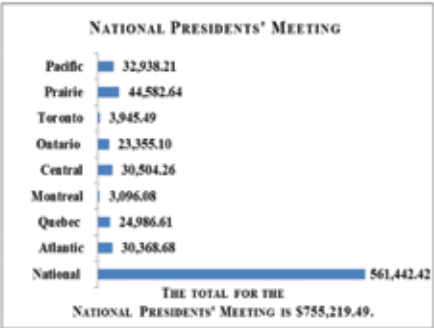
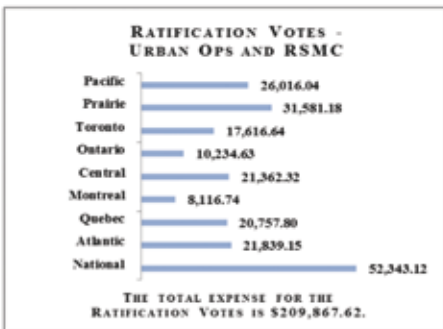
There is an expectation that Union Representatives take on more formal arbitration cases at the Regional and National levels. National Union Representatives will be given some regular arbitration files to increase their skill and confidence to take on formal files.

11. EXPENSES FOR NATIONAL ACTIVITIES

- 11.1 The National Board of Trustees reviewed the expenses for the following National Activities for the period of July 1, 2012 to June 30, 2013.

During this verification, the National Board of Trustees reviewed the expenses for:

- Ratification Votes
- National Presidents’ Meeting – April 2013



- 11.2 The National Board of Trustees reviewed the expenses for the second session of the Union Education Program held in Port Elgin in 2012. This was the only Port Elgin education program held during this mandate of 2011-2015. The participants were increased from 40 to 50.

- Level 3 in October 2012;
- Level 4 in November 2012.

The total expenditures for these two sessions was \$369,021.11.

11.3 OTHER MANDATED NATIONAL MEETINGS

As per audited Financial Statements to June 30, 2013, high to low values:

ACTIVITY NAME	EXPENSES
National Human Rights Committee	\$ 184,130
National Women's Committee	\$ 55,234
National Board of Trustees	\$ 42,865
National Work Measurement Committee	\$ 22,206
National Health and Safety Committee	\$ 16,449
National Disciplinary Committee	\$ 9,425

Therefore, the National Board of Trustees recommends:

- That the National Executive Committee endeavour to find means of reducing costs of all National activities and meetings without negatively affecting the work of these groups.

All members of the National Executive Committee, and of the National Executive Board, are aware of the financial constraints the Union is facing. In planning and carrying out activities, they attempt to be as cost conscious as possible and endeavour to limit expenses by various means. They negotiate lower contract prices, find savings through combining activities, negotiate national contracts, etc.

12. REVIEW OF STATEMENT OF EXPENSES

The National Board of Trustees examined the individual statement of expense reports of the National and Regional Officers and Union Representatives. We also examined the individual statement of expense reports for the Alternate Union Representatives and contract employees working for the Union.

We noted, with concern, that some individuals demonstrate a lack of concern for the administrative, financial and constitutional affairs of the Union. Reports are still being turned in late and too often are being combined over several months and there is an ongoing concern surrounding over and possible misuse of some resources.

- 12.1 During this verification it is, *again*, noted that individual monthly expense reports from some individuals were combined over several months rather than being submitted monthly. It is imperative that these reports be submitted monthly, whether expenses were incurred or not, so as to have an accurate and timely accounting for all types of leave.

- 12.2 Travel and vehicle authorizations are often not dated or signed and if submitted at all, it is often after the date the travel has occurred. It is clearly outlined in sections 7.53, 7.54, 7.55 and 7.56 what authorizations are required and therefore causes concern that these authorizations are not always occurring. Although the Constitution does not call for pre-authorization of expenses, in the response to the recommendation from the first verification for the 2011-2015 term of the National Board of Trustees, it was stated: “The travel authorization procedure adopted by the National Executive Board contemplates pre-authorization for all travel and there is an expectation the process will be followed.”

- 12.3 Cell phone billing has improved greatly in the past few verifications and this is to be commended. There are, however, some members being reimbursed well above the national average monthly cost per cell phone of approximately \$55.00.

- 12.4 In the previous verification, the National Board of Trustees recommended introducing a vehicle log book for all vehicles operated by Officers and Union Representatives, be they owned or rented by the Union. The use of this log book would go a long way towards removing the perception of Union vehicles being used for personal use and would allow for a means for accounting for any personal use, as required under the guidelines of the Canada Revenue Agency.

- 12.5 As has been the case since the 5th verification of the 2005-2008 mandate of the National Board of Trustees, the use of rental vehicles continues to be a major concern. Past responses to the National Board of Trustees referenced the cost analysis revealing no net benefit to the Union as well as convenience factors; therefore rentals were to be considered preferable. However, in some regions, vehicles continue to be rented on an ongoing basis and not on an as needed basis. Understanding that this, in some instances is a more cost effective alternative to renting on a day-to-day basis, it does however lead to a perception of these same vehicles being used not only for Union business but also for non-Union (personal) purposes, which becomes a taxable benefit to those concerned under the guidelines of the Canada Revenue Agency.

CAR RENTALS	
National	\$ 28,102.83
Atlantic	\$ 5,057.54
Quebec	\$ 7,256.23
Montreal	\$ 0.00
Central	\$ 10,671.53
Toronto	\$ 37,415.63
Ontario	\$ 75,053.55
Prairie	\$ 20,233.66
Pacific	\$ 8,419.88
Total	\$ 192,210.85

- 12.6 It was noted in the previous verification that there is no means of verifying or cross referencing claims for per diems. After reviewing the minutes of the National Executive Committee for 2013, it is noted that the response to the recommendation from the previous verification are not followed through.

PER DIEMS	
National	\$ 131,729.11
Atlantic	\$ 31,787.49
Quebec	\$ 36,708.30
Montreal	\$ 11,116.10
Central	\$ 28,721.20
Toronto	\$ 26,473.43
Ontario	\$ 31,615.80
Prairie	\$ 59,702.21
Pacific	\$ 37,520.97
Total	\$ 395,374.61

Therefore, the National Board of Trustees recommends:

- 12.1 That the National Secretary-Treasurer communicate to all officers and Union Representatives the importance of submitting *monthly* expense reports including notations for all types of leave used in that month.

A memo will be sent to all officers and Union Representatives reminding them of the importance of submitting expense reports on a monthly basis and of ensuring leave taken in that month is properly reported.

- 12.2 That the National Secretary-Treasurer communicate, in hard copy, to all officers and Union Representatives the importance of providing the necessary authorization forms with their monthly expense reports and their constitutional obligations to do so.

Officers and Union Representatives have been provided with a written reminder of the need to include properly completed travel authorization forms. Reports that are incomplete are not being processed until the deficiencies have been corrected.

12.3 That the National Secretary-Treasurer ensure that all members who remain on private cell phone plans are not reimbursed at more than the average monthly cost associated with the national cell phone plan, which has been communicated to the National Board of Trustees as \$55 per month.

The recommendation of the National Board of Trustees is currently in place.

12.4 That the use of vehicle log books, as referenced in previous verifications, become mandatory for all vehicles whether rented or owned by the Union. This not only allows for an easier verification process, but also allows for an accounting of personal usage and the taxable benefit under Canada Revenue Agency guidelines attributable to this usage.

Vehicle log books are being provided for use in all Union-owned vehicles and those on long-term rental.

12.5 That section 7.43 of the National Constitution be followed.

The National Executive Board will proceed to purchase vehicles for the two Regions without a Union-owned vehicle that also rely on long-term rentals.

12.6 That the National Secretary-Treasurer, in conjunction with the National Executive Committee, put in to hard copy the existing guidelines surrounding per diem claims and communicate these to all levels of the Union, as well as require all officers and Union Representatives to include as part of their monthly expense report, a daily activity report similar to the one currently being used by some members, supporting per diem claims.

This recommendation will be examined in depth at the National Directors portion of the NEC/REC meeting scheduled for June 9 to 11, 2014. The results of those discussions will be shared in writing with all levels of the Union.

13. ATTENDANCE

The National Board of Trustees reviewed annual, pre-retirement, sick leave and personal days taken by National and Regional Officers and Union Representatives.

The National Board of Trustees confirmed that attendance records are based on the honour system, where individual officers and Union Representatives are responsible for reporting their attendance on their monthly expense report.

For the 2012-2013 fiscal year, approximately 2,492 days of annual leave, representing approximately \$650,000, were unused as of June 30, 2013, which represents an increase of approximately 300 days over the 2011-2012 fiscal year.

We also noted that out of the 67 National and Regional Officers and Union Representatives covered by this verification, 14 had 12 weeks or more of annual leave credits carried forward while 11 had between 6 and 11 weeks carried forward.

The National Board of Trustees also noted that the National Executive Board’s response to Attendance in the second verification, where it states: “The recommendation in the remaining three bullets will be considered in depth by the National Executive Board at its June 2013 meeting mandated under section 4.03 of the National Constitution”, did not occur.

Therefore the National Board of Trustees again recommends:

- That the National Secretary-Treasurer ensure that all officers and Union Representatives submit monthly attendance records.

Leave taken by officers and Union Representatives is reported on expense reports that are required to be submitted on a monthly basis.

The recommendations in the remaining three bullets will be considered in depth by the National Executive Board at its June 2014 meeting mandated under section 4.03 of the National Constitution.

- That all officers and Union Representatives are encouraged to use their annual leave, and that section 7.38 of the National Constitution is applied to outstanding leave balances at the end of each fiscal year.
- That the National Secretary-Treasurer develop and implement an attendance policy and procedure to be used at the Regional and National levels, to ensure reporting of annual leave and “personal days”.
- That the National Secretary-Treasurer develop and implement the use of a national leave form to be used by all officers and Union Representatives.

14. INSURANCE

As provided for under section 4.99 (a) of the National Constitution, the National Board of Trustees verified that a national insurance policy was in place to cover reasonable risk of loss, as of June 30, 2013. The insurance policy contains dishonesty coverage up to \$50,000 per occurrence.

The insurance policy has been available in both official languages (French and English) since June 30, 2013.

15. TERMINATION OF EMPLOYMENT AND MOVING

The National Board of Trustees reviewed the amounts paid to National and Regional Officers and Union Representatives who took or left office between July 1, 2012 and June 30, 2013.

Based on the information made available to us, the following amounts were paid out:

• Moving and relocation expenses (section 7.39) paid to 7 members	\$ 77,659.09
• Unused annual leave (3.75 days)	\$ 940.60
• Total:	\$ 78,599.69

The one member who left his/her position had accumulated 3.75 days of unused annual leave credits, for which \$940.60 had to be disbursed. No members left their positions under section 12.02.

16. INVENTORY LISTS FOR NATIONAL AND REGIONAL OFFICES

In order for the National Secretary-Treasurer to do a proper accounting of the assets of the Union, as per section 4.55 of the National Constitution, it would require an inventory list from National Office as well as all eight Regional Offices. These lists should include all items purchased by union funds such as filing cabinets, office furniture, etc., essentially all items excluding office supplies.

The National Board of Trustees found that there was only one update for the inventory list at the National Office for this verification period but seven out of the eight regions do not have an inventory list that is kept by the National Office. The one region that has an inventory list at the National Office has not been updated during this verification period.

The National Office has taken the lead to have video and pictures taken of its inventory list but no attempt has been made by the Regional Offices to have their inventory videotaped or photographed.

Therefore the National Board of Trustees recommends:

- That a completed inventory list of the seven regional offices be submitted to the National Office by June 1, 2014.

The Regional Office inventories will be updated and completed before September 1, 2014.

- That the one region that already has its inventory list at the National Office ensure that it is fully updated.
- That video and picture record for inventory purposes be also implemented at the regional offices.

Each Regional Office will conduct a video recording of its contents to be submitted with its updated inventory list.

- That the inventory list for Regional Offices be conducted by the member of the National Board of Trustees belonging to said region.

The National Executive Board believes it is outside of the mandate of the National Board of Trustees to perform this work. There appears to be an inherent conflict of interest to have the trustees create the records they in turn will review.

17. UNION FUNDS

17.1 The National Board of Trustees reviewed the annual audited financial statements prepared by the accounting firm of Marcil Lavallée. These annual audited statements (2012-2013) provide data relating to the General Fund, Defence Fund and Reserve Fund.

As provided for in section 7.13 of the National Constitution, the following is a table providing the amount in each fund to June 30, 2013 in comparison with June 30, 2012.

	June 30, 2013	June 30, 2012
General Fund	\$ 0	\$ 0
Defence Fund	\$ 17,354,511	\$ 16,916,909
Reserve Fund	\$ 8,105,210	\$ 5,286,565

17.2 As provided for in section 7.20 of the National Constitution, the monies normally deposited in the Defence Fund were deposited into the General Fund.

17.3 The National Board of Trustees found, for the verification period, that the 5% transfers to the Reserve Fund were made monthly as per section 7.17 of the National Constitution.

Two and one-half percent (2.5%) of the Reserve Fund is allocated to external organizing activities, as per section 7.17 of the National Constitution.

18. CUPW BUILDING SOCIETY

CUPW Building Society was incorporated under the *Business Corporations Act of Ontario*. The Society was then continued under the *Business Corporations Act of Ontario* on June 16, 2009. The Society is the owner of three buildings, two condominium offices and five residential condominium apartments:

- CUPW National Office at 377-385 Bank Street in Ottawa, Ontario;
- CUPW Ontario Region at 344 Sovereign Road in London, Ontario;
- CUPW Pacific Region at 999 Camarvon Street in New Westminster, British Columbia;
- Five residential condominiums located at 1223 Wellington St. in Ottawa, Ontario;
- CUPW Quebec Region at 5000 des Gradins Boulevard, Suite 340, in Quebec City, Quebec;
- CUPW Metro-Montreal Region at 565 Crémazie East, room 4400 in Montreal, Quebec.

Funding for purchase of the properties and share capital was obtained through investments of the Defence Fund which are non-interest bearing and have no defined terms of repayments. Based on the audited financial statements as of June 30, 2013, the balance on the commercial mortgage loan (from the Toronto Dominion Bank) is \$917,727 for the residential condominium apartments. The net value of the assets listed above of CUPW Building Society is \$9,071,407.

19. FINANCIAL REPORTS

19.1 The National Board of Trustees found that financial statements covering the period under review were not sent to the Locals in accordance with section 4.50 of the National Constitution.

19.2 The National Board of Trustees reviewed the budget sent to Locals under section 7.02 of the National Constitution and adopted by the National Executive Board at its August 15, 2013 meeting.

19.3 The National Board of Trustees reviewed statements for the 2012-2013 fiscal year, as audited by the audit firm of Marcil Lavallée and adopted by the National Executive Board at the meeting held in January 2014. The balances of the various union funds have been reported in items 17.1 of this report.

20. CUPW ADMINISTRATIVE STAFF

20.1 All the staff working at the National and Regional Offices are covered by collective agreements negotiated between CUPW and their respective union.

	Canadian Office and Professional Employees Union (COPE 225)	Canadian Union of Public Employees (CUPE 1979)
Number of employees	47 plus 1 replacement at the national office	22 plus 1 temporary
Collective agreement's starting date	January 1, 2012	August 16, 2009
Collective agreement's expiry date	June 30, 2015	August 15, 2013

20.2 As of June 30, 2013, there were three administrative employees who were covered by individual contracts with CUPW. They are as follows with contract expiry dates.

1. Director of Finance and Administration:	April 2016
2. Director of Information Technology:	December 2014
3. Director of E-Business:	August 2012

20.3 It has been noted for the fiscal year ending June 30, 2013 that approximately 226 days of annual leave for COPE 225 members, at the National and Regional Offices, were unused and carried forward with an approximate value of \$56,000.00.

For the CUPE 1979 bargaining unit members at National Office, approximately 726 days of unused annual leave were carried over for an estimated value of \$192,390.00.

The chart below reflects the amount of weeks of unused annual leave carried over for 47 COPE 225 members and for 22 CUPE 1979 members.

	No. of staff with carry over leave	Under 7 days	Between 1 – 3 weeks	Between 3 – 12 weeks	Over 12 weeks
COPE 225	19	9	5	4	1
CUPE 1979	22	5	7	5	5

The unrealized cost to the Union of approximately \$248,390.00 resulting from unused annual leave by COPE 225 and CUPE 1979 staff is a serious concern to the National Board of Trustees.

21. JOE DAVIDSON FUND

The National Board of Trustees reviewed documentation indicating that the education bursaries had been granted under section 11.04 of the National Constitution.

In August 2012, one Sister from the Prairie Region, received an education bursary totalling \$8,276.68 for per diem, travel, registration fees, child care and lost wages to attend the CLC Labour College of Canada. Another Sister from the Ontario Region, received an education bursary totalling \$7,698.30 for registration fees, per diem, travel and lost wages to attend an education course in May 2013 at the CLC Labour College of Canada.

22. PAYMENT OF LEAVE FOR UNION BUSINESS (CLAUSE 26.06) OF THE URBAN COLLECTIVE AGREEMENT

22.1 Based on information received this third verification, as of June 30, 2013, the sum of \$198,103.96 has been paid by the National Office to Canada Post Corporation for all outstanding Union leave pre-April 2000, leaving a balance from one Local of \$6,441.09.

The National Office will continue to pursue all outstanding amounts from the applicable Locals.

22.2 For the third verification period of July 1, 2012 to June 30, 2013, the National Board of Trustees also reviewed the amounts pertaining to Local union business leave withheld by Canada Post Corporation from the national union dues remittance as per clause 26.06 (h).

Amounts withheld:

July 2012	\$ 18,701.23
August 2012	\$ 18,688.78
September 2012	\$ 23,905.68
October 2012	\$ 27,047.01
November 2012	\$ 22,179.91
December 2012	\$ 17,007.57
January 2013	\$ 39,410.45
February 2013	\$ 20,928.80
March 2013	\$ 37,423.62
April 2013	\$ 19,429.59
May 2013	\$ 28,517.58
June 2013	\$ 21,096.42

This 12-month total of \$294,336.64 is a significant decrease of \$306,947.83 from the previous 12 month verification.

22.3 The practice of several Locals is to have the National Office deduct the monthly Union leave owed on a regular basis from their Local rebates. The National Board of Trustees is concerned that Locals may not be following the steps set out in clause 26.06 in particular 26.06 (f) prior to having the billing by Canada Post Corporation deducted from their dues rebate by the National Office.

Clause 26.06 (f) states:

“Should the Union, or the Local of the Union, as the case may be, believe that the invoice contains an error, the Union, or the Local of the union, shall provide written details of the alleged error to the Corporation within the time frame mentioned in paragraph 26.06 (d). Any amounts claimed which are not disputed on the invoice shall be paid in accordance with paragraph 26.06 (d).”

If Local billings sent out by Canada Post Corporation are not checked for errors by the Locals concerned then the National Office has no way of knowing if these errors actually exist. This may result in Canada Post Corporation being paid money they are not entitled to, but in fact belongs to the Local. In the 2011-2012 fiscal year, a total of 446 months of Union leave was deducted from Local rebates. The 2012-2013 fiscal year shows a slight decrease of 126 months.

Therefore, the National Board of Trustees recommends:

22.1 That the National Secretary-Treasurer continue to recover the Pre-April 2000 outstanding amount from the applicable Local. The National Secretary-Treasurer shall ensure, as stated in the National Board of Trustees second verification, that the Pre-April 2000 outstanding amount be fully recovered by the end of the 2013-2014 fiscal year.

The recovery of Pre-April 2000 outstanding amounts has been completed within the 2013-2014 fiscal year.

22.2 That the National Union continue to recover current outstanding union leave payments and that it provide guidance (training/education) to the Locals who do not make payments appropriately, as per clause 26.06 of the Urban Collective Agreement.

The system of recovery from Local rebates of amounts withheld by the Corporation is ongoing and presents no liability to the National Union. Where Locals are identified as problematic in the process, the National Director is contacted to intervene with the Local.

22.3 That the National Secretary-Treasurer continue to copy the applicable National Director on the monthly letter sent to Locals under subject matter “Outstanding Invoices Deducted by CPC”.

The National Office has put in place the procedure to ensure the respective Regional Office (National Director) is copied on correspondence to Locals concerning billings for Union business.

23. APPENDIX “AA”

The National Board of Trustees has verified the cost of the Appendix “AA” Committee for the period of July 1, 2012 to June 30, 2013.

The Committee consists of two CUPW members working with the Corporation to identify, conduct and evaluate collection and delivery related projects.

CUPW has paid \$95,943.31 as our share of the costs of this committee.

24. TRANSITION COMMITTEE

The Transition Committee ceased its activities in December 2012. As of June 2013, Canada Post still owed \$15,080.68 for the period of July 1st, 2012 to December 31, 2012.

25. COLLECTIVE AGREEMENT FUNDS

The National Board of Trustees reviewed the various collective agreement funds negotiated for the benefit of the members.

Based on the audited financial statements from July 1, 2012 to June 30, 2013			
	Child Care Fund	International Fund	Education Fund
Revenues	\$ 1,700,093.63	\$174,589.46	\$2,639,094.49
Expenses	\$ 1,832,463.16	\$ 174,589.46	\$2,326,069.69
(Deficit)/Surplus	(\$ 132,369.53)	\$ --	\$ 313,024.80
Balance as of June 30, 2013	\$ 3,351,310.47	\$200,000.00	\$1,483,033.80

The financial statements were prepared in accordance with the Accounting Standards for Not-for-Profit Organizations (ASNPO) and were revised retroactively to the fiscal year 2011-2012.

EDUCATION FUND – PRIVATE SECTOR BARGAINING UNITS

The National Board of Trustees also reviewed the education funds for the private sector bargaining units. Based on a computer printout as of June 30, 2013, the balances are as follows:

• RMS Pope (Atlantic)	\$ 1,000
• SMC – Bedford (Atlantic)	\$ 23,580
• Easy Express – Fredericton (Atlantic)	\$ 1,000
• Bee Clean – Windsor (Ontario)	\$ 450
• Bee Clean – Hamilton (Ontario)	\$ 1,300
• Bee Clean – Waterloo (Ontario)	\$ 150
• Dynamex – Red River (Prairies)	\$ 28,465
• Total	\$ 55,945

26. EXTERNAL ORGANIZING

26.1 According to information received during this verification, the current status of funds being used for external organizing is:

Balance as of June 30, 2012	\$ 996,675.84
Plus 2.5% from the Reserve Fund (from July 1, 2012 to June 30, 2013)	\$ 748,825.17
Less expenses for the period of July 1, 2012 to June 30, 2013	(\$ 267,410.27)
Balance as of June 30, 2013	\$1,478,090.74

It should be noted that related legal fees are not charged to the External Organizing Fund.

26.2 For the period under verification, we noted that, out of the 24 active private sector units,

- four units of RMS Pope have not paid Union dues to the National Office. The recovery process is underway;

We will continue to monitor this matter closely during the next verification.

In terms of the Education Fund, of the three units that participate, the Union has received funds from Dynamex Red River and EMC Bedford.

27. CHECK-OFF AND MEMBERSHIP

In accordance with sub-section 4.99 (e) of our National Constitution, the National Board of Trustees has audited membership and check-offs for the period of July 1, 2012 to June 30, 2013.

The information and statistics come from computerized statements made available to us for analysis. The reports indicate all employees working either “full-time,” “part-time,” or on a “temporary” basis, as well as their status, as defined in the National Constitution and the various collective agreements. They are:

- Full-time, part-time and temporary “members in good standing”;
- Full-time, part-time and temporary “members”;
- Full-time, part-time and temporary “Rand” members.

Notes:

- The terms “member in good standing” (MIGS) and “member” are defined in sections 1.04 and 1.07 of the National Constitution.
- The term “Rand” refers to the formula in section 70 of the Canada Labour Code for collecting Union dues from employees who have not become members or who have lost membership status as per section 1.11 of the National Constitution.
- Even though verifications are now conducted on annual basis, the National Board of Trustees wishes to continue reporting on check-off and membership on a six-month basis so as to present a more detailed breakdown.
- For the period of July 1st 2012 to June 30th, 2013, membership decreased by about 3 % (1,502 members).

CHART 1
(All figures have been rounded off)

AVERAGE NUMBER OF MEMBERS IN GOOD STANDING, MEMBERS AND RAND MEMBERS BY BARGAINING SECTORS JULY 1 TO DECEMBER 31, 2012				
	URBAN OPERATIONS	RSMC	PRIVATE SECTOR	TOTAL
Average: July 1 to December 31, 2012	45,063	7,665	728	53,456
Average: January 1 to June 30, 2012	44,652	7,435	571	52,658
Variation	411	230	157	798

AVERAGE NUMBER OF MEMBERS IN GOOD STANDING, MEMBERS AND RAND MEMBERS BY BARGAINING SECTORS JANUARY 1 TO JUNE 30, 2013				
	URBAN OPERATIONS	RSMC	PRIVATE SECTOR	TOTAL
Average: January 1 to June 30, 2013	43,437	7,771	746	51,954
Average: July 1 to December 31, 2012	45,063	7,665	728	53,456
Variation	(1,626)	106	18	(1,502)

CHART 2
(All figures have been rounded off)

AVERAGE NUMBER OF MEMBERS IN GOOD STANDING, MEMBERS AND RAND MEMBERS WORKING FULL-TIME, PART-TIME OR ON A TEMPORARY BASIS JULY 1 TO DECEMBER 31, 2012				
	FULL-TIME	PART-TIME	TEMPORARY	TOTAL
Average: July 1 to December 31, 2012	39,465	6,346	7,645	53,456
Average: January 1 to June 30, 2012	40,076	6,486	6,096	52,658
Variation	(611)	(140)	1,549	798

AVERAGE NUMBER OF MEMBERS IN GOOD STANDING, MEMBERS AND RAND MEMBERS WORKING FULL-TIME, PART-TIME OR ON A TEMPORARY BASIS JANUARY 1 TO JUNE 30, 2013				
	FULL-TIME	PART-TIME	TEMPORARY	TOTAL
Average: January 1 to June 30, 2013	38,338	6,117	7,499	51,954
Average: July 1 to December 31, 2012	39,465	6,346	7,645	53,456
Variation	(1,127)	(229)	(146)	(1,502)

CHART 3
(All figures have been rounded off)

AVERAGE NUMBER OF MEMBERS BY STATUS JULY 1 TO DECEMBER 31, 2012				
	MEMBERS IN GOOD STANDING	MEMBERS	RAND	TOTAL
Average: July 1 to December 31, 2012	47,393	1,927	4,548	53,868
Average: January 1 to June 30, 2012	47,401	2,182	3,476	53,059
Variation	(8)	(255)	1,072	809

Note: 412 lifetime members are included in the number of members in good standing for the period of July 1 to December 31, 2012.

401 lifetime members are included in the number of members in good standing for the period of January 1 to June 30, 2012.

In accordance with section 1.21 of the National Constitution, 94 members have received Retired Member status in CUPW but are not included in the above charts.

AVERAGE NUMBER OF MEMBERS BY STATUS JANUARY 1 TO JUNE 30, 2013				
	MEMBERS IN GOOD STANDING	MEMBERS	RAND	TOTAL
Average: January 1 to June 30, 2013	46,153	2,050	4,176	52,378
Average: July 1 to December 31, 2012	47,393	1,927	4,548	53,868
Variation	(1,240)	123	(372)	(1,490)

Note: 424 lifetime members are included in the number of members in good standing for the period of January 1 to June 30, 2013.

412 lifetime members are included in the number of members in good standing for the period of July 1 to December 31, 2012.

In accordance with section 1.21 of the National Constitution, 101 members have received Retired Member status in CUPW but are not included in the above charts.

CHART 4
(All figures have been rounded off)

AVERAGE NUMBER OF MEMBERS BY REGION, GROUP AND BARGAINING SECTORS JULY 1 TO DECEMBER 31, 2012									
REGION	URBAN OPERATIONS						PRIVATE	RSMC	GRAND TOTAL
	GROUP 1	GROUP 2	GROUP 3	GROUP 4	UN- KNOWN	TOTAL			
Atlantic	1,237	1,437	31	6	11	2,722	124	933	3,779
Quebec	905	2,357	5	0	1	3,268	18	1,542	4,828
Metro-Montreal	2,819	3,288	161	10	12	6,290	37	208	6,535
Central	1,573	2,184	36	6	3	3,802	91	1,157	5,050
Metro-Toronto	4,203	3,147	225	17	5	7,597	96	354	8,047
Ontario	2,018	5,091	63	10	1	7,183	84	1,371	8,638
Prairie	3,210	4,447	113	16	2	7,788	228	1,429	9,445
Pacific	2,213	4,120	70	6	4	6,413	50	671	7,134
Total	18,178	26,071	704	71	39	45,063	728	7,665	53,456

AVERAGE NUMBER OF MEMBERS BY REGION, GROUP AND BARGAINING SECTORS JANUARY 1 TO JUNE 30, 2013									
REGION	URBAN OPERATIONS						PRIVATE	RSMC	GRAND TOTAL
	GROUP 1	GROUP 2	GROUP 3	GROUP 4	UN- KNOWN	TOTAL			
Atlantic	1,149	1,415	30	6	11	2,611	128	937	3,676
Quebec	864	2,308	5	0	0	3,177	18	1,534	4,729
Metro-Montreal	2,753	3,137	161	9	0	6,060	37	229	6,326
Central	1,488	2,126	35	5	0	3,654	91	1,182	4,927
Metro-Toronto	4,053	3,048	215	16	8	7,340	89	358	7,787
Ontario	1,937	4,877	63	10	1	6,888	86	1,391	8,365
Prairie	3,029	4,328	119	16	2	7,494	239	1,461	9,194
Pacific	2,145	3,990	69	6	3	6,213	58	679	6,950
Total	17,418	25,229	697	68	25	43,437	746	7,771	51,954

CHART 5
(All figures have been rounded off)

BREAKDOWN OF FUNDS RECEIVED JULY 1 TO DECEMBER 31, 2012	
Dues received ⁽¹⁾	\$ 22,450,113.82
Local rebates	\$ (5,236,331.45)
Local assessments	\$ (241,667.18)
Additional Local rebates (section 7.08)	\$ (383,878.00)
Federation of Labour Per Capita	\$ (245,284.27)
Optional Insurance	\$ (930,301.58)
Basic Life Insurance	\$ (571,603.39)
Dues unapplied and Suspended	\$ (24,728.74)
Reserve Fund	\$ (745,188.34)
General Fund	\$ (14,071,130.87)

⁽¹⁾ The above indicates total funds received and their distribution for the period of the verification.

BREAKDOWN OF FUNDS RECEIVED JANUARY 1 TO JUNE 30, 2013	
Dues received ⁽¹⁾	\$ 22,742,325.50
Local rebates	\$ (5,323,476.40)
Local assessments	\$ (211,320.64)
Additional Local rebates (section 7.08)	\$ (383,531.00)
Federation of Labour Per Capita	\$ (242,539.39)
Optional Insurance	\$ (923,096.72)
Basic Life Insurance	\$ (559,755.38)
Dues unapplied and Suspended	\$ 6,488.82
Reserve Fund	\$ (757,585.30)
General Fund	\$ (14,347,509.49)

⁽¹⁾ This amount includes, as of June 30th, 2013, the sum of \$997,307.49 (section 7.09 of the National Constitution). To cover certain requirements, the National Executive Board can, by a two-third affirmative vote, levy special assessments on all members. These special assessments may not, however, exceed \$10.00 in any one year. This amount will be subtracted from the members' paycheques in August of 2012 to 2015.

28. CONCLUSION

The National Board of Trustees noted the decline in revenues for this verification period. It is anticipated that revenues will continue to decline at a much higher rate with the Canada Post Corporation's December 11, 2013 announcement of the reduction of a minimum of 8,000 jobs. This reduction would have a financial impact of over \$7,000,000.00 per year.

The National Board of Trustees want to express to the National Executive Board and membership our concerns for the continued financial wellbeing of our Union.

Whether or not we are able to change the direction of "CPC's 5 Point Action Plan", it is understood that our Union will have to make some difficult decisions regarding how the Union continues to operate with our current financial responsibilities and liabilities, as well as the level of membership services currently being provided.

It is hoped that our report gives the membership a clear picture of the cost of some National and Regional activities and responsibilities, in hopes of helping prepare the membership for the upcoming Convention where our Union structure and services currently being provided will have to change in order to continue to operate with a declining budget.

In order to ensure a stable financial future for our Union, the National Board of Trustees encourages the National Executive Board to provide the membership with meaningful solutions to our current Union structure, which will help reduce our overall operating cost.