



CUPE BC 2022 CONVENTION SECRETARY-TREASURER'S REPORT

Introduction

Since December 2015, I have had the pleasure of serving CUPE members as the Secretary-Treasurer of CUPE BC. This position is unique as it blends political duties with administrative and financial responsibilities. As a result, I have focused much of my time modernizing the operations of CUPE BC and building our financial strength.

It can be easy to overlook a union's internal operations and instead focus on the campaigns, actions, and political goals, as those issues are far more exciting. Yet all of our outcomes depend on the systems we often neglect, and it's here where I see an excellent opportunity for CUPE BC, CUPE National, and the labour movement. Modernization of a union's operations is far beyond administrative structure or governance. It involves embracing technology that can allow us to better serve our members, understanding best practices of non-profits for leadership, and challenging ourselves on financial and economic systems, so we are better resourced than ever to face the challenges.

CUPE BC has been undergoing a quiet internal transformation over the last couple of years. This transformation is a giant leap forward in modernizing our systems, operations, and staffing, and we are beginning to see the benefits in our work.

We have vastly increased transparency of information to our Executive Board members with the 2017 implementation of the cloud-based meeting program Aprio. This provides all Area, Sector, Local, and Staff reports and materials in advance of our meetings. We have also introduced event management software (2019) and new professional development courses for our staff, ensuring they have the tools and skills to service our members at the highest level. Our next major project is one of the biggest in our history – a new online per-capita system for Locals.

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I have heard time and time again from new Treasurers that the current per capita system is antiquated. The reality is our members use online banking, renew mortgages online, and conduct most, if not all, financial transactions online. Yet our per capita system remains a primarily paper-based system. This year, I hope to turn a page in our history and modernize the per capita program with a foundational change that will serve as a building block for future projects.

A second change I have been working on is bringing greater awareness to the importance of long-term financial planning within CUPE. However, this is challenging in elected positions with relatively short terms. Long-term financial planning involves significant risk management exercises which try to predict future issues that could cause operational and financial problems.

For CUPE BC, we must look towards the challenges our Locals face. This includes the rebuilding of conservative political parties of the BC Liberals and federal Conservatives. We are precariously positioned with the number of conservative-led provinces should we see changes in B.C. and Ottawa. We could see the re-introduction of Harper-era laws threatening the Rand Formula, requiring increased financial reporting, and creating substantial fiscal costs for all levels of CUPE. We cannot take fighting changes in the courts or even on the streets for granted. CUPE collectively (at all levels) employs hundreds of employees, has pension obligations, mortgages, and benefits expenses. If dues income was seriously threatened, the infrastructure we rely on would crumble. Look no further than the challenges CUPE Alberta is facing; the best time to prepare is now.

This brings me to the following key focus for me as Secretary-Treasurer - the diversification of financial revenue. CUPE, like many unions, is entirely dependent on membership dues to fund operations. Our savings from previous years are often hidden away in term deposits and treated as "rainy day" funds. The credit union or banks take these funds and use them to finance mortgages and make money from our savings. It's risky for elected officials to try to convince a Local membership or a convention full of delegates of the benefits of investing our savings and developing investment funds which could provide a second source of income because markets rise and fall, and there aren't any guarantees. No one wants to be a treasurer

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in a market downturn or recession. This fear traps unions into a precarious financial reality of relying on one source of income (dues), a source that is potentially more precarious than we realize.

A second or third source of income could provide security to unions as we face the challenges ahead. Labour disputes result in periods of little to no dues income. In addition, automation and Rand formula threats could permanently reduce the size of unions. Relying entirely on dues is too risky, and diversifying our income is necessary to prepare for the battles that will come.

CUPE BC Finances

CUPE BC's financial operations exist in three separate funds. The General Fund covers operation and governance items; the Defence Fund, which is responsible for campaigns, donations and strike pay; and the Colleen Jordan Humanity Fund, which is responsible for international and domestic humanity and solidarity projects. All per cap contributions from Locals go into the General Fund. They then are transferred to the Defence Fund and Colleen Jordan Humanity Fund.

The constitutional breakdown of per capita per fund is:

General Fund:	.08%
Defence Fund:	.05%
<u>CJ Fund:</u>	<u>.01%</u>
Total:	0.14%

These three funds are regularly monitored, and quarterly reports are provided to the CUPE BC Executive Board and Trustees. Our finances are cared for by CUPE BC's Accounting Department – Wendy Monkhouse and Jolanta Osowska.

One of the good news stories with our finances has been the membership growth in CUPE Locals, and as Locals grow, CUPE BC sees an increase in dues revenue. This increase has been four percent to nine percent over the last few years and today we stand at 104,000 CUPE members in B.C.

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General Fund

Our total income in 2021 was \$3,407,304; our total spending was \$2,930,458, resulting in a year-end surplus of \$476,846. This improved our asset position in the General Fund from \$1,739,193 in 2020 to \$2,216,039 at 2021 year-end.

This surplus resulted from the continuation of public health orders and the shift to online events. The financial results of both 2020 and 2021 provided abnormal financial surpluses that should not be expected in future years. The General Fund typically runs a small surplus (by design to accomplish our long-term goals). Still, a surplus to this level is exceptionally rare.

Some additional points on the expenditures:

The 2021 Convention expenses came in at \$304,278. Convention 2021 was online and was significantly cheaper than an in-person event. This is the first time 100% of the convention expenses were covered by the General Fund. For in-person conventions, the cost exceeds our resources in the General Fund and, many years ago, the decision was made to start coding some expenses to the Defence Fund. This is a significant problem as it misleads Locals on the true cost of convention and takes resources away from the Defence Fund. It is my hope that we can build additional budget capacity in this budget line to provide the opportunity to consolidate the convention expenses into the General Fund where they more appropriately belong.

Committee expenses from the General Fund came in at \$63,939, which is down from pre Covid spending of \$219,755 (2017) and \$153,301(2018). The Committee expenses coded to the General Fund are specific to their operating expense (meetings). Considering the switch from in-person to virtual meetings over the past two years, it is understandable for the dramatic reduction in expenses. At this time, we are returning to in-person meetings (or virtual at their request) for Committees, and we expect a return to pre COVID-19 spending.

Separation Pay

Separation Pay represents the total value of employee benefit obligations such as accumulated vacation and bank time. There was a material increase from \$166,078 (2020) to

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\$352,354 (2021). This increase resulted from the departure of President Paul Faoro and other staff members. This caused a spike in obligations which will smooth out over the next few years as the obligations are fully paid out. Separation Pay obligations are paid by having term deposits and cash. The CUPE BC Trustees monitor the obligation vs. terms and cash position and recommend maintaining a healthy funding level.

The final note on the General Fund is to speak to some short-term and long-term plans. In the short term, I am continuing to work towards building a reserve of roughly one million dollars to ensure we have enough of a cushion to absorb the lost revenue from a large-scale strike or lockout. The Executive Board monitors this by reviewing the operating reserve ratio each quarter. The one million dollar target is a minimum level of reserve funds, and we are close to achieving this target. The overall asset position of the General Fund remains an area of concern for me, albeit not a significant issue. Currently, our asset position would provide enough reserve funding for CUPE BC to operate for six to eight months without income. This risk is only of concern during years with large sector (K-12) or mass coordinated bargaining (Metro/Greater Victoria Municipal, or Post Secondary) when the potential of a large number of members going on strike at the same time would result in a massive reduction of income. With a substantial reduction in income CUPE BC would be forced to draw funds from our savings to operate. I believe this is a low-risk financial scenario. Still, it is worth committing ourselves to grow the assets in the General Fund to multimillion-dollar levels. This may seem like a lot of money and, on an individual level, it is. Still, for a provincial union of roughly 104,000 members, we should aim much higher for our collective financial security.

I have also worked hard to ensure all operational expenses are included in the General Fund and not in the Defence Fund. This is a major issue I am working hard to correct. Moving the committees was a significant step, and in 2021 we were able to eliminate the invoicing of the Defence Fund for accounting and administrative services. Each accomplishment takes additional pressure from our Defence Fund and allows us to run campaigns and support Locals during labour disputes. We must continue to avoid adding any new operational expenses in the General Fund and allow for continued growth in the revenue so we may build enough of a running surplus to accomplish our remaining goals.

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Holding firm is a significant challenge as we are understaffed in the office and need to seriously look at increasing our staff allotment. I don't have the authority to make these short-term goals a reality. While it may hurt my political popularity, I hope everyone understands why I might be at a con microphone occasionally encouraging restraint on resolutions that increase operational expenses. More importantly, I ask for Locals' support over the next few years to be mindful of the finance cost of resolutions and requests.

Goals of the General Fund (from 2016)

- A. **Build the capacity to move convention costs in the Defence Fund to the General Fund where they belong.**

STATUS: Increasing budget allocation for Covention

- B. **Establish an investment fund similar to the Colleen Jordan Humanity Fund (CJ Fund) to create a second source of income.**

STATUS: 2022 project

- C. **Have an operating reserve ratio of 12 months in reserves.**

STATUS: Ongoing. As of December 31, 2021, the ratio is 62.46%, meaning we can sustain our operations for 7.5 months.

- D. **Move all committee operating expenses into General Fund.**

STATUS: Completed 2019

- E. **Eliminate the accounting and administrative invoicing of the Defence Fund.**

STATUS: Completed 2021

Defence Fund

Our total revenue for 2021 was \$2,843,814, which includes \$196,389 that comes from the Colleen Jordan Humanity Fund. Our total spending was \$323,738, resulting in a year-end surplus of \$2,520,076. In addition, there was an unrealized investment gain of \$511,507, which is included in total income.

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The \$2,520,076 surplus improved our asset position in the Defence Fund from \$6,570,128 to \$9,090,204.

The surplus is exceptionally high but is understandable with the provincial health orders preventing social gatherings and community events. Two items in which Locals would participate and request support from CUPE BC. In addition, there were no significant strikes or lockouts, and only a tiny amount of funds were used to support Locals in this.

The growth in the overall asset position is an essential goal for CUPE BC. In 2016 our goal was 10 million dollars, adjusted to 12 million following this convention as our membership grows. This goal cannot be my goal, nor the Executive Board's goal. But every Local should be aware of the resources in the Defence Fund and expect the leadership to prioritize its strength.

Action Programs

Action Programs represent campaigns, projects, and communications support for our convention and promotional good. Campaigns are further divided into two categories. CUPE National provides significant funding assistance for Strong Communities and Anti-Privatization programs. However, to access this funding, CUPE BC must first spend its own money and then invoice CUPE National throughout the year to receive reimbursement.

Total spending included:

From CUPE BC	\$186,661
<u>From CUPE National</u>	<u>\$875,000</u>
Total:	\$1,061,661

Since Action Program spending represents the largest financial commitment in the Defence Fund outside of strike support, we must work closely with the Executive Board and CUPE National to ensure our spending supports our need to significantly build the assets in the Defence Fund. I am proud to have overseen the Defence Fund's growth and the expansion of some large-scale projects, such as the annual sponsorship of the BC Library Association

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Summer Reading Program. As our financial position reaches our savings goal, we should look to expand.

Pandemic Funds

In response to the COVID-19 Pandemic, CUPE BC launched a significant financial support program for Locals. Pandemic Fund phase 1 (2020) and phase 2 (2021). The creation of these funds recognized the challenge Locals faced in purchasing the technology and equipment required to maintain their operations and service their members. Most of our CUPE Locals are less than 150 members. They often don't have the funds to buy laptops, cameras and video conference accounts. The Pandemic Fund provided reimbursement of funds so Local leaders could purchase equipment immediately, and CUPE BC would reimburse up to \$3000 in phase 1 and \$1000 for phase 2. Over two years, CUPE BC provided the following financial support:

Phase 1:	\$ 297,896 (115 Locals and District Councils)
Phase 2:	<u>\$ 61,385 (68 Locals and District Councils)</u>
Total:	\$ 359,281

Community Events Trailer

The Community Events Truck and Trailer (CETT) was parked throughout the pandemic while social gatherings were put on hold. We took this opportunity to review the CETT thoroughly as it has aged considerably and is facing several repair issues. A decision was made at the February Executive Board meeting to transition from the current CETT to a new single vehicle (Sprinter van) which should be ready to roll (pun intended) by the fall.

The CETT is operated by the Local Community Organizer Carissa Taylor, supplemented by some trained CUPE members who are booked off the job if necessary. If you are interested in holding a community event, please reach out to Carissa or our CUPE BC office for support.

Debt in the Defence Fund

Last year at our virtual convention, I announced for the first time since 2007 CUPE BC was debt-free. This was a huge accomplishment and, while celebrated, we must remember how we (almost) fell into a debt trap. In 2007, we saw major job action with the Lower Mainland

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municipalities, which exhausted our strike fund and required CUPE BC to borrow one million dollars from CUPE National, to be paid back at \$100,000 per year. This was a politically sensitive issue as no other Division has a strike fund. Lending money to CUPE BC would set a precedent for other chartered bodies to create their own strike funds but not adequately fund it. Nevertheless, a one million dollar loan was provided. In 2013, CUPE BC increased the amount of strike pay from \$10 a day to \$15 a day while still paying off the loan. In 2014 we saw the largest job action in our history with our K-12 Locals supporting BCTF picket lines. As a result, we again exhausted our funds and required a second, one million dollar loan from CUPE National.

As I came into office, I learned the debt level was significant and unsustainable. CUPE BC was accumulating debts faster than our ability to pay them back. I had the unfortunate responsibility of cutting back many of our charitable donations, implementing the 50% reduction in funds to the Colleen Jordan Humanity Fund, and implementing project budgets on Defence Fund spending. In addition, I worked with the Accounting staff to develop risk awareness of strikes and lockouts. Finally, I created the 10 million dollar savings goal to ensure we would be prepared for large scale strikes.

Our collective efforts over the past few years have allowed us to pay off our loan and make additional payments to pay off our debt early. As a result, for the first time, we entered into our new year financial planning phase without worrying about debt and have made real progress towards building towards our strike fund goal. With no debt payments, we free up \$100,000 annual spending in the Defence Fund, which will assist our savings goals and build up a strong Defence Fund.

Investments

Funds in the Defence Fund are held in both cash, term deposits, and equity investments. The average 2021 rate of return for Defence Fund investments was 16.10%; this included an increase of the unrealized market value of \$511,507 and realized investment income of \$184,492.

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CUPE BC has four-term deposits of \$250,000 for a \$1,000,000 total. The maturity dates are spread out over the year. We take any interest earned as income and reinvest only the principal. This design aims to provide a secure floor over our \$750,000 minimum required position, which, if we fall below, would trigger an additional per capita levy on affiliated Locals.

The decision to invest funds supports our goal of building our asset position. The Defence Fund cannot rely on dues revenue alone; we do not receive enough income to meet the potential costs of potential labour disputes. Because of this, we accept market risk and invest funds to try to meet our obligations.

Goals of the Defence Fund

A. Increase the target of the Defence Fund from 10 to 12 million

STATUS: Will adjust target in financial reports

B. Target one million dollars (minimum) per year in savings to build the Defence Fund

STATUS: 2021 goal achieved

C. Maintain the equity cap distribution between the CJ Fund and the Defence Fund – ongoing

STATUS: Ongoing. As we get closer to our savings target, we should consider restoring the original funding formula. This would require a constitutional resolution.

Colleen Jordan Humanity Fund

The Colleen Jordan Humanity Fund (CJ Fund) was created by delegates at the 2005 CUPE BC Convention. The purpose is to have a dedicated funding source for international solidarity and domestic anti-poverty initiatives.

Our total revenue in 2021 was \$402,171. Still, there are many transactions to clarify to understand the funds available to spend.

- Total per capita revenue is \$392,778. One-half is diverted to the Defence Fund as per our constitution, leaving \$196,389 remaining.

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- Our investment strategy provides \$31,400 in additional income.
- The \$196,389 and \$31,400 provides \$227,789 of cash available to spend.
- We had an unrealized investment gain of \$174,382.
- Excess of total revenue over expenditures was \$245,475.

The \$245,475 surplus improved our asset position in the CJ Fund from \$1,580,906 (2020) to \$1,826,381 (2021).

The design of the Fund is to spend as close to the total income as possible each year. The unrealized investment gain should not be confused with our focus on spending as much revenue as possible to support important projects.

The balance of the net assets remains above the Constitution trigger of \$1,250,000 found in Article 8. This constitutional trigger requires CUPE BC to divert 50% of the funds going in the CJ Fund to the Defence Fund. The additional funds were used to build up the asset position of the Defence Fund and were used to pay down the debt. With the loan now eliminated and our Defence Fund getting closer to achieving our savings goal, we are a few years away from considering reverting back to the original funding formula.

CUPE BC is required to administer the CJ Fund in accordance with the Humanity Fund Guidelines (Appendix B of the CUPE BC Constitution). These guidelines outline a formula for spending summarized as:

- **20%** of revenue to be reinvested to build the fund

Of the funds available after re-investment:

- Up to **70%** for International humanity and development work
- Up to **30%** for Canadian Anti-Poverty Work

In 2019 the Fund was transformed into an Endowment Fund. The investment policy was changed to ensure dividend returns can be used to finance projects. This is a major evolution of the CJ Fund. For years, surpluses have grown the asset position into a very healthy total, and there wasn't an initial plan for those funds. So to protect the savings but increase the

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number of funds available to finance projects, I worked with our Investment Managers to redesign the investment portfolio into an Endowment Fund.

This investment model is an excellent example for Locals who find themselves cash-rich but budget poor. Instead of using term deposits, by investing savings in the same model of the CJ Fund Locals can create a secondary source of income to better resource our Locals and support our members.

Some of the projects which we supported in 2021 include:

1. **Co-Development Canada** - \$65,000 in support of various projects in CUBA, Nicaragua, Honduras, Colombia, and direct organization support.
2. **Pivot Legal** - \$15,000 towards their work on many issues, including missing and murdered Indigenous women, homelessness, and equality.
3. **Hope in Shadows** - \$8,000 towards the production of calendars which low-wage members of the public can buy for a discounted price, then sell to raise income for themselves.
4. **Protein for People** - \$7,000 towards ensuring food banks in B.C. have protein options like canned salmon.

Disaster Fund

In 2021, devastating fires and flooding affected hundreds of CUPE members. In response, CUPE BC utilized the CJ Fund to provide hardship donations of \$500 to members involved. An initial \$20,000 was put forward by CUPE BC, and \$158,100 was received from donations by CUPE Locals both in B.C. and across the country. A total of \$178,100 was raised, and \$116,500 was distributed to 231 members. The remaining funds were donated to charities that supported communities during this difficult year. In addition, \$54,000 was equally distributed to the United Way BC, BCSPCA, Migrant Workers Centre, and the BC Division of the Canadian Mental Health Association.

I have heard the calls for establishing a permanent disaster fund. I believe the CJ Fund is the appropriate mechanism to handle disaster situations. However, creating any new fund requires changes to our Constitution and agreement from Locals to pay additional per capita. In lieu of

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doing that, we have prioritized having significant funding in the CJ budget dedicated to hardships, and we rely on calls for donations should extreme situations arise. In my time as Secretary-Treasurer, every time we have seen a major disaster and a request for donations has been made, Locals have stepped up. I trust our Locals will be there for us in the future if or when the need arises.

A final note is that the funds in the Colleen Jordan Humanity Fund are held in cash, term deposits, and equity investments. The 2021 average rate of return was 18.0%.

Goals of the CJ Fund

A. Continue growth of endowment fund model and track income from investments

STATUS: ongoing

B. Monitor hardship spending and ensure we have enough funds available for both member hardships and disaster relief

STATUS: Increased budget for 2022, monitoring will be ongoing.

Financial Statements & Auditors Report

Following this report are the audited financial statements for 2021 and the Auditor's Report prepared by the firm of Matthews Campbell, Chartered Professional Accountants.

The Division has utilized Matthews Campbell for the last 16 years and is very satisfied with their high level of detailed work and professionalism. They continue to provide guidance to us on how to improve the controls on the Division's financial operations. Over the 16 years, different Auditors in the firm have reviewed our finances which provide the best benefit of good institutional knowledge of CUPE BC with "fresh eyes" to ensure the highest quality of audit work.

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CUPE BC Trustees

The work of our CUPE BC Trustees is critical and too often overlooked. I appreciate the attentive and thoughtful approach that Debbie Mohabir, José van Berkel, and David Robertson have brought to their work. In my time in the Secretary-Treasurer's office, they have all been very supportive and an excellent resource. Their report can be found in the Convention binder and will be delivered following my report.

Membership

Per Capita reports provide some of the most accurate details for total number of members in our province. Below are two tables as of March 22, 2022 with data from CUPE National.

Region	Locals	Full Time	Part Time	Total Membership
Fraser Valley	11	4,579	1,680	6,259
Kootenay	22	1,963	1,202	3,165
Metro	41	30,609	28,970	59,579
North	29	3,200	1,753	4,953
Okanagan	18	6,062	2,258	8,320
Provincial	4	3,314	1,396	4,710
Vancouver Island	34	12,505	5,124	17,629
Total	159	62,232	42,383	104,615

Sector	Locals	Full Time	Part Time	Total Membership
Agencies/Boards	6	1,380	144	1,524
Colleges	6	1,193	522	1,715
C. Social Services	5	839	1,687	2,256
Health	3	2,994	1,273	4,267
Library	6	667	950	1,617
Multi Sector	6	8,092	5,650	13,742
Municipal	60	21,159	16,594	37,753
Schools	51	16,725	11,154	27,879
Transportation	4	1,412	140	1,522
Universities	12	7,771	4,269	12,040
Total	159	62,232	42,383	104,615

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Internal Operations

CUPE BC has a small office of dedicated individuals. Karen and I are the two full-time elected Officers; we have a hard-working group of Executive Board members that volunteer a lot of their own time in service to this great union. We have a tiny dedicated group of individuals that accomplish a lot throughout each year for our staff. While impressive, the high workload tasked to our team is a significant issue that needs to be addressed to avoid overwork and burnout of staff.

We continue to focus on becoming more efficient at accomplishing our known tasks, so we have more capacity to react to unknown events. Known events are items like conventions, Executive Board meetings, and conferences. The unknown is responding to emergent situations. New events management software will help us prepare, track, and, one day, consult better on events than we ever have before.

The goal of becoming more efficient isn't simply a catchy phrase but an absolute necessity. During my time in the office, I have witnessed firsthand the dedication our staff members have to CUPE members. I have also witnessed how the growth of our union, the growth of events like convention, Executive Board, conferences, and meetings have grown far faster than our staff support. Without intervention, CUPE BC will become trapped in a cycle of only having the staff resources to organize events, with little to no capacity to follow through with any outcomes from those events. I am committed to building a strong, efficient, and organized union office that has high professional standards and delivers on commitments.

Planning for the Future

I continue to focus on modernizing CUPE BC to be the absolute best union in B.C. I believe our members deserve that. It is important to recognize the external changes in our world and how they impact our union. We have recently seen a major change in demographics in North America, with generation Y/millennials (born mid to later 90's) surpassing baby boomers in the percentage of the total population in the workplace. CUPE and its Divisions were founded in 1963, and the majority of our bylaws, purpose/mission were established then. We must expect tension as generational progress works through the membership of our union. Because of

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seniority provisions, we usually lag behind the broader labour market in demographic trends. Still, our membership and leadership are changing with the increases in resignations and retirements from the pandemic. What is critical for our union to understand is how the different generations work, communicate, and participate. Understanding these preferences will allow the various levels of CUPE to adjust our operating systems to welcome the next generation.

The move to a new online per-capita program for CUPE BC will be launched in 2022 and be a game-changer for CUPE Locals. This new program recognizes the amount of time and effort we ask for Local Presidents and Treasurers to commit to running our organization and aims to reduce it. Our CUPE BC team has been working closely with the firm Intergalactic to develop a program that meets our internal accounting needs, and is simple for Locals to use. I want to thank Wendy, Jolanta, Darci, and Kiran for their dedication to this project. I also want to thank those Local leaders we have leaned on for their expertise and experience.

In addition to the per cap function, the new website that will host this new program can also be used to offer even more services for Locals. Items such as requesting our community events trailers and accessing the policy manual and other resource documents should be simple and easy. In the future, registering for conventions, conferences, and even electronic payments between Locals and CUPE BC can become a reality and a regular part of our operations. If you bank online for personal business, you should also conduct your union banking online.

Lastly, I want to shift away from technology and offer a challenge to our CUPE Locals: review your conversion language and focus energy and resources on converting as many auxiliary and part-time positions into full-time jobs as possible. This might sound odd being included in a financial report, and I understand various sector and occupation obstacles with this challenge. Still, in the review of finances at CUPE BC and even at our National level, it has become clear that a vital ratio we should be tracking at all levels is an "income per member" ratio. The concept is simple, the cost of servicing members is relatively constant, meaning a grievance or arbitration costs the same whether the member is full-time, part-time, or auxiliary. But the income (dues) is very different depending on status. These differences come from both lower wages and shorter/irregular hours. The purpose of monitoring this is to be aware of your available resources to spend supporting your members. If we do not watch this ratio, CUPE at

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all levels can become overstretched in the servicing demands vs. our dues income. This ratio should not be used as a reason to avoid organizing precarious workers who need a union more than ever, nor should this ratio be used to shame groups of members who pay less in dues. Instead, this is for the leadership of our union to ensure at all levels we understand the obligations of servicing our members takes and how to ensure we don't financially stretch ourselves too thin. I know that it is politically untenable to propose a campaign to reduce the size of our membership in B.C. from 104,000 to 90,000 (for example). Still, if the result was from conversions as described above, we would have stronger financial positions. This means more money for training, more book-offs, community support, greater participation in conferences and conventions, more full-time Presidents, and more staff support per member. This challenge is not new, many Locals have existing conversion practices, but with the change in leadership in many of our Locals, I feel it is important to highlight the operation impacts of member status. If you are interested in learning more, I would recommend speaking with a delegate from Local 23. This Local is doing significant work to convert positions into full-time jobs at the time of writing this report. These jobs can provide a livable wage and meaningful job security.

Conclusion

For a few years now, I have said that CUPE BC is undergoing a quiet transformation. We are evolving and embracing new ideas and technologies. I don't focus on this out of personal preference, but what I see is the absolute need to evolve before facing a crisis. CUPE BC has delivered great services and events for our members, often out of the sheer will of our staff, volunteers, and officers. I can only imagine what we can accomplish with a greater educational investment in our Staff, an even better organized and operating office, a more informed and involved Executive, and better and more collaborative tools for Local leadership.

The modernization of CUPE BC won't happen because of one person's will. I could not do this job without the support and ideas of the CUPE BC office Staff. I sincerely appreciate the dedication they bring to their work every day. We have had significant changes in our office, but we have a great team, and I can't tell you how much I enjoy going into the office and

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working with such dedicated and amazing people. Kiran, Wendy, Jolanta, Darci, Chika, Pearly, Morgan, and Maja – thank you for everything you do.

I would like to acknowledge each of the members of our Executive Board who have worked hard to strengthen our Division and our union in every corner of the province. Each one of them steps up when called on and always puts the needs of CUPE members first.

I also want to express my sincere appreciation to Local Presidents and Executive members from every CUPE Local across B.C. The work you do with and for your members every day is vital to the continued strength of our union. As your Secretary-Treasurer, it's my goal to make the lives of our Local leadership better.

I must also thank all the CUPE National Servicing Representatives, Specialists, and Support Staff who do incredible work supporting our Locals and representing our members. Finally, I would like to give special recognition to the leadership team of Regional Director Ann Lennarson and Assistant Regional Directors Rob Jandric and Zoë Magnus for their cooperation throughout the year. In addition, the Strong Communities Working Group works closely with the Division to fight for CUPE members in British Columbia. I thank them for their dedication to you and the additional support they provide to CUPE BC.

We all know how much our work and volunteerism take us away from our family. I want to thank my wife Kathryn for her love and support, and our two amazing children, Audrey and Sophie, who keep me grounded in what's important in life. I want to thank my parents, Jim and Diane, who were members of the Telecommunications Workers Union and Hospital Employees' Union, for instilling their Labour values and encouraging me to work to make the world a better place. I thank my sister and brother-in-law Alison and Dwight and their kids Mason and Ainsley for their love and support. Also, I would like to mention and thank Kathryn's parents Don, a retired member and long-time Vice President of CUPE Local 50, and Lori, a retired member from CUPE Local 2011, and my sister-in-law Kelly, a member of the Health Sciences Association. I am often obsessed with our financial position and policies. Without my friends and family to ground me, I would have burnt out long ago.

SECRETARY-TREASURER'S REPORT

We know that our work as Trade Unionists and Labour Activists will never end. There will always be another employer or government trying to take away the collective rights we have fought for over many years. Unions are more important now than ever. We must continue to renew our union and organize within our membership so we can face the challenges ahead and win.

I am proud to be a CUPE member, and I want to thank my home, Local 374, for all its support. It is an honour to serve as Secretary-Treasurer for CUPE British Columbia and work on behalf of the 104,000 CUPE members across the province. There are a lot of challenges ahead but, by working together, we can overcome any obstacle and continue to stand shoulder to shoulder as proud members of this great union.

Respectfully submitted:

Trevor Davies
Secretary-Treasurer
CUPE BC Division

April 2022

