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CONVENTION - CONGRÈS

MAY 1-5 MAI 2023

TORONTO, ONTARIO

Report of the **National Board of Trustees**

Canadian Union of Postal Workers
Syndicat des travailleurs et travailleuses des postes

cupw • sttp

REPORT OF THE NATIONAL BOARD OF TRUSTEES TO THE 2023 NATIONAL CONVENTION

INTRODUCTION

Contained herein is the National Board of Trustees' report to Convention for the 2019 – 2023 mandate.

At the heart of any organization is its constitution and ensuring that those who are elected to their positions are held to the standards, requirements, limitations, and expectations that their constitution dictates will strengthen our Union.

The National Board of Trustees for the Canadian Union of Postal Workers has no political agenda and is there to serve the membership by performing their verifications and producing reports for both the Officers of the Union and its general membership. It provides a level of accountability and transparency that is invaluable and that helps to ensure the validity of our organization.

As per article 4 of the National Constitution, the National Board of Trustees has diligently examined the financial records of the National Union and made recommendations in each of the 4 verification periods in this mandate.

THE HISTORY AND ROLE OF THE NATIONAL BOARD OF TRUSTEES

The National Board of Trustees has a long history within our Union. The first National Board of Trustees was elected in 1965 and was comprised of three members. The role of the Board at that time was not unlike a finance committee and, among other things, made recommendations as to the salary of elected Officers.

The National Board of Trustees existed in this form until 1971 when, according to the will of the members at Convention, the role of the Board transitioned into one that included a Trustee from each Region and semi-annual verifications.

In 1986, the reports of the National Board of Trustees began being published in our National Journal. The right of the National Board of Trustees to be able to review all financial matters without restriction and to report without censorship to the rank-and-file members was a testament to the serious approach that the membership took with regard to the National Board of Trustees. Our members saw the value in the layer of oversight that the Trustees provided and thus formed a Board rather than just a committee as many other Unions have.

Fast forward to 2023 and our National Board of Trustees currently sits in Ottawa once per year to perform its verifications. This change was adopted via a resolution at the 2011 National Convention.

It must be noted that the National Board of Trustees does not perform an audit of the spending of the Union, but in fact is in place to safeguard the members' funds and to perform verifications to ensure that our elected Officers are adhering to the National Constitution in terms of the finances of our Union.

The National Board of Trustees reviews the financial transactions of the Union from a constitutional perspective, and then prepares and presents a report to the National Executive Board. Along with our report, the National Board of Trustees also offers its recommendations to the National Executive Board on how to best ensure it is in compliance with our National Constitution or how it can add safeguards to the operation of the Union's finances. In turn, the National Executive Board provides, or should provide, those reports as well as any comments or responses, to the general membership via the National Journal or the Perspective Magazine, as the case may be.

STATEMENT OF THE COVID PANDEMIC

For the 2019 – 2023 mandate of the National Board of Trustees, only one Trustee returned from the previous Board. With a Board that was made up almost entirely of new Trustees, there were many challenges. The Board did go through those challenges and was very successful in producing a report for our first verification.

Before we had a chance to reconvene the following year, the COVID-19 pandemic struck and turned everything that we knew upside down. The National Board of Trustees faced a challenge that was almost insurmountable. Not only could we not meet together in Ottawa, we were now given a new set of rules to work by. We were now working out of at least 4 different time zones and we were trying to not only retrieve our documents from a virtual meeting room, we now had to find a way to work together remotely from our homes or offices and each of us had to acquire technological skills that for most of us were new. We were often disconnected from the National servers while attempting to retrieve or send documents, many of us did not have printing capabilities, we could not work together in small groups the way we needed to, and then there was learning how to sign in to bypass the Union's firewall in Ottawa. In addition, we lost the ability to be able to converse with staff at National Office and/or the Officers or Union Representatives that we often went to see for information regarding the contents of our report.

When information needed to write our report was found to be lacking, the National Board of Trustees could not simply walk out of the room where we worked in Ottawa and ask a question. We now had to send an email and wait for a response. If information was required, we had to wait for someone on the other end in Ottawa to find the information, put it into a document that we could use, and then wait for it to arrive in our email system. We all found this very frustrating and challenging and the situation led to one Trustee stepping aside prior to the second verification. We were able to finish our report but feel that it could have been better had we been able to convene together in Ottawa.

During our third verification, we were again required by the National Executive Board to work remotely. We did receive additional days to complete our report but the challenges persisted and in the case of the technology, such as retrieving documents or sharing and submitting them with others, the situation worsened. The CUPW servers routinely disconnected, cutting our access to documents and to each other, and this cost us a great deal of valuable time.

Our fourth verification was again performed in Ottawa in-person.

The National Board of Trustees feels that despite the challenges that the pandemic presented to not only the National Union but to society as a whole, that going forward, the Union could do better. When the pandemic first struck, most of the world became paralyzed by either government mandated restrictions or simply by fear. CUPW was affected as much as any other entity.

What transpired over the next year or two included some major failings.

Many Locals ceased having any in-person meetings. This included our mandated general membership meetings. Our communication with our membership came to an abrupt halt. It wasn't until almost a year into the pandemic and until the National Board of Trustees made inquiries that Locals were instructed to find a way to hold their monthly meetings. While some Locals picked up on the ability to hold virtual meetings quickly, others were totally absent from any progress in that area. Much more could have been done at the National and Regional levels of our organization to assist Locals in ensuring that they were holding their meetings or, at the very least, to instruct them to do so. While the Locals were eventually instructed to utilize virtual platforms to hold meetings, this took many months to communicate.

Lastly, the National Board of Trustees feels that our elected National Officers could have returned to work at National Office and to their former hours and conditions much sooner than April 2022, considering the fact that the 55,000 or so members that the Union represents were expected to be at work throughout the entire pandemic, not in an office of their own, but in many cases surrounded by hundreds of their co-workers as well as the general public.

In closing, we would reiterate that this statement is not an indictment against any person in any position or the Union in general, but it is felt that these shortcomings had to be mentioned and that a discussion is needed.

COMPOSITION OF THE NATIONAL BOARD OF TRUSTEES

At the end of our mandate, the composition of the National Board of Trustees was as follows:

| | | |
|-----------------------|-----------------------------|-------------|
| Ontario Region | Brother John Lawrence | Chairperson |
| Metro-Toronto Region | Sister Angela Jones | Secretary |
| Atlantic Region | Brother Scott Gaudet | Member |
| Quebec Region | Brother Marc Désilets | Member |
| Metro-Montreal Region | Brother Stéphane Surprenant | Member |
| Central Region | Brother Naveed Khan | Member |
| Prairie Region | Sister Maria Tan | Member |
| Pacific Region | Sister Norma Kimball | Member |

The composition of the National Board of Trustees went through several changes during this mandate due to resignation and retirement. As noted in our second and third verification reports, the National Board of Trustees was short 1 member in each of those years.

ANNUAL VERIFICATIONS

The National Board of Trustees conducted 4 verification periods for this mandate. Due to the COVID pandemic, our second and third verification periods were conducted virtually. Despite the incredible challenges that this presented given our inability to coordinate various functions with other Trustees due to working out of 4 different time zones, our inability to glean information in-person by interacting with Officers, Union Representatives, and staff at National Office, and the myriad of technical challenges, the National Board of Trustees succeeded in fulfilling their mandate and was able to produce a report for each of our verification periods.

The dates of these verifications were as follows:

- 1st Verification: February 24 to March 6, 2020
- 2nd Verification: February 17 to March 4, 2021
- 3rd Verification: February 17 to March 3, 2022
- 4th Verification: February 15 to March 3, 2023

The National Board of Trustees is very disappointed that the reports from our second and third verifications, which we have noted were extremely difficult to produce, were simply shelved by the National Executive Board and not shared with the members via Perspective magazine (or National Journal) as is required by the National Constitution.

Therefore, the National Board of Trustees recommends:

- That the National Executive Board adhere to section 4.101 of the National Constitution in that all reports of the National Board of Trustees be published in full in the National Journal together with replies, comments, and clarification made by the National Executive Board with regard to the recommendations and findings of the National Board of Trustees; and
- That the National Executive Board adhere to section 4.101 of the National Constitution and provide Locals with a copy of the National Board of Trustees' report along with the National Executive Board's responses within 30 days of the report being presented to the National Executive Board.

RESOLUTIONS AND RECORDS OF PROCEEDINGS

The National Board of Trustees has examined the minutes of all National Executive Board and National Executive Committee meetings for the period of July 1, 2018 to June 30, 2022 to ensure that all expenditures were approved and constitutional as per section 4.100 of the National Constitution.

The National Board of Trustees must comment on the lack of adherence to section 4.14 of the National Constitution in that minutes of the National Executive Board meetings were sometimes not adopted for more than a year and a half. Section 4.14 of the National Constitution explicitly instructs the National Executive Board shall send the minutes of their meetings to all Locals "no later than 15 days following each of these meetings".

Adherence to section 4.14 ensures that the membership has an almost real-time understanding of the business of the National Union and delaying the minutes of the National Executive Board meetings, on what can only be described as a regular basis, reduces the transparency of the National Union.

Therefore, the National Board of Trustees recommends:

- That the National Executive Board adopt minutes for all of their meetings at the next scheduled meeting of the National Executive Board; and
- That all National Executive Board meeting minutes are sent out to each Local immediately after adoption.

NATIONAL FINANCIAL REPORTS

The National Board of Trustees received copies of all audited financial reports for their mandate prior to arriving for the verifications from 2019 to 2023.

The National Board of Trustees reviewed the 2019 – 2020 budget and recorded the National Executive Board passed a budget providing a deficit. However, the National Board of Trustees is pleased to report that for the fiscal years 2020 – 2021 and 2021 – 2022, the National Executive Board passed 2 balanced budgets. This came after the recommendations of the National Board of Trustees to the National Executive Board to adhere to section 7.04 of the National Constitution.

The National Board of Trustees noted that there is an increase in costs under mandated and non-mandated activities attributed to, National and Regional Conferences, Pre-negotiation Conferences and the referendum vote.

While costs were significant, they were in adherence to the National Constitution and allowed the National Executive Board to continue to conduct the business of the Union.

UNION FUNDS

CUPW has three funds into which all of our dues receipts are deposited. They are: the General Fund, the Defence Fund, and the Reserve Fund. Below is a chart showing the fund balances for each year of our 2019 – 2023 mandate.

| | June 30, 2019 | June 30, 2020 | June 30, 2021 | June 30, 2022 |
|---------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | \$15,083,957 | \$20,526,135 | \$22,477,398 | \$19,424,694 |
| Defence Fund | \$28,767,996 | \$33,514,606 | \$43,269,121 | \$44,645,867 |
| Reserve Fund | \$17,734,189 | \$20,665,200 | \$28,473,676 | \$29,623,066 |
| Total | \$61,586,142 | \$74,705,941 | \$94,220,195 | \$93,693,627 |

The National Board of Trustees found that for their mandate at the first verification there was a deficit in the General Fund. The General Fund had an increase for each year thereafter up until the Board's last verification date of June 30, 2022.

The National Board of Trustees found for this mandate that there was a 5% transfer to the Reserve Fund monthly for each year during their mandate as per section 7.17 of the National Constitution.

The National Board of Trustees also found that during their mandate, the National Executive Board had adopted resolutions to transfer excess funds from the General Fund to the Reserve Fund. As per section 7.18 of the National Constitution, any surplus left in the General Fund may be transferred to the Reserve Fund.

As of June 30, 2022 there were a total of 59,266 dues paying members. If CUPW was to go on a full-scale strike action for five days, it would be a total cost of \$11,853,200.

CUPW BUILDING SOCIETY

The Canadian Union of Postal Workers holds its real estate holdings inside the CUPW Building Society which is incorporated under the Business Corporations Act of Ontario.

At the time that this report was prepared, the CUPW Building Society owned 19 distinct properties.

The properties belonging to the CUPW Building Society, along with their characteristics and uses, are as follows:

1. 377 Bank Street, Ottawa, Ontario: this five-storey building serves as National Office and also contains our print shop;
2. 344 Sovereign Road, London, Ontario: a one-storey commercial building which serves as the Ontario Regional Office;
3. 34 Colonnade Road, Suite 100, Ottawa, Ontario: a one-storey commercial building which serves as the Central Regional Office and which will also houses our future CUPW archives centre and the offices of the National Organization of Retired Postal Workers (NORPW);
4. 999 Carnarvon Street, New Westminster, British Columbia: a commercial condominium which serves as the Pacific Regional Office;
5. 565 Crémazie Boulevard East, Suite 4400, Montreal, Quebec: a commercial condominium unit which serves as the Metro-Montreal Regional Office;
6. 5000, des Gradins Boulevard, Suite 340, Quebec, Quebec: a commercial condominium unit which serves as the Quebec Regional Office;
7. 300 Lisgar Street, Ottawa, Ontario: this is the SOHO condominium building in downtown Ottawa. The CUPW Building Society currently owns 11 residential units in this building, as well as 7 parking spaces.
8. 1227 Wellington Street, Ottawa, Ontario: 2 residential condominiums and 2 parking spaces.

During our 2019 – 2023 mandate, there were numerous purchases and sales of real estate made by the CUPW Building Society.

Older units located at 1227 Wellington Street in Ottawa have been sold and have been replaced by purchasing newer residential condominiums closer to National Office.

In addition to the residential changes, the National Union purchased a commercial building located at 34 Colonnade Road to accommodate the Central Regional Office. This will eliminate the rental costs associated with the Central Regional Office and will also provide those working the Central Region with a healthier and much more modern workplace.

It is also prudent that in the future, that the National Executive Board prepares a document for the National Board of Trustees that gives a fiscal snapshot of the CUPW Building Society that includes the real market value of each property as well as the costs associated with property management fees, condominium fees, cleaning staff, ongoing maintenance costs, property taxes, purchasing, legal fees, utilities and any and all other relevant costs that are material.

The National Board of Trustees would find it invaluable to see a policy regarding the use of the residential condominiums as well as a register to show how often the condominiums were occupied and for what purpose.

Therefore, the National Board of Trustees recommends:

- That the National Executive Board, with the help of the Chief Financial Officer, conduct a review of all holdings of the CUPW Building Society once every 2 years to ascertain whether or not the Society's current holdings are still of a material benefit; and
- That the National Executive Board, with the help of the Chief Financial Officer, conduct a review of all holdings of the CUPW Building Society once every 2 years to ascertain whether or not the purchase of additional real estate or the sale of any of its current holdings is advisable or warranted; and
- That the National Executive Board provides the National Board of Trustees each year, when they convene, with the pertinent information requested above; and
- That the National Secretary-Treasurer keep a calendar for each residential condominium in that a record of when it was vacant and/or occupied can be ascertained and that the reason for the unit being occupied is noted, i.e., Alternate Union Representative, Negotiator, Trustee, etc. and that this calendar be shared with the National Board of Trustees.

COLLECTIVE AGREEMENT FUNDS

During the 2019 – 2023 mandate, the National Board of Trustees reviewed and reported on the audited revenues and expenses for the various collective agreement funds negotiated for members. These funds are contributed by Canada Post and administered by CUPW. Balances of the funds for Urban Operations and Rural and Suburban Mail Carriers were provided as of June 30th of every year. The National Board of Trustees has found the billing, reimbursement and reporting process is quite efficient and well managed.

The funds negotiated for Urban Operations members are:

- Appendix "L" Child Care Fund;
- Appendix "R" International Postal Fund;
- Appendix "U" Education Fund.

The funds negotiated for Rural Suburban Mail Carriers are:

- Appendix "D" Education Fund;
- Appendix "J" Childcare Fund.

CUPW has negotiated Education Funds for the following Private Sector Bargaining Units:

- RMS Pope;
- Nova Scotia Medical Communications;
- Easy Express – Atlantic;
- Easy Express – Sault Ste. Marie;
- Pro Ex Transportation;
- Bee Clean – Hamilton;
- T-Force – Red River.

NEGOTIATIONS

During the term of 2019 – 2023 of the National Board of Trustees, we received statements of expense for costs associated to negotiations. Listed below are the costs incurred for, the RSMC, Urban Operations and Private Sector Bargaining Units.

| | RSMC and Urban Operations Bargaining Units | Private Sector Bargaining Units |
|--------------|---|------------------------------------|
| 2018 – 2019 | \$3,001,926 | \$ 125,427 |
| 2019 – 2020 | \$1,218,914 | \$ 67,777 |
| 2020 – 2021 | \$ 387,786 | \$ 71,727 |
| 2021 – 2022 | \$ 162,203 | \$ 153,073 |
| Total | \$4,770,829 | \$ 418,004 |

Note: All amounts have been rounded to the nearest dollar.

STRIKE PAY

During our 2019 – 2023 mandate, the National Board of Trustees reviewed and verified all of the expenses incurred for strike pay. It was noted that the National Office provided strike pay allowance to support the Locals that underwent strike action in a timely manner.

Strike pay expenses were as follows:

Chart – Strike Pay per Region

| Region | Strike Pay | Other Expenses |
|-----------------------|---------------------|--------------------|
| Atlantic | \$ 71,100.00 | \$ 2,191.53 |
| Quebec | \$0.00 | \$ 1,455.64 |
| Metro-Montreal | \$0.00 | \$ 0.00 |
| Central | \$ 16,600.00 | \$ 1,945.49 |
| Metro-Toronto | \$171,200.00 | \$ 0.00 |
| Ontario | \$ 8,000.00 | \$ 1,968.02 |
| Prairie | \$ 70,800.00 | \$ 2,442.35 |
| Pacific | \$ 0.00 | \$ 1,650.09 |
| Total | \$337,700.00 | \$11,653.12 |

NATIONAL ACTIVITIES

The National Board of Trustees reviewed expenses for both mandated and non-mandated National Activities. The costs associated with these activities can be found in the National Board of Trustees' verification reports during their mandate from July 1, 2018 to June 30, 2022.

REVIEW OF STATEMENTS OF EXPENSE

We examined the Monthly Statements of Expense forms for the National and Regional Officers, Union Representatives and Alternate Union Representatives. We also examined the Monthly Statements of Expense forms submitted by those working on Appendices and Specialists under contract to CUPW.

Monthly statements of expense forms are to be submitted each month for reimbursement of activities, per diem, travel, mileage, car rentals, and accommodation.

The COVID-19 pandemic caused activities to decrease dramatically during this mandate and with the lifting of restrictions, we are starting to see an upward trend as Union activities expand.

We continue to see that monthly expense reports are not being submitted on a monthly basis. We are pleased that the National Secretary-Treasurer sends letters when expense reports are not submitted, however, we cannot stress enough the importance of submitting monthly expense reports, whether or not there may be expenses to report. Not reporting for several months leads to added workload for both the individual's report and for the staff at the National Office, and adds to the possibility of missing expenses because of the time lapse.

A new expense form was issued during this mandate, which now includes a request for a description of expenses, when using the activity code "000". We encourage all National Directors and the National Office to ensure the old forms are discarded.

No vehicles were purchased during our mandate.

The National Board of Trustees noted that, during our mandate, repeated recommendations at each of our verifications have not been adopted regarding travel authorization being approved after the date of the expense and Monthly Statements of Expense forms being submitted significantly late.

ATTENDANCE

The National Board of Trustees reviewed annual leave, personal leave and pre-retirement leave taken by National and Regional Officers and Union Representatives. It was noted that a number of Officers and Representatives of the Union are not taking their allotted annual leave. While the Union recognizes the importance of its members taking leave to which it has been negotiated for, it must also take the same opinion for its Officers and Representatives. Taking leave is of the utmost importance to mental wellness, work-life balance and fulfilling family responsibilities. We must take care of each other and ensure our Officers are taking their allotted leave to recharge their minds and bodies.

Attendance records are based on the honor system, where elected Officers and Union Representatives are responsible for reporting their attendance on their monthly statements of expense. The National Board of Trustees has found that many different versions of the monthly expense forms are still being used. With the new personal day allotments given under the Canadian Labour Code, it is very important that the newest version created by the National Secretary-Treasurer be used in order to ensure that staff, Officers and Specialists are using these new personal days, which are shown separately on the new form.

It was reported in the third and fourth verifications that the National Secretary-Treasurer paid out any unused personal days for this period of verification leaving no more than 12 personal days remaining for Union Officers and Representatives.

While there is a liability cost associated with unused annual leave and personal days, the National Board of Trustees has made recommendations to the National Executive Board to abide by sections 7.37 and 7.38 of the National Constitution and create an annual leave schedule to ensure that Officers of the Union are taking their leave and not carrying it over more than 1 year, then paying out those unused annual leave credits at the beginning of the following year.

EXPENSES FOR REGIONAL ACTIVITIES AND OFFICES

The National Board of Trustees examines the expense accounts for the 8 Regions for the 2019 – 2023 mandate. There was a total of 16 activities between all 8 Regions for the first, second and third verifications in which advancement of funds were requested for by the National Directors in all 8 Regions for some of the activities held. The National Board of Trustees verified that there were no activities for any of the Regions during the fourth verification. There were, however, activities recorded after the fourth verification to be reported on in the new mandate of 2023 – 2027.

During the first and second verifications, the National Board of Trustees can report that all statements were submitted and during the third verification the Board could not verify whether or not reports were submitted. This could be attributed to the verification being performed virtually. Submissions of statements is a requirement under section 5.13 of the National Constitution.

The National Board of Trustees can also verify that during the first and second verifications, all Regions had outstanding balances, whereas during the third verification, only some Regions had outstanding balances.

The National Board of Trustees still found that some Regions were overestimating the costs of their events, this comes after the recommendation of the Board during the 2015 – 2019 mandate. The National Board of Trustees also found that some Regions were submitting their reconciliations later than the 45 days required as stated in section 5.13 of the National Constitution.

The National Board of Trustees appreciates the work done by the Regions in submitting their activity reports, statements and reconciliations. We the Board, ask them to continue their efforts in this regard.

Therefore, the National Board of Trustees recommends:

- That the Officers responsible for budgeting for Regional activities use more accurate figures, before requesting an advance of funds for their events; and
- Those Regions that have reconciliations return funds back to the national Office with the 45 days required under the National Constitution.

INVENTORY LISTS FOR NATIONAL AND REGIONAL OFFICES

For the National Secretary-Treasurer to do a proper accounting of the assets of the Union as per section 4.56 of the National Constitution, inventory lists from National Office, 8 Regional Offices, as well as the condominiums owned by the CUPW Building Society is required. These lists should include all items purchased Union funds such as filing cabinets, computers, office furniture, appliances, etc., essentially all items excluding office supplies. All inventory lists are for insurance purposes in case of loss.

Through our mandate, the National Board of Trustees continually recommends to the National Secretary-Treasurer to send memos to National and Regional Offices. We are pleased that the recommendation was adopted since our second verification to date.

Through our 2019 – 2023 mandate, the National Board of Trustees reported improvements from National and Regional Offices on updating their inventory lists. During our fourth verification all 8 Regional Offices submitted inventory list reports including 51 individuals from National Office and the print shop.

The National and Regional Offices, including the condominiums, total inventory expenses through our mandate cost \$234,969.

COMPUTER HARDWARE AND SOFTWARE

The National Board of Trustees reviewed the expenses for computer hardware and software. The costs during the 2019 – 2023 mandate were \$1,903,475. The costs related to these expenses were due to many factors. For example, the National Office adopted new software and discontinued the use of iMIS. This was because iMIS does not meet the Union's needs anymore. The National Office has renewed the contract for the in-house IT support.

The investment is ongoing. Maintenance and developmental costs are a necessity to meet the Union's needs. As of the end of our mandate, the National Office is using several software programs: Oracle, Sage and Janus.

TERMINATION OF EMPLOYMENT AND MOVING

The National Board of Trustees notes that the amount paid for termination and relocation has been relatively constant over the 4 years of our mandate.

The reimbursement of moving and relocation expenses is a measure that was originally implemented to allow members from regions far away from the National Office to actively participate in the various national positions without having to spend thousands of dollars of their own money on relocation expenses. This is beneficial to the organization as it allows access to a larger pool of candidates, which in turn enhances our democracy and the potential quality of our candidates.

During this term, we have experienced a significant and constant number of departures. It is a rather new phenomenon for our organization to have to replace so many elected members during the same term.

First verification

| | |
|-----------------------|---------------------|
| Moving and relocation | \$73,774.46 |
| Unused annual leave | \$42,411.88 |
| Section 7.41 | \$0.00 |
| Unused personal days | \$12,560.21 |
| Total | \$128,746.55 |

Second verification

| | |
|-----------------------|--------------------|
| Moving and relocation | \$73,289.49 |
| Unused annual leave | (\$4,377.55) |
| Section 7.41 | \$24,497.41 |
| Unused personal days | (\$2,006.16) |
| Total | \$91,403.19 |

Third verification

The third verification was done virtually, and the details and analysis of the amounts were not provided to us. We only have the total amount of **\$81,912.99**.

Fourth verification

| | |
|-----------------------|--------------------|
| Moving and relocation | \$58,615.15 |
| Unused annual leave | \$23,582.42 |
| Section 7.41 | \$12,026.62 |
| Unused personal days | \$3,217.48 |
| Total | \$97,441.67 |

CAMPAIGNS

During the 2019 – 2023 mandate, 3 campaigns were active:

- Save Canada Post;
- Delivering Community Power;
- Building Power to Win.

The Save Canada Post campaign was initiated in 2013 and ended in 2019. The total cost of this campaign was \$6,389,405.08. Through the hard work of the many campaign coordinators, support was gained from the public and our allies. CUPW was successful in defeating the Harper Government and its attempts at completely eliminating door-to-door delivery in our communities. The Save Canada Post campaign was a huge success and worth every cent.

The Delivering Community Power campaign, a vision to re-imagine the Post Office, which was a spinoff from the Save Canada Post campaign began in 2016 and put on hold in 2018. During this mandate, the campaign was rebranded and re-ignited in 2020.

In January 2021, 9 coordinators were appointed to start growing support for the campaign through building a list of allies and meeting with all levels of government and like-minded organizations to gain support for the campaign, which was all done remotely.

Databases of contacts were built and there was still work to do as momentum of our vision was growing across the country. The coordinators were relieved from their positions and the campaign was again put on hold in June 2022. The total costs associated with the Delivering Community Power campaign was \$1,772,158.34.

The Building Power to Win campaign was launched in the 2020 – 2021 fiscal year. The costs of this campaign were included with other Internal Organizing costs so it was not possible to give an accurate account of costs associated to this campaign for the 2020 – 2021 verification. During the 2021 – 2022 verification, the National Board of Trustees was able to report expenses totalled \$28,942.24.

The total expenses for campaigns were \$2,486,383.93 and \$234,829.20 in Internal Organizing during this mandate. These amounts were paid through the General Fund.

ARBITRATION

In each of our verifications for this mandate, the National Board of Trustees has reported on the costs associated with arbitrations. These costs are broken down into various categories which can be seen in the charts contained in each of our 4 verification reports.

Over the span of our mandate, the National Board of Trustees noted an increase in costs for arbitration slightly greater than 13% when comparing figures from our first verification against those from our fourth verification. Monies spent on Worker Advocates has decreased by 56% over the same period.

Throughout our mandate, as well as in the previous mandate, the National Board of Trustees has recommended to the National Executive Board that the training and use of Worker Advocates be promoted and increased to reduce our reliance on lawyers, and to give our activists the skills needed to represent the membership at arbitration.

The National Board of Trustees does realize that there are times when professional legal support is needed to ensure the representation that we are responsible to provide. The drastic reduction in Worker Advocate costs would suggest that the Union was utilizing them less.

Therefore, the National Board of Trustees recommends:

- That the Union, at all levels, train and utilize Worker Advocates whom are capable of working on files for arbitration; and
- That the Union minimize the use of paid legal services whenever it is possible to do so.

LEGAL FEES

Chart – Summary of Total Costs by Region

| | 2018 – 2019 | 2019 – 2020 | 2020 – 2021 | 2021 - 2022 |
|-----------------------|------------------|------------------|-------------------|------------------|
| National | \$518,212 | \$483,090 | \$525,129 | \$637,552 |
| Atlantic | \$ 0 | \$ 722 | \$ 0 | \$ 16,395 |
| Quebec | \$ 65,366 | \$ 37,586 | \$ 17,816 | \$ 22,088 |
| Metro-Montreal | \$ 12,100 | \$ 16,927 | \$ 89,223 | \$ 82,860 |
| Central | \$ 5,712 | \$ 12,320 | \$ 42,091 | \$ 1,401 |
| Metro-Toronto | \$ 6,868 | \$ 14,173 | \$ 30,206 | \$ 9,396 |
| Ontario | \$ 25,778 | \$ 25,046 | \$ 0 | \$ 8,094 |
| Prairie | \$ 0 | \$ 0 | \$ 14,516 | \$ 51,094 |
| Pacific | \$ 79,662 | \$100,580 | \$ 31,917 | \$ 548 |
| Total | \$713,698 | \$690,444 | \$ 750,898 | \$829,428 |

Note: All amounts have been rounded to the nearest dollar.

APPENDIX “AA”

The National Board of Trustees verified the expenses of the Appendix “AA” committee for the 2019 – 2023 mandate. The Appendix “AA” committee work jointly with the Canada Post Corporation to identify, evaluate, conduct research and implement pilot projects relating to collection and delivery at the post office.

For the mandate under review, CUPW has paid \$81,268.01 as our share of the costs, which was approximately 5% of the total costs of the committee’s expenses.

Efforts to sign a memorandum of agreement to clearly define the cost sharing percentages associated with the Appendix “AA” committee projects with Canada Post were successful during the third and fourth verifications, with a lump sum negotiated to be given to CUPW and an agreement between the 2 parties on the cost sharing of the projects.

The National Board of Trustees has recommended that a memorandum of agreement be negotiated prior to the start of any new projects that fall under Appendix “AA” of the Urban Operations collective agreement to clarify the cost sharing of expenses.

ARTICLE 8

During the 2019 - 2023 mandate, the National Board of Trustees conducted an analysis of Article 8 files.

The cumulative costs for the national and regional committees dealing with Article 8 complaints was \$264,512. Over 50% of these costs were for the fiscal year following the 2019 Convention.

According to the documents that were made available to us, the number of cases went from 120 active cases as of December 31, 2019, to 65 active cases and 15 appeals as of June 30, 2022.

CHILD/ELDER CARE COSTS

The National Board of Trustees examined the costs associated with Child/Elder.

There were no child/elder care costs to report during the third verification due to the COVID-19 pandemic.

The total cost of child/elder care for this term was \$64,239 according to the computer-generated reports.

Chart – Child/Elder Care Cost by Region

| | National | Atlantic | Quebec | Metro-Montreal | Central | Metro-Toronto | Ontario | Prairie | Pacific | Total |
|--------------|-----------------|--------------|--------------|----------------|-------------|-----------------|-----------------|----------------|----------------|-----------------|
| 2018 – 2019 | \$28,189 | \$300 | \$300 | \$1,790 | \$0 | \$11,680 | \$9,695 | \$3,720 | \$1,190 | \$58,494 |
| 2019 – 2020 | \$500 | \$400 | \$0 | \$825 | \$80 | \$275 | \$3,845 | | \$450 | \$6,375 |
| 2020 – 2021 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2021 – 2022 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | \$30,319 | \$700 | \$300 | \$2,615 | \$80 | \$11,955 | \$13,540 | \$3,720 | \$1,640 | \$64,869 |

Therefore, the National Board of Trustees recommends:

- That the National Directors continue to follow the guidelines regarding eligibility for child/elder care reimbursements.

INSURANCE

As provided for under section 4.100 (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, 2022. The insurance policy also contains dishonesty coverage up to \$50,000 per occurrence.

The insurance policy is available in both official languages.

CUPW ADMINISTRATIVE STAFF

During the first verification of our mandate there were 49 COPE 225 members and 29 CUPE 1979 members staffed at National and Regional Offices. At the end of this mandate there were 48 COPE 225 and 25 CUPE 1979 members.

At the end of our mandate, both of these contracts ended. The new CUPE 1979 contract was renewed and is in effect until December 31, 2024, and the COPE 225 contract expired on June 30, 2022.

3 administrative workers (Chief Financial Officer, Director of Information and Technology and a Manager/Analyst – Business Systems) were covered by individual contracts with CUPW. All expired during our mandate; 2 were renewed and the third was not as they declined. A new worker was hired with a new contract.

Unused annual leave decreased from 549 days at a cost of \$158,785.65 to 417.31 days, at a cost of \$133,344.24.

For CUPE 1979 members, unused annual leave decreased from 511 days at a cost of \$143,784.00 to 141.31 days at a cost of \$40,951.83 during our mandate.

The sick leave potential payout for COPE 225 members at a rate of 20% decreased from \$204,388.78 in our first verification to \$168,005 at the end of our mandate.

INDEPENDENT MEDICAL PRACTITIONER COSTS

The National Board of Trustees has reported on Independent Medical Practitioner costs since they began to be a facet of the Union's finances.

Independent Medical Practitioner costs are incurred on behalf of the membership and are directly related to the short-term disability program. The Union is contractually liable for 50% of the costs incurred through the use of these practitioners who are responsible for making the final decision in the short-term disability appeals process.

By looking at the expenses that are attached to this file, we can see that they are not immaterial. The National Board of Trustees believes that the Union should continue to strive for a better financial arrangement relating to the costs associated with the corporation's imposition of this program.

While we have seen a dramatic increases in these costs over some years of our mandate, we have also seen decreases. Over our 4-year term, costs have ranged from a low of \$571,311.79 for the 2021 – 2022 fiscal year to a high of \$820,666.46 in the 2019 – 2020 fiscal year.

The total costs associated with Independent Medical Practitioners over the 4 years was \$2,765,970.10 with a yearly average being \$691,492.53.

| Independent Medical Practitioner Costs | | | | | | | | | |
|---|---------------------|---------------------|-----------------------|---------------------|----------------------|---------------------|---------------------|---------------------|-----------------------|
| | Atlantic | Quebec | Metro-Montreal | Central | Metro-Toronto | Ontario | Prairie | Pacific | Total |
| 2018 - 2019 | \$42,197.94 | \$73,335.73 | \$100,285.82 | \$90,558.27 | \$115,148.41 | \$178,716.09 | \$95,018.58 | \$48,749.44 | \$744,010.28 |
| 2019 - 2020 | \$39,120.89 | \$89,409.63 | \$151,200.38 | \$93,719.35 | \$158,881.32 | \$170,194.51 | \$63,013.04 | \$55,127.34 | \$820,666.46 |
| 2020 - 2021 | \$33,491.45 | \$63,892.05 | \$121,704.38 | \$43,252.57 | \$99,992.35 | \$154,997.83 | \$70,684.24 | \$41,966.70 | \$629,981.57 |
| 2021 - 2022 | \$37,623.62 | \$41,322.20 | \$74,024.44 | \$31,726.44 | \$169,308.06 | \$86,952.72 | \$105,701.10 | \$24,653.21 | \$571,311.79 |
| Total | \$152,433.90 | \$267,959.61 | \$447,215.02 | \$259,256.63 | \$543,330.14 | \$590,861.15 | \$334,416.96 | \$170,496.69 | \$2,765,970.10 |

SHORT-TERM DISABILITY PLAN FOR ELECTED UNION OFFICERS, CUPE 1979 AND COPE 225

During the National Board of Trustees' 2019 – 2023 mandate, the National Union instituted a self-funded short-term disability plan. This plan is funded and managed solely through CUPW and specifically the General Fund. National and Regional Officers, staff and full-time Local Officers were previously covered under the SSQ plan. Moving to a self-funded short-term disability plan was implemented to reduce costs associated with the SSQ plan. Coughlin Insurance is the independent third-party disability manager and, while there are administrative fees for their service, our 2018 – 2019 verification showed a \$106,720.43 savings over the previous year.

JOE DAVIDSON EDUCATION FUND

The Joe Davidson Education Fund was established to honour the memory of an outstanding trade unionist, specifically his contribution as CUPW National President from 1974 to 1977. This education bursary is to support attendance at the Labour College of Canada.

Section 11.04 of the National Constitution states that when a CUPW member is selected to attend the College, the Union shall pay the lost wages and transportation expenses incurred by their participation.

It should be noted, that for Quebec members, an equivalent amount is paid for participation in the Quebec Federation of Labour education program.

| | | |
|---------------------|-----------|-------------|
| First verification | 5 members | \$31,219.84 |
| Second verification | 9 members | \$37,597.26 |
| Third verification | 5 members | \$4,700.00 |
| Fourth verification | 2 members | \$2,575.20 |

The period covered by the third and fourth verifications was affected by the COVID pandemic, which explains the significant decrease in the amounts paid.

LOCAL FINANCIAL STATEMENTS

During the 2019 – 2023 mandate, the National Board of Trustees reviewed the yearly Local Annual Financial Statements submitted by each Local. The following charts illustrates our findings:

Chart – Local Financial Statements

| Region | Number of Locals in Region | | | | Financial Statements not Filed | | | | Number of Locals with Statements that do not Balance | | | | Non-Payment to Labour Council | | | |
|---------------------|----------------------------|-----------------|-----------------|-----------------|--------------------------------|-----------------|-----------------|-----------------|--|-----------------|-----------------|-----------------|-------------------------------|-----------------|-----------------|-----------------|
| | 1 st | 2 nd | 3 rd | 4 th | 1 st | 2 nd | 3 rd | 4 th | 1 st | 2 nd | 3 rd | 4 th | 1 st | 2 nd | 3 rd | 4 th |
| Verification | | | | | | | | | | | | | | | | |
| Atlantic | 35 | 35 | 35 | 35 | 0 | 0 | 2 | 1 | 12 | 14 | 7 | 8 | 22 | 17 | 13 | 25 |
| Quebec | 32 | 32 | 32 | 32 | 0 | 0 | 1 | 4 | 7 | 4 | 7 | 7 | 7 | 15 | 5 | 10 |
| Metro-Montreal | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Central | 35 | 35 | 34 | 34 | 9 | 11 | 7 | 4 | 12 | 13 | 1 | 1 | 14 | 16 | 10 | 9 |
| Metro-Toronto | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| Ontario | 29 | 29 | 28 | 28 | 1 | 6 | 4 | 6 | 7 | 9 | 4 | 2 | 8 | 5 | 2 | 10 |
| Prairie | 33 | 33 | 33 | 33 | 6 | 10 | 7 | 13 | 14 | 11 | 5 | 2 | 18 | 16 | 11 | 12 |
| Pacific | 36 | 36 | 36 | 36 | 7 | 4 | 8 | 9 | 16 | 25 | 6 | 3 | 19 | 22 | 15 | 19 |
| Total | 203 | 203 | 201 | 201 | 25 | 32 | 30 | 38 | 68 | 76 | 31 | 23 | 88 | 91 | 56 | 85 |

First Verification: February 24 to March 6, 2020
 Second Verification: February 17 to March 4, 2021
 Third Verification: February 17 to March 3, 2022
 Fourth Verification: February 15 to March 3, 2023

On average for the 4 years:

- 15.5% of Locals did not submit Annual Financial Statements;
- 24.5 % of the Annual Financial Statements that were filed were either incomplete or did not balance;
- 39.6% of Locals that filed did not pay per capita tax to their District Labour Council.

The National Board of Trustees found a significant decrease in Locals that were unable to balance their Annual Financial Statement. We believe that this is because of our recommendation to the National Executive Board at each of our verifications, as per previous mandates, that the National Secretary-Treasurer and the Finance Department make one-time adjustments to those Locals still not balanced. Going forward, the National Secretary-Treasurer should be diligent in ensuring that all Locals that have received a one-time adjustment remain balanced, and should they lack the skills or resources to do so, be provided technical assistance.

Although we saw a decrease in those Locals not submitting a Local Annual Financial Statement, there remains concerns that there are Locals that do not submit their reports and examples where statements have not been received at National Office since 2019. It is recognized that National Office granted a reprieve to Locals that were not submitting their Annual Financial Statements instead offering support to engage members to get involved, rather than following the provisions of sections 9.29 and 9.31 of the National Constitution. However, as we move forward, it is essential that Locals submit their Annual Financial Statements. We are hopeful, with the Union's support and guidance, withholding of rebates and potential trusteeship will be prevented.

Locals continued to use outdated Annual Financial Statements. We encourage all Locals to dispose of these and use the updated forms.

Chart – Locals in Trusteeship

| Year | Number of Locals in Trusteeship |
|-------------|------------------------------------|
| 2018 – 2019 | 10 |
| 2019 – 2020 | 11 |
| 2020 – 2021 | 15 |
| 2021 – 2022 | 18 |

Trusteeship is often caused because Locals are unable to maintain a Local Executive Committee or have not fulfilled their obligations under section 9.29 of the National Constitution, as well as other reasons such as inappropriate use of Union funds and Locals that have been merged but have not yet held elections to form an executive. COVID-19 had a negative effect on the Union. The support and knowledge needed for small and mid-sized Locals and newly appointed Local Secretary-Treasurers and Executive Committee members to maintain their duties and be able to do the work of the Union was compromised. Isolation and remote working along with an uncertain future prevented members from getting involved. This may have created an increase in Locals that went into trusteeship.

**PAYMENT FOR UNION LEAVE
(CLAUSE 21.04 RSMC) (CLAUSE 26.06 URBAN OPERATIONS)**

During our 4 year mandate, the National Board of Trustees has continued the work of previous Boards in reporting on the efforts of Locals regarding the invoices that are issued by Canada Post to recover payment of wages for members who remained on the Corporation's payroll.

The National Board of Trustees notes that this file remains an area of concern. After several years of marked improvements by most Regions, we noted that many of the gains made over the first 3 years were lost in the fourth year.

When Union members are booked off on Union business, this leave is recorded by Canada post in various ways, those being either "Union Billed Leave" or "CPC Paid Union Leave". If leave is recorded under "Union Billed Leave", the Corporation will send an invoice to the Local responsible for that leave. If leave is recorded as "CPC Paid Union Leave", no invoice is generated.

The Local then has either 60 days (RSMC) or 45 days (Urban Operations) to submit payment to Canada Post. If payment is not received by Canada Post, a notice is filed with the National Union, which then pays the invoice amount not received, and the Local then has their dues rebate reduced to cover that amount.

Due to the large number of erroneous entries made on the work floor by supervisors, there are often times when leave is recoded as "Union Billed Leave" when it should have been recorded as "CPC Paid Union Leave". This is most prevalent in Locals where the Officers are part-time. All leave spent in consultations and in Union-management meetings by part-time Officers is to be paid by Canada Post.

Failure to properly verify the leave being charged to the Local for errors such as these results in the Local paying for the wages of members that Canada Post should not be billing the Union. This is simply wasting Union funds.

The National Board of Trustees does understand that there are valid reasons why a Local may not settle their Canada Post invoices. For example, if a Local had several members off for a National activity in which the National Union pays the lost wages of the members involved, a Local may choose to simply let the invoice lapse and ask that National Office pay for that leave. Our examination of the dues rebates withheld amounts at the National Office would suggest that this is not what is occurring in most cases.

While misuse of Union leave by members is infrequent, this is another concern that should be mentioned in relation to Canada Post invoices. These invoices provide a detailed accounting on all those who have been recorded as being off on Union leave. All leave by members of the Local should be verified as being authorized by the Local Secretary-Treasurer. In this way, any unauthorized leave or misuse of Union leave can be recognized sooner rather than later, and steps can then be put in place to eliminate this issue. Again, we would reiterate that this is not a widespread issue, but being vigilant in protecting funds of our members is one of our highest responsibilities.

We would be remiss if we did not remark on the incredible efforts of the Metro-Montreal Region where unpaid invoices were almost unheard of, as well as the efforts of the Metro-Toronto Region where we have noticed the biggest improvement.

Therefore, the National Board of Trustees recommends:

- That Local Executives be instructed and encouraged to use a leave register wherein all Union leave is recorded for each member that is booked off; and
- That such a register include the date of leave, the total hours of that leave, the member's name, and the reason for the leave.

EXTERNAL ORGANIZING

The National Board of Trustees has been reporting on the amount of funds available to the External Organizing Fund, as well as the yearly contributions and the expenses incurred by the fund.

Section 7.17 of the National Constitution allows for an amount that is equal to half of the Reserve Fund deposits, or 2.5% of the revenue deposited in the General Fund to be set aside on a monthly basis to create a fund to finance External Organizing.

During the last mandate of the National Board of Trustees, concern was raised that the External Organizing Fund was not being utilized. The National Board of Trustees reported that this was not the case during this mandate.

The balance at the end of this term on June 30, 2022 is \$3,556,466.36

The chart below illustrates the revenues and expenses, as well as the closing balance for each verification period of our 4-year term.

Chart – External Organizing Fund

| | 2018 – 2019 | 2019 – 2020 | 2020 – 2021 | 2021 – 2022 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Starting Balance – July 1st | \$3,914,021.66 | \$4,218,023.97 | \$3,725,062.81 | \$3,596,250.46 |
| Revenue | \$ 743,722.69 | \$ 786,496.62 | \$ 816,199.15 | \$ 838,284.07 |
| (Expenses) | (\$ 439,720.38) | (\$1,279,457.78) | (\$ 945,011.50) | (\$ 878,068.17) |
| End Balance – June 30th | \$4,218,023.97 | \$3,725,062.81 | \$3,596,250.46 | \$3,556,466.36 |

Therefore, the National Board of Trustees recommends:

- That the National Executive Board continue to utilize the External Organizing Fund in the future for its intended purpose.

CHECK-OFF AND MEMBERSHIP

The National Board of Trustees continues to monitor changes in the number of members.

The following table compares the information obtained during our fourth verification carried out in the 2019-2023 term, which took place from February 15 to March 3, 2023. The number of members represented is the annual average as of June 30, 2022 in comparison to the January 1, 2018 to June 30, 2018 average to the 2015 – 2019 term. The tables represented 2 6-month periods every year.

Rural and Suburban Mail Carriers (RSMC)

| Membership – Rural and Suburban Mail Carriers (RSMC) Unit | |
|---|--------|
| Average from July 1, 2021, to June 30, 2022 | 10,957 |
| Average from January 1 to June 30, 2018 | 9,131 |
| Variation | 1,826 |

During the term that covers the period from July 1, 2018, to June 30, 2022, the number of RSMC members increased by 1,826.

Urban Operations Unit

| Membership - Urban Operations Unit | |
|---|--------|
| Average from July 1, 2021, to June 30, 2022 | 47,620 |
| Average from January 1 to June 30, 2018 | 41,564 |
| Variation | 6,056 |

During the term that covers the period from July 1, 2018, to June 30, 2022, membership in the Urban Operations Unit increased by 6,056 members.

Private Sector Bargaining Units

| Membership - Private Sector Bargaining Units | |
|--|-----|
| Average from July 1, 2021, to June 30, 2022 | 979 |
| Average from January 1 to June 30, 2018 | 606 |
| Variation | 373 |

During the term that covers the period from July 1, 2018, to June 30, 2022, the number of members in private sector units increased by 373.

The two tables below compare overall union membership information obtained during the last verification done during the 2015-2019 term to that obtained during the last verification done in the 2019-2023 term. We compare the average from January 1 to June 30, 2018, to the average from July 1, 2021 to June 30, 2022. All Union members are included in the data.

| Full-time, Part-time and Temporary Workers | | | | |
|---|-----------|-----------|-----------|---------------|
| | Full-Time | Part-Time | Temporary | Total |
| Average from July 1, 2021, to June 30, 2022 | 40,195 | 6,583 | 12,778 | 59,556 |
| Average from January 1 to June 30, 2018 | 36,738 | 5,958 | 8,605 | 51,301 |
| Variation | 3,457 | 625 | 4,173 | 8,255 |

During the term that covers the period from July 1, 2018, to June 30, 2022, 4,082 new permanent positions were created, and the employer used 4,173 temporary workers to do the work.

| Members in Good Standing (MIGS), Members and Rand Members | | | | |
|---|----------|---------|-------|---------------|
| | MIGS | Members | Rand | Total |
| Average from July 1, 2021, to June 30, 2022 | 49,146* | 3,573 | 7,449 | 60,168 |
| Average from January 1 to June 30, 2018 | 44,766** | 1,995 | 5,111 | 51,872 |
| Variation | 4,380 | 1,578 | 2,338 | 8,296 |

*Includes 612 lifetime members.

** Includes 571 lifetime members.

Note:

- The retired member status is not included in the chart above (section 1.22 of the National Constitution).
- The number of Rand members represents 12.38% of all workers on June 30, 2022, compared to 9.85% on June 30, 2018.

Lastly, the distribution of union dues for the 2019-2023 term was done in accordance with the following sections of the National Constitution:

- 7.08: 64 % deposited in the General Fund
- 7.08: 26% is returned to the Local
- 7.08: Additional Local Rebates
- 7.08: Basic Life Insurance Premiums
- 7.20: The 10 % of dues earmarked for the Defence Fund was deposited in the General Fund.
- 9.27: Additional Local Assessments
- 9.42: Provincial Federation of Labour Affiliation



John Lawrence
Chairperson
Ontario Region



Angela Jones
Secretary
Metro-Toronto Region



Scott Gaudet
Member
Atlantic Region



Marc Désilets
Member
Quebec Region



Stéphane Surprenant
Member
Metro-Montreal Region



Naveed Khan
Member
Central Region



Maria Tan
Member
Prairie Region



Norma Kimball
Member
Pacific Region

APPENDIX ‘A’

FOURTH VERIFICATION

FEBRUARY 15 TO MARCH 3, 2023

2019 - 2023 TERM

1. INTRODUCTION

The National Board of Trustees is mandated by article 4 of our National Constitution. Section 4.94 provides for the election of 1 trustee and 2 alternates for each of the Union’s 8 Regions. At the beginning of each mandate, the 8 National Trustees will select 1 trustee to serve as the Board Chair and 1 to serve as Secretary. Both positions are fixed for the length of the term, which is currently 4 years.

It must be noted that the function of the National Board of Trustees is not to audit the National Union, but to look at the finances of the Union as a whole and to ensure that spending is done in accordance with the National Constitution and/or motions of the National Executive Board. It is also tasked with commenting on the finances of the Union at all 3 levels to make recommendations that it feels are necessary to ensure that there is proper use of the members’ funds, and transparency in its financial dealings.

2. COMPOSITION OF THE NATIONAL BOARD OF TRUSTEES

For the fourth verification of the 2019 – 2023 mandate of the National Board of Trustees, its composition was as follows:

| | | |
|-----------------------|-----------------------------|-------------|
| Ontario Region | Brother John Lawrence | Chairperson |
| Metro-Toronto Region | Sister Angela Jones | Secretary |
| Atlantic Region | Brother Scott Gaudet | Member |
| Quebec Region | Brother Marc Désilets | Member |
| Metro-Montreal Region | Brother Stéphane Surprenant | Member |
| Central Region | Brother Naveed Khan | Member |
| Prairie Region | Sister Maria Tan | Member |
| Pacific Region | Sister Norma Kimball | Member |

A retirement by the former Prairie Region trustee allowed the National Board of Trustees to welcome Sister Maria Tan as the Trustee for that Region.

3. ANNUAL VERIFICATIONS

The National Board of Trustees conducted the fourth and final verification for their 2019 – 2023 mandate. The National Board of Trustees sat in Ottawa at National Office from February 15 to March 3, 2023, when they presented their verification to the National Executive Board.

The National Board of Trustees was allotted an additional 2 days for this verification to assist us in preparing the report to Convention. The National Board of Trustees had asked the National Executive Board for an extra week (as is noted in our third verification report) as it was still coping with new additions to the National Board of Trustees, as well as trying to transition from online work to in-person work.

It must be strongly noted that throughout our term, the National Executive Board failed to abide by section 4.101 of the National Constitution in that the reports of the National Board of Trustees that were presented to the National Executive Board were not distributed to each Local within 30 days following the presentation of those reports. While there were disruptions and changes to work methods due to the pandemic, the delays in the National Board of Trustees' reports being distributed decreased the value of those reports in that the information being shared was older and therefore less relevant.

Therefore, the National Board of Trustees recommends:

- That the National Executive Board adhere to section 4.101 of the National Constitution and ensure that the National Board of Trustees' reports are adopted and distributed to each Local of the Union within 30 days each of the reports being presented to the National Executive Board.

4. RESOLUTIONS AND RECORDS OF PROCEEDINGS

The National Board of Trustees examined the minutes of all National Executive Board and National Executive Committee meetings for the 2021 – 2022 period to ensure that all expenditures were approved and constitutional as per section 4.100 of the National Constitution.

The National Board of Trustees was disappointed to see that minutes were being adopted many months after meetings were held. In one instance, there was a 21-month time span from the date of a meeting to the time that the minutes for that meeting were adopted. This causes an unacceptable delay in getting these minutes to the membership via the Locals. This impacts the credibility of the National Union and is not in the spirit of transparency.

Therefore, the National Board of Trustees recommends:

- That minutes for the National Executive Committee and National Executive Board meetings be adopted at the next meeting; and

- That those minutes be distributed to all Locals immediately upon being adopted, preferably within 15 days of each meeting as prescribed by section 4.14 of the National Constitution.

5. CUPW 2019 NATIONAL CONVENTION

The National Board of Trustees reviewed the costs for the 2019 National Convention. During the 2021 – 2022 fiscal year, there are no reports to convey to the members as there were no additional expenses incurred. All the expenses and adjustments have been reported in previous verifications.

Chart – National Convention Costs

| Convention Year | National Convention Cost | Increase Over Previous Conventions |
|-----------------|--------------------------|------------------------------------|
| 2008 | \$3,241,353 | \$ 83,306 |
| 2011 | \$3,474,518 | \$233,165 |
| 2015 | \$3,741,317 | \$266,799 |
| 2019 | \$3,988,180 | \$246,863 |

Note: All amounts have been rounded to the nearest dollar.

6. NATIONAL FINANCIAL REPORTS

The National Board of Trustees reviewed the audited financial statements for the fourth verification. As noted in the third verification, the budget for 2021 – 2022 was tabled during the previous fiscal year and was a balanced budget.

7. UNION FUNDS

The National Board of Trustees reviewed the annual financial statements prepared by the accounting firm Marcil Lavallée. These statements provided data relating to the General Fund, Defence Fund and Reserve Fund.

Regarding the funds provided for in section 7.13 of our National Constitution, the following chart shows the amounts in each fund as of June 30 of each fiscal year in our mandate.

Chart – Union Funds

| | June 30, 2019 | June 30, 2020 | June 30, 2021 | June 30, 2022 |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund | \$15,083,957 | \$20,526,135 | \$22,477,398 | \$19,424,694 |
| Defence Fund | \$28,767,996 | \$33,514,606 | \$43,269,121 | \$44,645,867 |
| Reserve Fund | \$17,734,189 | \$20,665,200 | \$28,473,676 | \$29,623,066 |
| Total | \$61,586,142 | \$74,705,941 | \$94,220,195 | \$93,693,627 |

Note: All amounts have been rounded to the nearest dollar.

The National Board of Trustees found for this verification period that the National Executive Board adopted a resolution to transfer an amount of \$2,226,198 from the General Fund to the Reserve Fund, as there was an excess of revenues over expenses in the General Fund.

As per section 7.18 of the National Constitution, any surplus left in the General Fund may be transferred to the Reserve Fund. The National Executive Board passed the resolution in January 2022 with the reasoning that this amount would be held in abeyance in the Reserve Fund to assist with costs associated with the National Convention in 2023.

8. CUPW BUILDING SOCIETY

The Canadian Union of Postal Workers holds its real estate holdings inside the CUPW Building Society which is incorporated under the Business Corporations Act of Ontario.

At present, the CUPW Building Society owns 19 distinct properties.

The properties belonging to the CUPW Building Society, along with their characteristics and uses, are as follows:

1. 377 Bank Street, Ottawa, Ontario: this five-storey building serves as National Office and also contains our print shop;
2. 344 Sovereign Road, London, Ontario: a one-storey commercial building which serves as the Ontario Regional Office;
3. 34 Colonnade Road, Suite 100, Ottawa, Ontario: a one-storey commercial building which serves as the Central Regional Office and which will also house our future CUPW archives centre and the offices of the National Organization of Retired Postal Workers (NORPW);
4. 999 Carnarvon Street, New Westminster, British Columbia: a commercial condominium which serves as the Pacific Regional Office;
5. 565 Crémazie Boulevard East, Suite 4400, Montreal, Quebec: a commercial unit condominium which serves as the Metro-Montreal Regional Office;
6. 5000, des Gradins Boulevard, Suite 340, Quebec, Quebec: a commercial unit condominium which serves as the Quebec Regional Office;
7. 300 Lisgar Street, Ottawa, Ontario: this is the SOHO condominium building in downtown Ottawa. The CUPW Building Society currently owns 11 residential units in this building, as well as 7 parking spaces.
8. 1227 Wellington Street, Ottawa, Ontario: 2 residential condominiums and 2 parking spaces.

During our current verification, the CUPW Building Society purchased 1 building, that being the commercial building at 34 Colonnade Road in Ottawa, Ontario. No property was sold.

While the Union is not in the business of real estate per se, it may make sound economic sense to own properties in areas where there is a constant need for it. In Ottawa, given the use of Alternate Union Representatives at times, as well as having Negotiators spend months in town, and the numerous Boards and Committees that must be given accommodation while doing their work at National Office, these properties facilitate their stay.

The purchase at 34 Colonnade Road in Ottawa eliminates the need for the Union to rent space for the Central Regional Office and it also gives the Union more office space, which is sorely needed.

The National Board of Trustees would caution the Union, however, on the real estate holdings of the CUPW Building Society. The Union must remain vigilant in this endeavour to ensure that the membership of the Union receives the best return on these investments and that holding them remains beneficial.

It is also prudent that in the future, the National Executive Board prepares a document for the National Board of Trustees that gives a fiscal snapshot of the CUPW Building Society that includes the real market value of each property, as well as the costs associated with property management fees, condominium fees, cleaning staff, ongoing maintenance costs, property taxes, purchasing, legal fees, utilities and any and all other relevant costs that are material. It is only with this information that the National Board of Trustees can ascertain whether owning real estate is an asset or a liability to the members.

This information is requested as the annual financial statement prepared by the accounting firm Marcil Lavallée do not compile all of these costs.

Lastly, the National Board of Trustees would find it invaluable to see a policy regarding the use of the residential condominiums as well as a register of how often the condominiums were occupied and for what purpose.

Therefore, the National Board of Trustees recommends:

- That the National Executive Board, with the help of the Chief Financial Officer, conduct a review of all holdings of the CUPW Building Society every two years to ascertain whether or not the Society's current holdings are still of a material benefit; and
- That the National Executive Board, with the help of the Chief Financial Officer, conduct a review of all holdings of the CUPW Building Society every two years to ascertain whether or not the purchase of additional real estate or the sale of any of its current holdings is advisable or warranted; and
- That the National Executive Board provides the National Board of Trustees each year, when they convene, with the pertinent information requested above; and

- That the National Secretary-Treasurer keep a calendar for each residential condominium in that a record of when it was vacant and/or occupied can be ascertained and that the reason for the unit being occupied is noted, i.e., Alternate Union Representative, Negotiator, Trustee, etc. and that this calendar be shared with the National Board of Trustees.

9. COLLECTIVE AGREEMENT FUNDS

The National Board of Trustees reviewed the various Collective Agreement Funds negotiated for members. The funds negotiated for Urban Operations members are:

- Appendix “L” Child Care Fund;
- Appendix “R” International Postal Fund;
- Appendix “U” Education Fund.

The funds negotiated for Rural Suburban Mail Carriers are:

- Appendix “D” Education Fund;
- Appendix “J” Childcare Fund.

Chart- Collective Agreement Funds-Urban Operations and Rural Suburban Mail Carriers

| July 1, 2021 to June 30, 2022 | | | |
|------------------------------------|-----------------|---------------------------|----------------|
| | Child Care Fund | International Postal Fund | Education Fund |
| Revenues | \$1,572,088 | \$ 22,907 | \$2,613,410 |
| Expenses | \$2,006,762 | \$ 22,907 | \$ 642,043 |
| (Deficit)/Surplus | \$ (434,674) | \$ 0 | \$1,971,367 |
| Balance as of June 30, 2022 | \$3,297,692 | \$200,000 | \$8,493,076 |

Note: All amounts have been rounded to the nearest dollar.

Private Sector Bargaining Units – Education Funds

CUPW has negotiated Education Funds for Private Sector Bargaining Units. The table below shows balances of those funds as of June 30, 2022.

Chart – Private Sector Bargaining Units – Education Funds

| | |
|------------------------------------|---------------------------|
| RMS Pope | \$ 3,000.00 |
| Nova Scotia Medical Communications | \$28,524.13 |
| Easy Express – Atlantic | \$ 1,000.00 |
| Easy Express – Sault Ste. Marie* | \$ 300.00 |
| Pro Ex Transportation | \$ 4,800.00 |
| Bee Clean – Hamilton | \$ 5,700.00 |
| T-Force – Red River | <u>\$21,896.03</u> |
| Total | <u>\$65,220.16</u> |

*The National Board of Trustees was delighted to see a new Private Sector Bargaining Unit added to the list of Education Funds.

Therefore, the National Board of Trustees recommends:

- That the CUPW Negotiating Committees representing Private Sector Bargaining Units be encouraged through the leadership of the National Executive Board, to continue to include an employer funded Education Fund in all future negotiating to ensure education funds are instilled into all Private Sector Bargaining Units Collective Agreements; and
- That the 2nd National Vice-President encourage and assist Private Sector Bargaining Units to utilize these Education Funds for their intended purpose, to educate its members in all aspects of trade unionism.

10. NEGOTIATIONS

The National Board of Trustees reviewed the expenses for negotiations during the 2021 – 2022 fiscal year. The negotiation costs for both the RSMC and Urban Operations bargaining units were low due to the extension of both collective agreements. The RSMC collective agreement has been extended until December 31, 2023, and the Urban Operations collective agreement has been extended until January 31, 2024. Both collective agreements were signed with Canada Post Corporation.

Expenses for the 2021 – 2022 fiscal year for Private Sector Bargaining Units were significantly higher from previous years, as the Bee Clean and T-Force bargaining units underwent negotiations.

Chart – Negotiation Expenses

| | RSMC and Urban Operations Bargaining Units | Private Sector Bargaining Units |
|--------------------|---|--|
| 2018 – 2019 | \$3,001,926 | \$125,427 |
| 2019 – 2020 | \$1,218,914 | \$ 67,777 |
| 2020 – 2021 | \$ 387,786 | \$ 71,725 |
| 2021 – 2022 | \$ 162,203 | \$153,073 |

Note: All amounts have been rounded to the nearest dollar.

11. STRIKE PAY

The National Board of Trustees has no information to convey to the members regarding strike pay for the fourth verification. There were no strike activities during the July 1, 2021 to June 30, 2022 fiscal year and all outstanding strike funds held by Locals had been returned to the National Office by the end of our second verification.

12. NATIONAL ACTIVITIES

The National Board of Trustees reviewed the expenses for National Activities for the period of July 1, 2021 to June 30, 2022.

National Activities (mandated)

| | |
|---|---------------------------|
| Appendix “AA” Committee | \$ 33,174 |
| RSMC Work Content and Workload Committee | \$ 74,500 |
| National Board of Trustees | \$ 53,128 |
| National Health and Safety Committee | \$ 11,291 |
| National Human Rights Committee | \$ 127,280 |
| National Work Measurement Committee | \$ 8,249 |
| National Women’s Committee | \$ 22,949 |
| National and Regional Disciplinary Committees | \$ 12,688 |
| Biennial Women’s Conference | \$ 16,674 |
| Constitutional Conference | \$ 58,258 |
| National Journal (Perspective) | \$ 16,730 |
| National Presidents Meeting | \$ 40,046 |
| National and Regional Conferences | \$ 138,450 |
| Pre-negotiation Conference | \$ 5,574 |
| Referendum Vote | \$ 953,356 |
| Social Stewards | \$ 18,252 |
| Total | <u>\$1,590,599</u> |

Note: All amounts have been rounded to the nearest dollar.

The National Board of Trustees noticed that there were no expenses used for the Appeal Board or the Groups 3 & 4 Review Committee, however, there were amounts used during this verification for a Biennial Women's Conference and the National Journal.

The National Board of Trustees has also noted a decrease in video/virtual meeting costs. This can be attributed to having our in-house staff doing the work and the lifting of COVID-19 restrictions that were legislated by the Government.

Other National Activities (non-mandated)

| | |
|--|-------------------------|
| Education Seminars | \$165,204 |
| Environment Committee | \$ 8,898 |
| RSMC Hourly Rate Committee | \$ 42,405 |
| Urban Operations and RSMC Negotiating Committees | \$162,203 |
| Other | \$ 51,926 |
| Total | <u>\$430,636</u> |

Note: All amounts have been rounded to the nearest dollar.

13. REVIEW OF STATEMENTS OF EXPENSES

The National Board of Trustees examined the individual statements of expense for each of the National and Regional Officers, Union Representatives, Alternate Union Representatives as well as those working on Appendices and Specialists under contract to CUPW for the period of July 1, 2021 to June 30, 2022. Expenses are reported for activities in which per diem, travel, mileage, car rental and leave are used.

As the COVID-19 pandemic restrictions lifted during this year's verification, the National Board of Trustees noted an increase in expenses as education, floor visits, arbitrations and other in-person activities resumed. We are hopeful that in-person activities continue.

Expense Forms

The National Board of Trustees examined the Statements of Expense for approximately 131 individuals.

The National Board of Trustees recognizes that the National Secretary-Treasurer is sending out outstanding Statement of Expense letters, reminding those neglecting to submit their expense forms to do so as soon as possible. Non-compliance of submission of expenses continues, as well as Statements of Expense being submitted months late.

The National Board of Trustees notes numerous expense forms from the previous fiscal year were submitted during this year's verification, expense forms were approved without receipts as well as receipts submitted with no expense explanation. Many receipts were faded, and it was difficult for the National Board of Trustees to verify these expenses.

The National Board of Trustees appreciates that the National Secretary-Treasurer continues to send out a letter to each incoming member that is required to submit an expense form instructing them how to report their expenses and, as per our recommendation, that a second officer has signed the expense reports prior to being submitted to National Office.

The National Board of Trustees examined the use of Union vehicles and is concerned that Union vehicles continue to be used for personal use. While the National Board of Trustees understands the element of trust within the systems of our Union, controls need to be put in place at the National and Regional levels to ensure that Union vehicles are used solely for Union business. Section 7.43 of the National Constitution states that *"These automobiles must be used strictly for Union business and shall not, under any circumstances, be used for personal reasons"*.

While it is appreciated that new expense forms now include "****Description required for activity 000****", individuals are still not specifying these expenses and code 000 continues to challenge the National Board of Trustees in deciphering what the expenses are for. The National Board of Trustees has found different versions of the Monthly Statement of Expense forms are still being used. As per previous recommendations, use of code 000 must include an explanation of the expenses.

Therefore, the National Board of Trustees recommends:

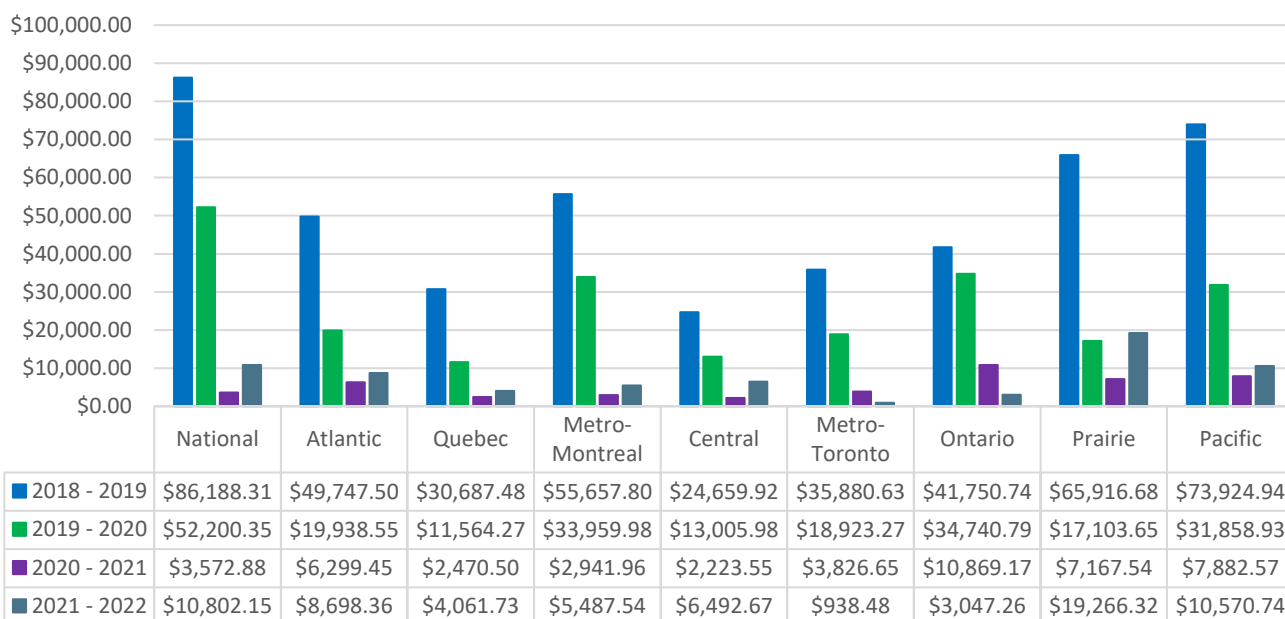
- That Monthly Statements of Expense forms must be submitted monthly and in a timely manner; and
- That reimbursement of expenses be withheld until receipts are received to verify expenses; and
- That the National Secretary-Treasurer instruct all who are required to submit monthly expense forms to switch to the newest version; and
- That those who sign off on the old Statement of Expense forms to return them to the sender, enclosing the new version for resubmission; and
- That when it is necessary to use activity code 000 miscellaneous, a description for the expenses be included; and
- That all receipts of expenses be photocopied; and

- That activity codes are applied to per diems; and
- That the National Secretary-Treasurer put in place a procedure of accountability to ensure that vehicles are being used for Union business, not personal only; and
- That the National Board of Trustees be provided with a copy of a logbook for each Union owned vehicle at the beginning of each verification.

Per Diem

Per Diem covers breakfast, lunch, dinner and accommodation allowance.

Chart – Per Diem

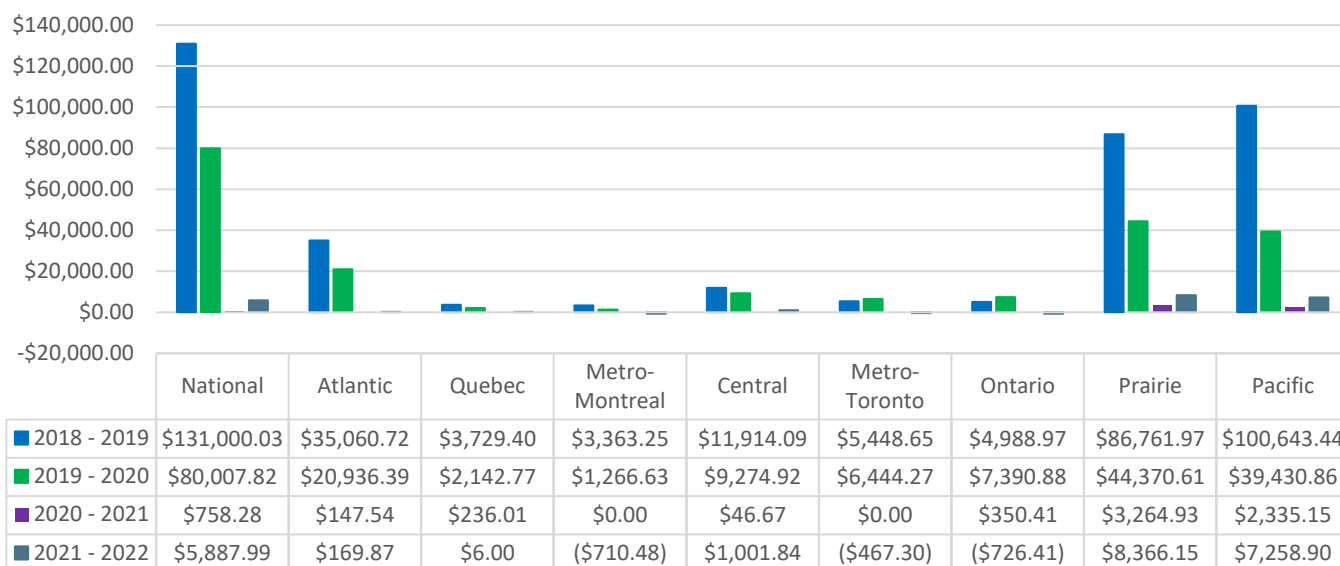


| | | |
|----------------|--------|--------------|
| Total for 2018 | 2019 : | \$464,414.00 |
| Total for 2019 | 2020 : | \$233,295.77 |
| Total for 2020 | 2021 : | \$ 47,254.27 |
| Total for 2021 | 2022 : | \$ 69,365.25 |

Travel

The National Board of Trustees examined the travel expenses for air, train, parking and taxi. Receipts were provided for travel purposes along with travel authorization forms.

Chart – Travel



| | | |
|----------------|--------|--------------|
| Total for 2018 | 2019 : | \$382,910.52 |
| Total for 2019 | 2020 : | \$211,265.15 |
| Total for 2020 | 2021 : | \$ 7,138.99 |
| Total for 2021 | 2022 : | \$ 20,786.56 |

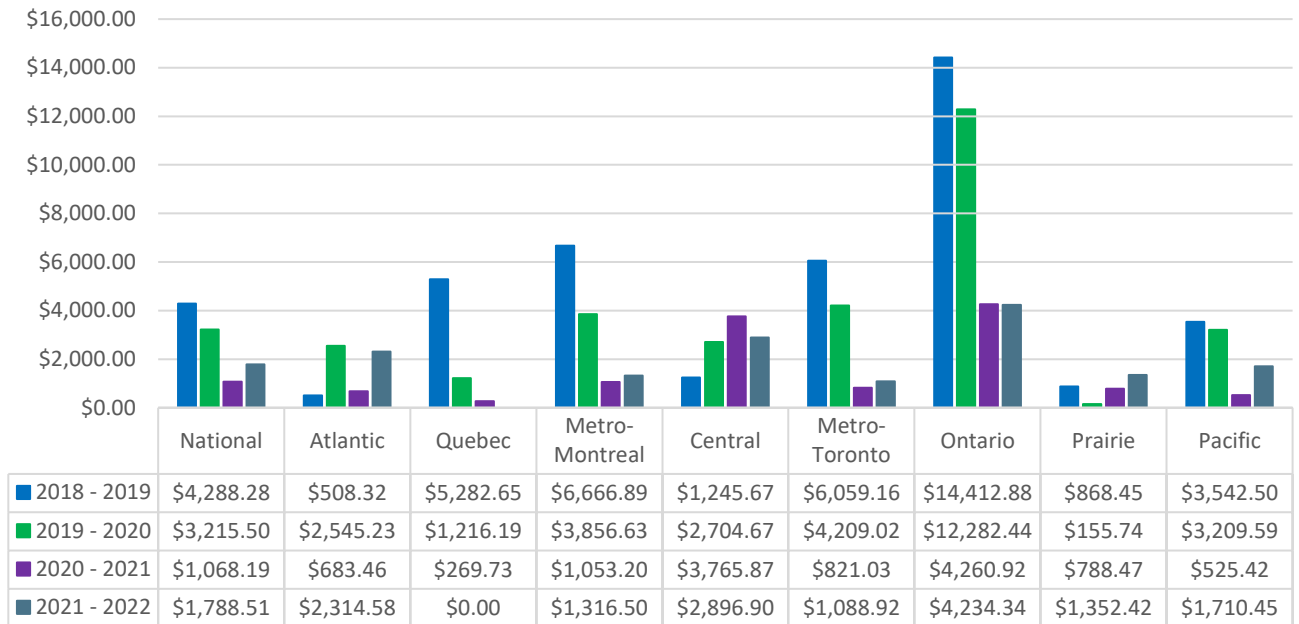
Mileage

The National Board of Trustees verified the mileage expenses submitted. While most mileage forms were provided when mileage was used, there were times when payment was issued for mileage without a travel expense form being submitted. In one instance, a total amount was submitted for the whole month showing the kilometers used, instead of daily, making it impossible for the National Board of Trustees to verify what mileage expenses were for and when they were used.

Therefore, the National Board of Trustees recommends:

- That mileage forms be written daily indicating the originating location and destination of mileage expenses.

Chart – Mileage

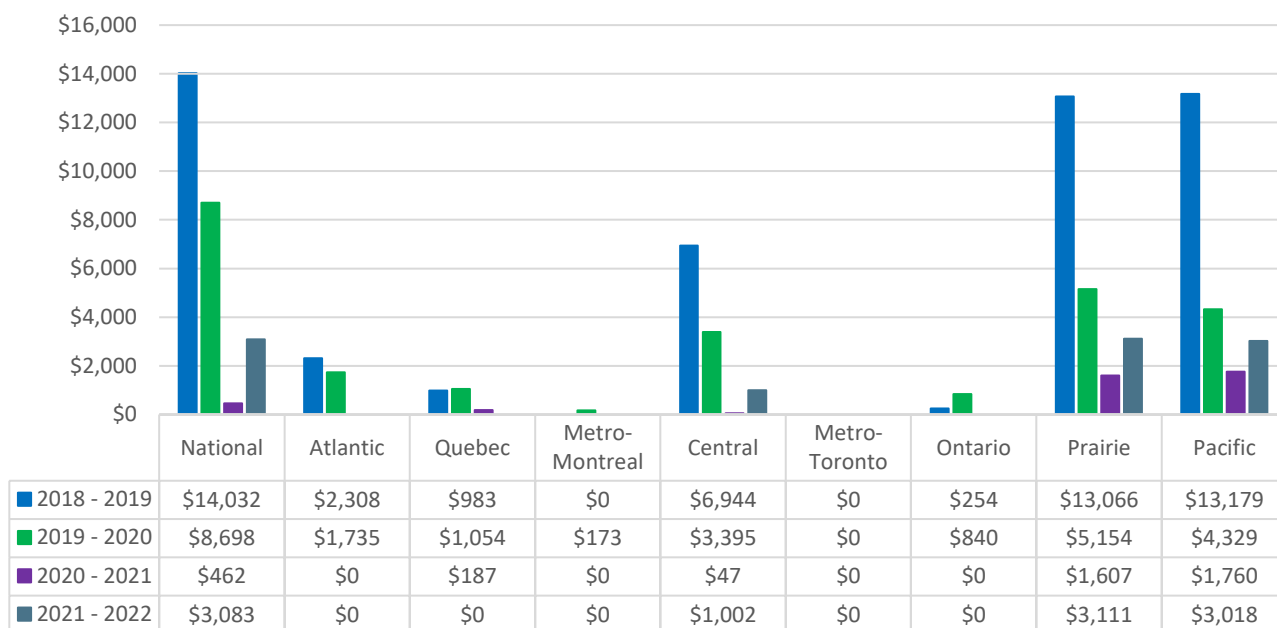


| | | |
|----------------|--------|-------------|
| Total for 2018 | 2019 : | \$42,874.80 |
| Total for 2019 | 2020 : | \$33,395.01 |
| Total for 2020 | 2021 : | \$13,236.29 |
| Total for 2021 | 2022 : | \$16,702.62 |

Car Rental

The National Board of Trustees found no issues regarding in car rentals during this verification.

Chart – Car Rental



Note: The 2021 – 2022 year amounts for car rental have been rounded up and down.

| | | |
|----------------|--------|----------|
| Total for 2018 | 2019 : | \$50,766 |
| Total for 2019 | 2020 : | \$25,378 |
| Total for 2020 | 2021 : | \$ 4,063 |
| Total for 2021 | 2022 : | \$10,214 |

14. ATTENDANCE

The National Board of Trustees reviewed annual leave, personal leave and pre-retirement leave taken by National and Regional Officers and Union Representatives. It was noted that a number of Officers and Representatives of the Union are not taking their allotted annual leave. While the Union recognizes the importance of its members taking leave to which it has been negotiated for, it must also take the same opinion for its Officers and Representatives. Taking leave is of the utmost importance to mental wellness, work-life balance and fulfilling family responsibilities. We must take care of each other and ensure our Officers are taking their allotted leave to recharge their minds and bodies. Policy A-30 is a good reminder of our priorities with the health and safety of our membership.

Attendance records are based on the honor system, where elected Officers and Union Representatives are responsible for reporting their attendance on their monthly statements of expense. With the new personal days allotments given under the Canadian Labour Code, it is very important that the newest version created by the National Secretary-Treasurer be used in order to ensure that staff, Officers and Specialists are using these new personal days, which are shown separately on the new form.

It was reported that the National Secretary-Treasurer paid out any unused personal days for this period of verification leaving no more than 12 personal days remaining for Union Officers and Representatives.

Therefore, the National Board of Trustees recommends:

- That the National Executive Board abide by section 7.37 of the National Constitution and shall establish a schedule of annual leave periods, ensuring that the services to the membership are maintained; and
- That the National Executive Board abide by section 7.38 of the National Constitution and review reasons that are preventing Officers and Union Representatives from taking their annual leave and if reasons are founded, the unused annual leave credits remaining after the 2014 policy be paid out; and
- That the National Secretary-Treasurer inform all elected Officers, Union Representatives, Specialists and staff who are required to submit monthly expense forms that they must all switch to the newest version of the expense form and destroy/delete any and all older versions of the expense form; and
- That any Officer required to sign off on any monthly expense form to not accept any old forms and remind those that the newest version must be used.

15. EXPENSES FOR REGIONAL ACTIVITIES

The National Board of Trustees found that there were no Regional activities by any of the 8 Regions between our verification date of July 1, 2021 to June 30, 2022. The National Board of Trustees verified that there were activities held after our fourth verification.

16. INVENTORY LISTS FOR NATIONAL AND REGIONAL OFFICES

The National Board of Trustees reviewed the inventory lists of the National Office and Regional Offices. In order for the National Secretary-Treasurer to do a proper accounting of the assets of the Union under section 4.56 of the National Constitution, inventory lists are required. The lists should include all items purchased with the Union funds. All inventory lists are for insurance purposes in case of loss.

During our fourth verification, the National Secretary-Treasurer mailed a memo to National and Regional Offices dated June 15, 2022 requesting updated inventory lists.

The National Board of Trustees was provided inventory lists from all 8 Regions. 51 National Officers/staff, including the print shop, submitted an inventory list. We have seen an improvement on return of reports compared to previous verifications.

Chart- National and Regional Inventory Expenses

| 2018 – 2019 | 2019 – 2020 | 2020 – 2021 | 2021 – 2022 |
|-------------|-------------|-------------|-------------|
| \$16,000 | \$27,249 | \$126,976 | \$64,744 |

The National Board of Trustees included the furniture and equipment inventory purchases for the condominiums owned by the National Building Society in our fourth verification, amounting to \$18,976. A list of this inventory was available to the National Board of Trustees for these expenses.

17. COMPUTER HARDWARE AND SOFTWARE

The National Board of Trustees reviewed the expenses for the 2021 – 2022 fiscal year. During our fourth verification, we learned that the National Office was using and maintaining the following software: Oracle, Sage and Janus. iMIS was discontinued. The Oracle software will be kept for record-keeping purposes only. In addition, Oracle will not incur any additional costs to the Union. The National Office has in-house IT support that is responsible for building and maintaining the Janus system.

It was appreciated that the recommendations from the National Board of Trustees from previous verifications were adopted by the National Secretary-Treasurer regarding computerized costs.

Chart – Computerized Costs

| | 2018 - 2019 | 2019 - 2020 | 2020 - 2021 | 2021 - 2022 |
|--------------------------------|------------------|------------------|------------------|------------------|
| Hardware | \$ 0 | \$ 0 | \$ 56,176 | \$ 0 |
| Software | \$383,282 | \$700,351 | \$157,302 | \$138,942 |
| Repairs and Maintenance | \$ 19,274 | \$ 69,337 | \$ 24,523 | \$ 33,743 |
| Supplies | \$ 26,695 | \$ 59,023 | \$ 5,619 | \$ 77,285 |
| Professional Fees | \$ 7,389 | \$ 32,820 | \$ 20,425 | \$ 78,271 |
| Training IT | \$ 0 | \$ 3,280 | \$ 6,355 | \$ 3,384 |
| Totals | \$436,640 | \$864,811 | \$270,400 | \$331,625 |

Note: All amounts have been rounded to the nearest dollar.

18. 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, 2021, and June 30, 2022.

| | |
|-----------------------|--------------------|
| Moving and relocation | \$58,615.15 |
| Unused annual leave | \$23,582.42 |
| Section 7.41 | \$12,026.62 |
| Unused personal days | \$3,217.48 |
| Total | \$97,441.67 |

These costs are associated to 5 individuals.

19. CAMPAIGNS

The National Board of Trustees verified the costs of campaigns for the 2021 – 2022 fiscal year. There were two campaigns active during this verification: Delivering Community Power and Building Power to Win.

Building Power to Win

The Building Power to Win campaign was developed to engage rank and file members in building work floor power, action and mobilization leading up to negotiations.

Chart – Building Power to Win

| Expenses | 2020 – 2021 | 2021 – 2022 |
|--|-------------|--------------------|
| Library | * | \$ 99.52 |
| Professional Fees | * | \$14,480.00 |
| Translators / Interpretation | * | \$14,341.96 |
| Transportation / Meal Allowance | * | \$ 20.76 |
| Total | * | \$28,942.24 |

**Following numerous inquiries to various members at National Officer, the National Board of Trustees was unable to obtain expenses for this campaign.*

Delivering Community Power

The Delivering Community Power campaign was organized in 2016. During the 2021 – 2022 fiscal year, 9 coordinators worked on the campaign.

Chart – Delivering Community Power

| Expenses | 2020 – 2021 | 2021 – 2022 |
|---------------------------------------|---------------------|-----------------------|
| Accommodation | \$ 0.00 | \$ 3,560.30 |
| Advertising | \$ 37,295.64 | \$ 79,389.36 |
| Car Rental / Mileage | \$ 45.14 | \$ 6,594.23 |
| Furniture / Equipment Expenses | \$ 1,109.30 | \$ 376.99 |
| Laptops / Desktops | \$ 20,475.58 | \$ 0.00 |
| Library | \$ 0.00 | \$ 2,483.41 |
| Lost Wages | \$294,952.33 | \$ 467,623.09 |
| Meeting Room | \$ 6,761.50 | \$ 22,878.45 |
| Miscellaneous* | \$ 1,330.61 | \$ 1,486.37 |
| Per Diem | \$ 38.27 | \$ 7,413.70 |
| Postage | \$ 8,521.56 | \$ 2,388.80 |
| Printing | \$ 668.44 | \$ 65,807.56 |
| Professional Fees | \$110,956.92 | \$ 86,471.15 |
| Registration | \$ 1,587.50 | \$ 17,296.13 |
| Salaries | \$101,410.89 | \$ 181,376.85 |
| Software / Support | \$ 271.24 | \$ 22,464.75 |
| Telephone | \$ 2,470.00 | \$ 4,400.80 |
| Translator | \$ 11,958.23 | \$ 25,264.77 |
| Transportation | \$ 0.00 | \$ 5,880.35 |
| Video Conferencing | \$ 947.02 | \$ 1,359.89 |
| Web Hosting | \$ 30,639.28 | \$ 25,777.92 |
| Total | \$631,439.45 | \$1,030,294.87 |

*Miscellaneous includes but is not limited to food/beverages, IT supplies, maintenance/multi-function unit and network communication.

Legal Fees

Legal fees in internal organizing for the 2021 – 2022 fiscal year were \$118,864.30.

Chart – Campaign Total

| | 2020 – 2021 | 2021 – 2022 |
|-----------------------------------|---------------------|-----------------------|
| Building Power to Win | \$ 0.00 | \$ 28,942.24 |
| Delivering Community Power | \$631,439.45 | \$1,030,294.87 |
| Legal Fees | \$ 0.00 | \$ 118,864.30 |
| Total | \$631,439.45 | \$1,178,101.41 |

These amounts were expensed from the General Fund.

20. ARBITRATION

In each of our verifications for this mandate, the National Board of Trustees has reported on the costs associated with arbitrations. These costs are broken down into various categories which can be seen in the charts further down in this section.

In this, our fourth verification, the National Board of Trustees noted another increase in costs for arbitration over our previous report. The increase was slightly more than 14.5%.

It was also noted that legal fees increased by approximately 25%, while Worker Advocate costs decreased. This would suggest, looking solely at the numbers, that Worker Advocates were utilized less than they were the previous year and that lawyers were used more. This would go against the previous recommendations of the National Board of Trustees throughout our mandate that the Union train and utilize Worker Advocates to reduce the costs associated with legal fees and to give our members the knowledge and skills necessary to argue their own cases, wherever possible.

The total cost for arbitration expenses at the National level more than doubled from the previous verification period, but this is due in part to the various battles that were necessitated by the COVID-19 pandemic and the increase in National grievances that were filed due to vaccination mandates and other National issues. Many files that were put in abeyance during the MacPherson arbitration were filed afterward, thus increasing national arbitration costs in 2021 – 2022.

Therefore, the National Board of Trustees recommends:

- That the Union at all levels, train and utilize worker advocates whom are capable of working on files for arbitration; and
- That the Union minimizes the use of paid legal services whenever it is possible to do so.

| | Arbitrators and Cancellation Fees | Arbitrators Fees | | | Cancellation Fees | | |
|-----------------------|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | 2019-2020 | 2020-2021 | 2021-2022 |
| National | \$49,187.88 | \$39,068.50 | \$27,439.41 | \$86,351.72 | \$2,273.00 | \$4,976.83 | \$16,138.29 |
| Atlantic | \$319,887.05 | \$277,276.43 | \$163,787.75 | \$125,530.90 | \$13,937.99 | \$18,344.48 | \$26,726.00 |
| Québec | \$96,904.22 | \$4,001.14 | \$52,311.41 | \$17,341.44 | \$58,354.99 | \$62,995.20 | \$50,862.05 |
| Metro-Montréal | \$109,677.99 | \$43,479.47 | \$16,109.56 | \$72,317.08 | \$81,928.37 | \$102,693.16 | \$75,535.67 |
| Central | \$74,807.21 | \$50,149.34 | \$26,724.50 | \$41,569.33 | \$15,882.94 | \$23,475.75 | \$12,924.38 |
| Metro-Toronto | \$110,963.47 | \$102,272.12 | \$134,395.01 | \$178,847.60 | \$48,561.75 | \$61,909.88 | \$61,748.34 |
| Ontario | \$246,604.58 | \$99,663.32 | \$146,150.54 | \$197,257.87 | \$53,279.50 | \$61,196.31 | \$76,228.10 |
| Prairie | \$213,405.97 | \$163,986.83 | \$140,434.14 | \$172,030.66 | \$54,216.43 | \$76,847.07 | \$85,199.61 |
| Pacific | \$189,031.08 | \$131,914.49 | \$117,548.63 | \$17,409.28 | \$65,812.72 | \$102,860.33 | \$100,076.16 |
| Total | \$1,410,469.45 | \$911,811.64 | \$824,900.95 | \$908,655.98 | \$394,247.69 | \$515,299.01 | \$505,438.60 |

For our first verification which was for the 2018 – 2019 fiscal year, the National Board of Trustees was provided with figures which combined arbitrator costs and cancellation fees. For verifications two through four, these costs were separated. The National Board of Trustees decided to adjust our reporting of these costs and to keep them separate for greater clarity.

| | Legal Fees | | | | Workers Advocates | | | |
|-----------------------|---------------------|---------------------|-----------------------|-----------------------|--------------------|--------------------|--------------------|--------------------|
| | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 |
| National | \$87,100.70 | \$24,413.76 | \$216,091.92 | \$353,725.20 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Atlantic | \$121,014.22 | \$26,553.53 | \$3,189.34 | \$650.12 | \$2,338.24 | \$2,172.67 | \$0.00 | \$1,005.90 |
| Québec | \$74,381.00 | \$63,198.44 | \$96,926.04 | \$41,695.47 | \$ 0.00 | \$0.00 | \$0.00 | \$0.00 |
| Metro-Montréal | \$59,065.68 | \$128,555.99 | \$201,188.19 | \$127,187.55 | \$ 0.00 | \$0.00 | \$699.44 | \$0.00 |
| Central | \$69,951.87 | \$23,583.95 | \$10,378.15 | \$53,904.91 | \$ 2,707.56 | \$0.00 | \$0.00 | \$0.00 |
| Metro-Toronto | \$152,907.90 | \$122,432.61 | \$117,287.00 | \$179,572.04 | \$ 0.00 | \$499.20 | \$0.00 | \$0.00 |
| Ontario | \$186,302.00 | \$84,760.81 | \$291,217.94 | \$316,832.56 | \$ 0.00 | \$0.00 | \$3,849.73 | \$2,337.94 |
| Prairie | \$971.25 | \$0.00 | \$1,631.00 | \$0.00 | \$8,875.01 | \$5,231.29 | \$782.44 | \$971.60 |
| Pacific | \$128,188.24 | \$55,087.39 | \$78,787.17 | \$188,619.07 | \$7,327.05 | \$16,771.56 | \$9,302.86 | \$7,623.26 |
| Total | \$879,882.86 | \$528,586.48 | \$1,016,696.75 | \$1,262,186.92 | \$21,247.86 | \$24,674.72 | \$14,634.47 | \$11,938.70 |

| | Professional Fees | | | | Witness | | | |
|-----------------------|--------------------|---------------|-------------------|----------------|--------------------|-------------------|-----------------|--------------------|
| | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 |
| National | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$8,260.18 | \$0.00 | \$750.00 | \$24,165.05 |
| Atlantic | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$2,432.68 | \$2,739.37 | \$0.00 | \$1,062.11 |
| Québec | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Metro-Montréal | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Central | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Metro-Toronto | \$85.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$551.80 | \$0.00 | \$0.00 |
| Ontario | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$150.00 | \$0.00 | \$0.00 | \$0.00 |
| Prairie | \$13,806.99 | \$0.00 | \$3,159.00 | \$75.00 | \$44.32 | \$145.89 | \$186.96 | \$0.00 |
| Pacific | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$94.52 | \$1,020.28 | \$0.00 | \$0.00 |
| Total | \$13,891.99 | \$0.00 | \$3,159.00 | \$75.00 | \$10,981.70 | \$4,457.34 | \$936.96 | \$25,227.16 |

| | Medical Review RSMC | | | | Other | | | |
|-----------------------|---------------------|-------------------|-------------------|-------------------|---------------------|---------------------|--------------------|--------------------|
| | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 |
| National | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$24,534.96 | \$17,547.53 | \$4,879.53 | \$34,757.66 |
| Atlantic | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$19,615.03 | \$13,269.87 | \$2,814.56 | \$1,215.02 |
| Québec | \$ 0.00 | \$ 0.00 | \$0.00 | \$ 0.00 | \$4,116.46 | \$568.33 | \$1,579.46 | \$613.39 |
| Metro-Montréal | \$ 0.00 | \$ 0.00 | \$2,874.38 | \$ 0.00 | \$3,574.82 | \$1,713.69 | \$6,005.76 | \$835.46 |
| Central | \$ 0.00 | \$ 0.00 | \$0.00 | \$ 0.00 | \$798.47 | \$3,685.97 | \$0.00 | \$118.08 |
| Metro-Toronto | \$0.00 | \$2,099.05 | \$0.00 | \$0.00 | \$5,929.12 | \$7,358.01 | \$899.09 | \$153.94 |
| Ontario | \$612.25 | \$0.00 | \$412.86 | \$0.00 | \$12,190.49 | \$10,530.01 | \$2,830.34 | \$4,935.50 |
| Prairie | \$0.00 | \$5,500.00 | \$2,880.00 | \$5,200.00 | \$31,761.30 | \$29,658.26 | \$27,990.88 | \$27,216.64 |
| Pacific | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$22,920.48 | \$18,920.91 | \$4,733.03 | \$55.02 |
| Total | \$612.25 | \$7,599.05 | \$6,167.24 | \$5,200.00 | \$125,441.13 | \$103,252.58 | \$51,732.65 | \$69,900.71 |

| | Total Arbitration Costs by Region | | | |
|-----------------------|-----------------------------------|-----------------------|-----------------------|-----------------------|
| | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 |
| National | \$169,083.72 | \$83,302.79 | \$254,137.69 | \$515,137.92 |
| Atlantic | \$465,287.22 | \$335,949.86 | \$188,136.13 | \$156,190.05 |
| Québec | \$175,401.68 | \$126,122.90 | \$213,812.11 | \$110,512.45 |
| Metro-Montréal | \$172,318.49 | \$255,677.52 | \$329,570.49 | \$275,875.76 |
| Central | \$148,265.11 | \$93,302.20 | \$60,578.40 | \$108,516.70 |
| Metro-Toronto | \$269,885.49 | \$283,774.54 | \$314,490.98 | \$420,321.92 |
| Ontario | \$445,859.32 | \$248,233.64 | \$505,657.72 | \$597,591.97 |
| Prairie | \$268,864.84 | \$258,738.70 | \$253,911.49 | \$290,693.51 |
| Pacific | \$347,561.37 | \$289,527.35 | \$313,232.02 | \$313,782.79 |
| Total | \$2,462,527.24 | \$1,974,629.50 | \$2,433,527.03 | \$2,788,623.07 |

21. LEGAL FEES

Chart – Summary of Costs of Legal Fees by Category

| | Legal Fees General | | | Legal Fees Civil | | | Court Actions | | | Canadian Industrial Relations Board | | |
|-----------------------|--------------------|------------------|------------------|------------------|------------|------------|---------------|-----------------|-----------------|-------------------------------------|-----------------|-----------------|
| | 2019/20 | 2020/21 | 2021/22 | 2019/20 | 2020/21 | 2021/22 | 2019/20 | 2020/21 | 2021/22 | 2019/20 | 2020/21 | 2021/22 |
| National | \$271,132 | \$442,712 | \$291,705 | \$8,285 | \$0 | \$0 | \$0 | \$18,684 | \$0 | \$2,615 | \$0 | \$3,839 |
| Atlantic | \$0 | \$0 | \$16,395 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Quebec | \$5,208 | \$0 | \$1,767 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$13,470 | \$11,359 | \$10,373 |
| Metro-Montreal | \$0 | \$2,552 | \$230 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$9,311 | \$0 |
| Central | \$912 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Metro-Toronto | \$8,099 | \$9,158 | \$1,035 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$6,074 | \$0 | \$0 |
| Ontario | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,472 | \$0 | \$8,361 |
| Prairie | \$0 | \$0 | \$8,579 | \$0 | \$0 | \$0 | \$0 | \$13,632 | \$37,379 | \$0 | \$884 | \$0 |
| Pacific | \$3,658 | \$28,041 | \$414 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | \$289,009 | \$482,463 | \$320,126 | \$8,285 | \$0 | \$0 | \$0 | \$32,316 | \$37,379 | \$25,631 | \$21,554 | \$22,573 |

Note: All amounts have been rounded to the nearest dollar.

| | Judicial Advice | | | Judicial Review | | | Workers Compensation Board | | |
|-----------------------|------------------|------------------|------------------|------------------|----------------|----------------|----------------------------|-----------------|-----------------|
| | 2019/20 | 2020/21 | 2021/22 | 2019/20 | 2020/21 | 2021/22 | 2019/20 | 2020/21 | 2021/22 |
| National | \$104,930 | \$61,793 | \$340,152 | \$96,128 | \$1,940 | \$1,856 | \$0 | \$0 | \$0 |
| Atlantic | \$0 | \$0 | \$0 | \$722 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Quebec | \$8,128 | \$6,457 | \$2,581 | \$0 | \$0 | \$0 | \$10,780 | \$0 | \$7,367 |
| Metro-Montreal | \$0 | \$10,317 | \$1,115 | \$0 | \$0 | \$0 | \$16,927 | \$67,043 | \$81,515 |
| Central | \$4,933 | \$37,581 | \$0 | | \$0 | \$0 | \$6,475 | \$4,510 | \$1,401 |
| Metro-Toronto | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$21,048 | \$0 |
| Ontario | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$21,574 | \$0 | \$8,094 |
| Prairie | \$0 | \$0 | \$0 | \$0 | \$0 | \$5,136 | \$0 | \$0 | \$0 |
| Pacific | (\$300) | \$1,581 | \$0 | \$88,245 | \$112 | \$0 | \$8,977 | \$2,183 | \$134 |
| Total | \$117,691 | \$117,729 | \$343,848 | \$185,095 | \$2,052 | \$6,992 | \$64,733 | \$94,784 | \$98,511 |

Note: All amounts have been rounded to the nearest dollar.

Chart – Summary of Total Costs by Region

| | 2018 – 2019 | 2019 – 2020 | 2020 – 2021 | 2021 - 2022 |
|-----------------------|------------------|------------------|-------------------|------------------|
| National | \$518,212 | \$483,090 | \$525,129 | \$637,552 |
| Atlantic | \$ 0 | \$ 722 | \$ 0 | \$ 16,395 |
| Quebec | \$ 65,366 | \$ 37,586 | \$ 17,816 | \$ 22,088 |
| Metro-Montreal | \$ 12,100 | \$ 16,927 | \$ 89,223 | \$ 82,860 |
| Central | \$ 5,712 | \$ 12,320 | \$ 42,091 | \$ 1,401 |
| Metro-Toronto | \$ 6,868 | \$ 14,173 | \$ 30,206 | \$ 9,396 |
| Ontario | \$ 25,778 | \$ 25,046 | \$ 0 | \$ 8,094 |
| Prairie | \$ 0 | \$ 0 | \$ 14,516 | \$ 51,094 |
| Pacific | \$ 79,662 | \$100,580 | \$ 31,917 | \$ 548 |
| Total | \$713,698 | \$690,444 | \$ 750,898 | \$829,428 |

Note: All amounts have been rounded to the nearest dollar.

22. APPENDIX “AA”

The National Board of Trustees verified the expenses of the Appendix “AA” Committee for the period of July 1, 2021 to June 30, 2022.

For the period under review, CUPW has paid \$30,025.83 as our share of the costs, which is 5% of the total cost. Canada Post paid \$607,475.67 which is 95% of the total costs of the Committee.

Efforts to sign a memorandum of agreement to clearly define the cost sharing percentages associated with the Appendix “AA” Committee projects with Canada Post were successful for this period, with a lump sum given to CUPW and an agreement between the two parties on the cost sharing of the projects.

Therefore, the National Board of Trustees recommends:

- That for any new pilot projects being created between the two parties that fall under Appendix “AA”, a memorandum of agreement be negotiated prior to the commencement of any such project that clearly outlines the costs associated with any such project and which party is responsible for such costs.

23. ARTICLE 8

For the year under review, from July 1, 2021, to June 30, 2022, we do not know how many files have been opened or closed, as the administrative assistant in charge of Article 8 is on leave. However, the active files went from 62 on June 30, 2021, to 65 on June 30, 2022. There are also 15 active files for the Appeal Board, for a total of 80 active files.

Expenses incurred by the National and Regional Disciplinary Committees for the reporting period were \$12,687, a decrease of \$4,499 from the previous year.

Actual spending for 2021-22 was \$17,300, but a credit of \$4,613 from cancelled tickets for transportation in the Prairie Region, in a previous period, reduces the amount to \$12,687.

Chart – Cost Distribution: National and Regional Offices

| Cost of Disciplinary Committees | | | | |
|---------------------------------|-----------------|------------------|-----------------|-----------------|
| Region | 2018 – 2019 | 2019 – 2020 | 2020 – 2021 | 2021 – 2022 |
| National | \$14,324 | \$6,990 | \$668 | \$3,197 |
| Atlantic | \$0 | \$3,817 | \$0 | \$1,612 |
| Quebec | \$3,144 | \$6 | \$4,250 | \$2,774 |
| Metro-Montreal | \$0 | \$0 | \$0 | \$0 |
| Central | \$8,884 | \$4,192 | \$714 | \$0 |
| Metro-Toronto | \$23,825 | \$42,211 | \$8,858 | \$8,679 |
| Ontario | \$5,202 | \$1,926 | \$1,142 | \$1,017 |
| Prairie | \$21,103 | \$72,646 | \$923 | (\$4,613) |
| Pacific | \$17,800 | \$8,569 | \$904 | \$21 |
| Total | \$94,282 | \$140,357 | \$17,186 | \$12,687 |

Note: All amounts have been rounded to the nearest dollar.

Notes:

- The National Board of Trustees is pleased to see that the number of active cases is stable compared to last year;
- The number of active files does not tell us whether they are the same files as last year that are still not closed, nor how many new files were opened during the period.

- Expenditures for the period (before getting the credit) are roughly the same as for the 2020-2021 period.

Therefore, the National Board of Trustees recommends:

- That the National Secretary-Treasurer continues to remind members to use the conflict resolution process;
- That the National Secretary-Treasurer provide the National Board of Trustees with a document indicating the number of files that were opened or closed during the period.

24. CHILD/ELDER CARE COSTS

There were no child/elder care costs recorded during the current verification. In person activities were put on hold on account of the COVID-19 pandemic.

25. INSURANCE

As provided under section 4.100(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 2022 to June 2023. The policy provided coverage of up to \$50,000 for employee dishonesty per occurrence, and an increase to \$5,000,000 from \$2,000,000 for reasonable risk of loss and general liability underwritten by Intact Insurance. The National Board of Trustees also noticed that there was an increase on the property deductible from \$2,500 to \$25,000.

26. CUPW ADMINISTRATIVE STAFF

All of the administrative staff at the National and Regional Offices are covered by collective agreements or contracts that are negotiated with CUPW between their respective Unions.

The following chart shows the number of administrative staff and their affiliation:

| | Canadian Office and Professional Employees Union (COPE 225) | Canadian Union of Public Employees (CUPE 1979) |
|---|--|---|
| Number of Employees | 48 | 25 |
| Collective Agreement's Starting date | July 1, 2018 | November 12, 2021 |
| Collective Agreement's Expiry Date | June 30, 2022 | December 3, 2024 |

The National Secretary-Treasurer indicated that the COPE 225 collective agreement expired at the end of our mandate, and that CUPW is waiting for COPE 225 to provide notice to bargain.

As of June 30, 2022, there were 3 administrative employees who were covered by individual contracts with CUPW. They are as follows:

| | <u>Contract Expiry Date</u> |
|---|-----------------------------|
| 1. Chief Financial Officer | September 6, 2025 |
| 2. Director of Information Technology | December 31, 2026 |
| 3. Manager and Analyst – Business Systems | January 2026 |

As of June 30, 2022, the following unused leave was available to COPE 225 and CUPE 1979:

| | Days of Unused Annual Leave June 30, 2021 | Payout of Annual Leave June 30, 2021 | Days of Unused Annual Leave June 30, 2022 | Payout of Annual Leave June 30, 2022 |
|------------------|--|---|--|---|
| COPE 225 | 580.65 | \$189,101.96 | 417.31 | \$133,344.24 |
| CUPE 1979 | 489.14 | \$156,439.29 | 141.31 | \$ 40,951.83 |

Unused sick leave credits held by COPE 225 employees are paid out at a 20% rate upon termination of employment. The current monetary value of all unused sick leave is \$168,005.00.

27. INDEPENDENT MEDICAL PRACTITIONER COSTS

The National Board of Trustees has reviewed the independent medical practitioner costs for the 2021 – 2022 fiscal year. These costs have decreased by \$58,670.36 compared to last year.

This plan covers both Urban Operations and Rural Suburban Mail Carrier members on the work floor. Often workers and their physicians do not fill out the STDP forms in a manner that allows the insurance company to deny a claim. This can lead to additional requests for information to support a claim. This can cause an increase of medical practitioner costs.

Chart – Independent Medical Practitioner Costs by Region

| Independent Medical Practitioner Costs | | | | | | | | | |
|---|---------------------|---------------------|-----------------------|---------------------|----------------------|---------------------|---------------------|---------------------|-----------------------|
| | Atlantic | Quebec | Metro-Montreal | Central | Metro-Toronto | Ontario | Prairie | Pacific | Total |
| 2018 - 2019 | \$42,197.94 | \$73,335.73 | \$100,285.82 | \$90,558.27 | \$115,148.41 | \$178,716.09 | \$95,018.58 | \$48,749.44 | \$744,010.28 |
| 2019 - 2020 | \$39,120.89 | \$89,409.63 | \$151,200.38 | \$93,719.35 | \$158,881.32 | \$170,194.51 | \$63,013.04 | \$55,127.34 | \$820,666.46 |
| 2020 - 2021 | \$33,491.45 | \$63,892.05 | \$121,704.38 | \$43,252.57 | \$99,992.35 | \$154,997.83 | \$70,684.24 | \$41,966.70 | \$629,981.57 |
| 2021 - 2022 | \$37,623.62 | \$41,322.20 | \$74,024.44 | \$31,726.44 | \$169,308.06 | \$86,952.72 | \$105,701.10 | \$24,653.21 | \$571,311.79 |
| Total | \$152,433.90 | \$267,959.61 | \$447,215.02 | \$259,256.63 | \$543,330.14 | \$590,861.15 | \$334,416.96 | \$170,496.69 | \$2,765,970.10 |

28. SHORT-TERM DISABILITY PLAN FOR ELECTED UNION OFFICERS, CUPE 1979 AND COPE 225 STAFF

National Officers, Regional Officers, COPE 225 members and CUPE 1979 members, as well as full-time Local Officers are all covered under a self-funded short-term disability plan, as they are not able to utilize the Canada Post short-term disability plan.

This plan is funded through CUPW and specifically the General Fund. Coughlin Insurance is the independent 3rd party disability manager. Administration fees are based on the number of claims that are processed.

Chart – Summary of Costs

| | Administration Fees |
|--------------------|----------------------------|
| 2018 – 2019 | \$ 4,337.54 |
| 2019 – 2020 | \$22,908.75 |
| 2020 – 2021 | \$16,797.00 |
| 2021 – 2022 | \$21,157.14 |

29. JOE DAVIDSON EDUCATION FUND

The National Board of Trustees reviewed the bursaries that were awarded to CUPW members through the Joe Davidson Education Fund.

Two members who were enrolled in the Canadian Labour College of Canada received a total of \$2,575.20 from the Fund. This represents a decrease from the previous verification which showed an amount of \$4,700.

30. LOCAL FINANCIAL STATEMENTS

The National Board of Trustees examined the Local financial statements for the 2021 – 2022 fiscal year.

Chart – Local Financial Statements

| Region | Number of Locals In Region | Financial Statements not filed | Number of Locals with Statements that do not Balance | Non-Payment to Labour Council | Bank Statements not Provided | Locals Under Trusteeship |
|----------------|----------------------------|--------------------------------|--|-------------------------------|------------------------------|--------------------------|
| Atlantic | 35 | 1 | 8 | 25 | 3 | 4 |
| Quebec | 32 | 4 | 7 | 10 | 5 | 1 |
| Metro-Montreal | 2 | 1 | 0 | 0 | 0 | 1 |
| Central | 34 | 4 | 1 | 9 | 4 | 7 |
| Metro-Toronto | 1 | 0 | 0 | 0 | 0 | 0 |
| Ontario | 28 | 6 | 2 | 10 | 8 | 0 |
| Prairie | 33 | 13 | 2 | 12 | 1 | 2 |
| Pacific | 36 | 9 | 3 | 19 | 3 | 3 |
| Total | 201 | 38 | 23 | 85 | 24 | 18 |

The Canadian Union of Postal Workers has 201 Locals that are required to submit annual financial statements at the end of each fiscal year which is June 30th. 38 Locals did not submit an annual financial statement. This is an increase of 8 from last year's verification. Of these Locals, the National Board of Trustees notes 3 Locals have not submitted their statements since 2019.

The National Board of Trustees understands that COVID-19 has been a detriment to Locals doing Union business. It is imperative that Locals adhere to section 9.29 of the National Constitution which states “a financial report shall be prepared and sent to the National Secretary-Treasurer within 60 days following the end of the fiscal year”. Those Locals who do not send in their annual financial statement, shall have their per capita tax (rebate) withheld until receipt of the report, as per section 9.31.

23 Locals did not balance their annual financial statement. This number does not include those Locals who did not file, as the National Board of Trustees is unable to verify whether these Locals would have been balanced had they filed their report.

The National Board of Trustees is finding that Locals are continuing to use the old Annual Financial Statement forms when submitting their report. Reports are being submitted incomplete and at times, both signatures are missing and some are not dated. Although bank statements are not required, submitting at least the June bank statement assists the Finance Department in balancing the annual financial statements.

The National Board of Trustees is pleased to see that Locals are detailing their “other” revenue and expenses as required in the Annual Financial Statements forms.

18 Locals are under trusteeship, an increase of 3 from our last verification. Local 355 of the Metro-Montreal Region has been inactive and with no members for several years. In response to our last verification report, the National Executive Board reported that Local 355 had been removed from the list of official Locals, yet it still remains.

85 Locals did not make payment to a District Labour Council. This is a significant increase from last year’s verification of 56 Locals. The National Board of Trustees recognizes that some Locals may not have a Labour Council to make per capita payment to.

Some Locals continue to use big banks instead of Credit Unions.

Therefore, the National Board of Trustees recommends:

- That Local 355 be removed from the list of official Locals; and
- That the National Secretary-Treasurer and the Finance Department send letters to Locals that have not submitted their annual financial statement within 60 days following the end of the fiscal year reminding them of sections 9.29 and 9.31 of the National Constitution, encouraging them to reach out to the Union for assistance; and
- That a second letter be sent in the last month of the year to those Locals still in non-compliance, informing them that failure to submit their report before the convening of the National Board of Trustees will result in withholding of per capita tax (rebate) until receipt of the report, encouraging them to reach out to the Union for assistance; and
- That annual financial statements that are incomplete be returned to the Local for missing information; and

- That Locals be informed to dispose of all old Annual Financial Statement forms; and
- That the National Secretary-Treasurer send letters to Locals not making payment to a District Labour Council encouraging them to give financial support to the labour movement in their area; and
- That a list of labour allies in their area be included in the letter.

31. PAYMENT FOR UNION OPERATIONS LEAVE (CLAUSE 21.04 RSMC) (CLAUSE 26.06 URBAN OPERATIONS)

CUPW collective agreements allow members to remain on the corporate payroll while working on behalf of the Union. Invoices from Canada Post often contain errors in Union Leave and without thorough vetting and disputing by Local Secretary-Treasurers results in a cost to the Union.

All Canada Post invoices received at the Local level should be verified by the Local Secretary-Treasurer and any errors must be reported immediately to both Canada Post and the National Secretary –Treasurer within the contractually allotted time frame.

Chart – Total Amounts Withheld

| | |
|-------------|--------------|
| 2018 - 2019 | \$237,970.30 |
| 2019 – 2020 | \$220,311.53 |
| 2021 – 2021 | \$193,122.26 |
| 2021 – 2022 | \$181,081.88 |

Although dues rebates are withheld for reasons outlined in the National Constitution, for example sections 9.31 and 9.42, and occasionally when Locals order Union material from the National Print Shop, the number of rebates being withheld indicate that Locals are not paying their Canada Post invoices within the 60 (RSMC) and 45 (Urban Operations) days contractually allotted time frame.

The National Board of Trustees has noticed some improvements in 2 Regions. Other Regions still need to be reminded to submit their Union leave invoices to both RSMC and Urban Operations within the specified timeframe while they're on Union business.

In May of 2022, the National Secretary-Treasurer held virtual training sessions regarding Local administration in all Regions. At these meetings, the importance of reviewing all billing for lost wages contained in a Local's monthly Statement of Earning issued by Canada Post for accuracy was brought up at those meetings. Also discussed with the participants was the withholding of local rebate funds when a Local does not reimburse Canada Post for Union leave, and communication disputes regarding the billing within the time frame provided for in the RSMC and Urban Operations collective agreements.

Therefore, the National Board of Trustees recommends:

- That the National Secretary-Treasurer, in conjunction with the National Director of each Region, continue to remind Local Secretary-Treasurers of the importance of thoroughly vetting their 21.04 (RSMC) and 26.06 (Urban Operations) Canada Post invoices for accuracy and making that payment to Canada Post be done within the contractual time frame; and
- That the education module in development be completed and made accessible to all Local Secretary-Treasurers. Due to some urgent work in the Education Department, the module has yet to be developed.

32. EXTERNAL ORGANIZING

The National Board of Trustees has been reporting on the amount of funds available to the External Organizing Fund as well as the yearly contributions to and the expenses incurred by the fund.

Section 7.17 of the National Constitution allows for an amount that is equal to half of the Reserve Fund deposits, or 2.5% of the revenue deposited in the General Fund.

The table below illustrates the revenues and expenses, as well as the opening and closing balances for each verification period of our 4-year term.

During the last mandate of the National Board of Trustees, concern was raised that the External Organizing Fund was not being utilized. The National Board of Trustees is pleased to report that this was not the case during this mandate.

| | |
|-----------------------|----------------|
| Balance July 1, 2018 | \$3,914,021.66 |
| Revenue | \$ 743,722.69 |
| Expenses | \$ 439,720.38 |
| Balance June 30, 2019 | \$4,218,023.97 |

| | |
|-----------------------|----------------|
| Balance July 1, 2019 | \$4,218,023.97 |
| Revenue | \$ 786,496.62 |
| Expenses | \$1,279,457.78 |
| Balance June 30, 2020 | \$3,725,062.81 |

| | |
|-----------------------|----------------|
| Balance July 1, 2020 | \$3,725,062.81 |
| Revenue | \$ 816,199.15 |
| Expenses | \$ 945,011.50 |
| Balance June 30, 2021 | \$3,596,250.46 |

| | |
|-----------------------|----------------|
| Balance July 1, 2021 | \$3,596,250.46 |
| Revenue | \$ 838,284.07 |
| Expenses | \$ 878,068.17 |
| Balance June 30, 2022 | \$3,556,466.36 |

Therefore, the National Board of Trustees recommends:

- That the National Executive Board continue to utilize the External Organizing Fund for its intended purpose.

33. CHECK-OFF AND MEMBERSHIP

In accordance with paragraph 4.100 (e) of our National Constitution, the National Board of Trustees has verified membership and check-offs for the period of July 1, 2021 to June 30, 2022.

The information and statistics come from computerized statements made available to us for analysis.

Note:

- 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 1.08 of the National Constitution.
- For the period of July 1, 2021, to June 30, 2022, there was an increase in CUPW membership of 819 members.
- For the urban unit, there was an increase of 984 members.
- For the RSMC unit, we note a decrease of 209 members.
- For the private sector units, we note an increase of 44 members.

Chart 1

| Average number of members in good standing, members and Rand members by bargaining sectors | | | | |
|--|------------------|---------------|----------------|---------------|
| | Urban Operations | RSMC | Private Sector | Total |
| Average: July 1, 2021, to June 30, 2022 | 47,620 | 10,957 | 979 | 59,556 |
| Average: July 1, 2020, to June 30, 2021 | 46,636 | 11,166 | 935 | 58,737 |
| Increase/(decrease) | 984 | (209) | 44 | 819 |

Chart 2

| Average number of members in good standing, members and Rand members working full-time, part-time or on a temporary basis | | | | |
|---|---------------|--------------|---------------|---------------|
| | Full-time | Part-time | Temporary | Total |
| Average: July 1, 2021, to June 30, 2022 | 40,195 | 6,583 | 12,778 | 59,556 |
| Average: July 1, 2020, to June 30, 2021 | 39,619 | 6,443 | 12,675 | 58,737 |
| Increase/(decrease) | 576 | 140 | 103 | 819 |

Chart 3

| Average number of members by status | | | | |
|--|---------------|--------------|--------------|---------------|
| | MIGS | Members | Rand | Total |
| Average: July 1, 2021, to June 30, 2022 | 49,146 | 3,573 | 7,449 | 60,168 |
| Average: July 1, 2020, to June 30, 2021 | 48,446 | 3,354 | 7,538 | 59,338 |
| Increase/(decrease) | 700 | 219 | (89) | 830 |

Note: All amounts have been rounded to the nearest dollar.

612 lifetime members are included in the number of members in good standing for the period of July 1, 2021, to June 30, 2022.

601 lifetime members are included in the number of members in good standing for the period of July 1, 2020, to June 30, 2021.

In accordance with section 1.22 of the National Constitution, 519 members have received Retired Member status in CUPW but are not included in the above charts.

The National Board of Trustees notes that the number of Rand members is very high. This number still represents 12.38% of the total membership.

Therefore, the National Board of Trustees recommends:

- That the National Secretary-Treasurer continue to send Locals a list of Rand members and remind them of their obligations to meet with new members and have them complete a membership form.

Chart 4

| Average number of members by region, group and bargaining sectors July 1, 2021, to June 30, 2022 | | | | | | | | | |
|--|------------------|---------------|------------|-----------|----------|---------------|-------------------|---------------|---------------|
| Region | Urban Operations | | | | | | Private Sector | RSMC | Total |
| | Group 1 | Group 2 | Group 3 | Group 4 | Unknown | Total | | | |
| Atlantic | 1,335 | 1,300 | 30 | 4 | 0 | 2,672 | 247 | 1,162 | 4,081 |
| Quebec | 946 | 2,190 | 6 | 0 | 0 | 3,145 | 0 | 1,979 | 5,124 |
| Metro-Montreal | 3,204 | 3,047 | 152 | 6 | 0 | 6,410 | 0 | 330 | 6,740 |
| Central | 1,549 | 1,904 | 34 | 3 | 0 | 3,494 | 58 | 1,717 | 5,269 |
| Metro-Toronto | 2,552 | 4,514 | 48 | 5 | 0 | 7,127 | 92 | 2,016 | 9,235 |
| Ontario | 5,878 | 3,820 | 175 | 7 | 0 | 9,884 | 5 | 526 | 10,415 |
| Prairie | 3,505 | 3,979 | 121 | 15 | 0 | 7,628 | 507 | 2,221 | 10,356 |
| Pacific | 3,103 | 4,059 | 82 | 10 | 0 | 7,260 | 70 | 1,006 | 8,336 |
| Total | 22,072 | 24,813 | 648 | 50 | 0 | 47,620 | 979 | 10,957 | 59,556 |

Note: All amounts have been rounded to the nearest dollar.

Chart 5

| Breakdown of funds received July 1, 2021, to June 30, 2022 | | |
|---|------------------------|------------------------|
| Total amount of funds received by the Union | \$56,332,479.42 | |
| Local Rebates | | \$13,613,327.15 |
| Local Assessments | | \$854,373.40 |
| Additional Local rebates (section 7.08) | | \$739,506.00 |
| Federation of Labour Per Capita | | \$543,401.32 |
| Optional Insurance | | \$1,662,828.75 |
| Basic Life Insurance | | \$1,179,232.38 |
| Dues Unapplied and Suspended | | \$174,271.10 |
| Reserve Fund | | \$1,675,486.71 |
| Defence Fund | | \$5,235,895.72 |
| General Fund | | \$30,654,156.89 |
| Total | \$56,332,479.42 | \$56,332,479.42 |

Note: The above indicates total funds received and their distribution for the period of the verification.

Union dues collected decreased by \$2,236,964.58 this year. A total of \$56,332,479.42 had been collected as of June 30, 2022, comparatively to \$58,569,444.00 for the fiscal year 2020-2021. This year, given the changes to the isolation policies, members are back at work.

We must not forget that last year, rebates received were very high compared to the previous year since many members benefited from a precautionary cessation of work without loss of salary and they, as well as their replacements, paid union dues.



John Lawrence
Chairperson
Ontario Region



Angela Jones
Secretary
Metro-Toronto Region



Scott Gaudet
Member
Atlantic Region



Marc Désilets
Member
Quebec Region



Stéphane Surprenant
Member
Metro-Montreal Region



Naveed Khan
Member
Central Region



Maria Tan
Member
Prairie Region



Norma Kimball
Member
Pacific Region