



Urban Negotiations Underway

Negotiations continue between CUPW and CPC for 48,000 members in urban operations. These negotiations reflect the deep division which exists between the parties. While both parties agree that Canada Post faces future challenges because of the erosion of mail volumes, there are vast differences in the solutions being proposed by management and the union.

Our negotiations are happening at a time when the working conditions of postal workers are being transformed by CPC's modernization program. New equipment is being introduced into postal facilities, eliminating jobs, intensifying the work process and reducing opportunities for job rotation. Letter carrier operations are being motorized. Mechanized sequencing is resulting in fewer jobs and increased on-street delivery time. CPC's insistence on a two-bundle delivery method is creating real health and safety

problems for many letter carriers. The union is determined to address and resolve these problems through the collective bargaining process.

The Union's Positive Approach

For CUPW, these negotiations represent an opportunity for the workers of Canada Post to obtain a share in the benefits that will result from the \$2 billion investment Canada Post is making in new technology and new work methods. Postal workers have created 15 consecutive years of profitability. Now it is time for us to reap some rewards in the form of increased wages, benefits, and improved working conditions. We are also demanding greater equality between different groups and between regular workers and temporary employees.

The union is proposing that CPC make better

use of its infrastructure to improve the services offered to the public. Canada Post has the most extensive network of retail outlets in the country. It is time that CPC followed the lead of other countries by expanding its offering of retail products and introducing financial and banking services at postal counters. Expanding door-to-door delivery also allows the public to share in the benefits of the modernization program.

Canada Post management is taking a very different approach. Instead of working with the union, CPC management is bent on using the current situation to justify an attack on the rights and working conditions of the very workers who have made CPC one of the most profitable post offices in the world. Instead of sharing the benefits, CPC is trying to roll them back. Instead of creating greater equality, CPC management is advancing proposals to increase the inequalities and divisions between workers.

CPC Must Choose

In the coming months, management can decide to negotiate an agreement which ensures that the modernization program is introduced in a manner which respects the health and safety of the workers. It can agree to share the benefits of automation between the workers, the public and the employer. Or the employer can continue to take a hard-line approach and try to impose its will on the union and the membership.

Your National Negotiating Committee is prepared to do what it takes to achieve a collective agreement which will safeguard the future of Canada Post. It's time for Canada Post management to negotiate.

Top Photo:
Toronto Letter Carriers show their support for Winnipeg members.

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Trustees Report

RSMC Reopener: an Uphill Struggle

CUPW is working to finalize the 2010 Collective Agreement for RSMCs. We bargained with Canada Post for many months, but were unable to reach a settlement, due to the employer's inflexibility. Currently we are in binding arbitration in front of Brian Keller.

Both CUPW and Canada Post have made written submissions. Five arbitration dates have been held or scheduled: November 3rd & 23rd, December 13th, 2010 and March 7th & 25th, 2011. More dates were offered by the arbitrator but Canada Post stated it was not available. CUPW has asked for more dates, including weekends, in order to reach an arbitration decision as soon as possible.

Look at what the Employer Found: \$11 million dollars!

Canada Post recently informed the Union that the RSMC financial cap contains more money than previously reported. After analyzing their pension calculations, the employer found an \$11 million difference. This money can be used for better wages, benefits, relief, and other improvements for RSMCs.

Our demands are fair and just. They include:

- a wage increase and an additional increase for lower-paid members

- job security and protection in the event that CPC declares RSMCs surplus
- implementation of a route measurement system
- paid sick leave
- increased number of relief workers and improved benefits for these workers

CUPW has been making steady improvements for RSMCs since 2004 and we will continue to do so. But this depends on the continued support of all members. Please stay involved and informed.

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CANADIAN UNION OF POSTAL WORKERS
377 BANK STREET
OTTAWA ON K2P 1Y3



Negotiations we need to stick together

Workplace and Community Activism

This will be a difficult round of bargaining. The Harper federal government does not support workers' rights. Around the world, postal administrations are being pressured to privatize and deregulate. The upcoming Canada-European free trade agreement puts the future of a public postal service in jeopardy. Globally, mail volumes are fluctuating. At the same time, multinational corporations are fighting for an increased share of the parcel and express market.

CUPW has successfully bargained before in very complex situations. We have a strong bargaining team and a comprehensive set of demands. We have determination and a very clear vision of our goals.

But it takes more than that to achieve a decent collective agreement. Every postal worker has to get involved. Please read your union's bulletins and participate in our actions. Talk to your friends, neighbours and community members about why our demands are important. If you are a member of a community, labour or faith-based organization, provide them with information about our fight for improved and expanded postal services.

Shop floor activism has a direct impact on our bargaining. We are in a stronger position when Canada Post sees that postal workers support their demands and want an improved collective agreement. During negotiations, supervisors will be sending reports to CPC senior officials about the mood on the work floor. These reports will affect CPC's strategy and tactics.

In this round of bargaining, you have an important role to play. By supporting the union, you are making life better for postal workers everywhere.

RSMC Negotiations

Let's not forget that Rural and Suburban Mail Carriers are in binding arbitration for their re-opened collective agreement. Tell everyone you

know that the union's demands are fair and that we all deserve to be treated with respect.

Let's show our solidarity in the workplace and in our communities!

In Solidarity, -

George Floresco

George Floresco
3rd National Vice-President

This round of urban operations and RSMC bargaining will affect every CUPW member at Canada Post. It will determine the future of workers at Canada Post and how they deliver service.

CUPW wants a post office where all workers are treated in a fair and respectful manner and where a wide range of services are provided.

Urban Operations

Workers should have full job security. One way to obtain this is by expanding postal services, including more door-to-door delivery, and by offering banking and financial services. Other job security demands include maintaining and expanding the number of postal counters and contracting in work.

Another goal of this bargaining round will be improving our wages and benefits. We need to protect and preserve the Canada Post Pension plan for retirees, current and future workers.

Decent jobs include a safe and healthy work environment. That's why we want Canada Post to conduct proper studies on the new equipment and work methods they are bringing into our workplaces. These studies will identify and eliminate health and safety hazards.

CUPW is also demanding major changes to the way letter carriers perform their work under CPC's new delivery plan to ensure that letter carriers can continue to be able to do their routes.

In memory of Serge Drouin

We pay tribute to Serge Drouin and wish to express our sincerest condolences to his spouse, Lucie, as well as to the Drouin and Monette families and loved ones.



We had the pleasure of knowing Serge as a friend, a co-worker or in the many capacities in which he so proudly served the Union.

Serge was known for his modesty and great intellect. We will forever miss your smile and laughter, Serge, not to mention your keen eye and mischievous glance. With your characteristic wit, a blink of an eye or those sports caps you wore, you reminded us how we should all look at life. The life of the great people we get to know can also remind us that we can indeed live uplifting lives and make our footprints in the sands of time.

We don't always have to weep when someone passes away, especially when a life such as Serge's was lived with so much care for others. The most telling response we give at times like these is a simple, tender smile.

Thanks for all the good times we shared with you, Serge. May you rest in peace.

Your Sisters and Brothers at the L o-Blanchette MPP

note: A memorial for Brother Kevin Buckland will be featured in the next edition of Perspective.

CUPW PERSPECTIVE

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

Letters to the editor are welcome.

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

Editor: G. Floresco

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

Associate editors:
P. Arbour, G. Bossenberry, L. Bue, G. Kuehnbaum,
D. Lafleur, D. Lemelin

Contributors:
Aalya Ahmad, Geoff Bickerton, Kevin Matthews,
Marion Pollack, Katherine Steinhoff, Jacques Valiquette

Affiliations:
• Canadian Association of Labour Media (CALM)
• Canadian Labour Congress (CLC)
• Union Network International (UNI)
• International Transport Workers Federation (ITF)

cupw•sttp CUPE-SCFP 1979  cupw225sep.ca

LETTERS POLICY

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

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

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

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

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

The struggle continues against CPC's cheap labour strategy

One way to erode postal workers' rights is to set up an alternative system for postal service staffed by an underpaid, non-unionized workforce.

That's what Canada Post has been doing with its retail postal outlet system. Across the country, over 2,400 privately located outlets now contain Canada Post counters, mainly in pharmacies, and that number is growing.

The postal clerks who staff these counters generally perform postal duties. What they share in common are minimum-wage earnings, precarious jobs and working conditions far inferior to those gained by our union over decades of struggle.

For years, CUPW fought the opening of these outlets by calling for a boycott. In June of this year, the National Executive Board lifted the boycott, launching organizing drives. While our union does not support the privatization of public services, we recognized that it's difficult for people to boycott these postal outlets when it is their only access to public postal service, especially in rural areas. The union has adopted the practical strategy of organizing these workers and negotiating better conditions for them. This makes it harder for Canada Post to undermine our collective agreements with a cheap labour strategy.

Organizing in the Regions

On February 26, 2010, five applications for certification were filed in the Metro-Montreal Region, representing 140 postal clerks in 28 Pharmaprix stores. On June 25th, three more applications were filed for 36 clerks in Uniprix stores.

The Prairie Region has also been organizing: on June 13, an application was filed to represent 35 postal clerks in 10 Shoppers Drug Mart franchises in Saskatoon.

By the end of June, workers in 45 Canada Post retail outlets had applied for union certification. Our CUPW organizers expect to see many more campaigns in the future.



How Many Lawyers Can You Fit in a Hearing?

The Canadian Industrial Relations Board (CIRB) held its first hearing on the Montreal applications on September 13th. Canada Post and the major pharmacies had 24 lawyers in attendance. Our employer is trying to pretend that it has nothing to do with these postal clerks even though they handle mail, do the same work and have conditions of work that are determined by Canada Post. We are hopeful that the Board will recognize the workers' right to join us.

This is only the start of the campaign to bring thousands of unorganized postal clerks into our union, making better workplaces for all.



Across the country on October 13, we showed our solidarity to Canada Post, to let them know that the union is ready to negotiate, and that members know what's at stake. CUPW is fighting to protect good jobs in our communities, to expand services, and to make sure that modernization in the postal service benefits everybody.

At rallies and demonstrations, our members gathered to share information and to send Canada Post the message that we are all behind these negotiations.

Some locals put up public advertisements with the message: "We want your post office to do more for you!" Others held information sessions with members and the public to let them know what's on the table.

All this activity shows Canada Post that we stand behind our negotiating committee and the union's demands. At the same time, we are getting the message out to the public that service expansion and job creation are among our top priorities. We want to help build a postal service that offers more to its customers in our communities.

The first meeting between CUPW and Canada Post at the bargaining table took place on October 21. More days of action will be happening.

Please stay up to date with union communications and support your negotiating committee. You can go to www.cupw.ca to subscribe to our



Some photos of CUPW actions on October 13, 2010. Please see our website for more: www.cupw.ca

E-Digest and get updates by email.

We need your support and strength to back up the negotiators' work. Continue to demand respect and good faith bargaining.

Top 5 reasons CETA is bad for you

Once again, our federal and provincial governments and business leaders are negotiating a “free trade” deal behind our backs. This time, it’s called the Canada-European Union Comprehensive Economic and Trade Agreement, or CETA for short. It will change the face of Canada as we know it, and Harper wants to sign it in a hurry — before anyone has a chance to debate it!

1. CETA threatens our public services!

We count on our governments to run a broad range of public services which help society and the economy function — from health care and education to water treatment, social programs, and everything in between. The CETA threatens to privatize and deregulate many of our public services. In fact, everything could be up for grabs, including municipal water systems, electrical utilities — even our mail delivery!

2. CETA threatens local job creation

Especially during economic hard times, we expect our governments to use our tax dollars to create jobs and business opportunities in our local communities, provinces and territories. One way governments do this is by deciding to purchase the goods and services they need (sometimes called “procurement”) from local companies. But the

CETA threatens this! European corporations want unrestricted access to the purchasing that our provincial and municipal governments do.

3. CETA threatens our water

EU trade negotiators have requested that drinking water services be included in the CETA, opening the door for large European multinational water companies to stake a claim in our public water systems.

4. CETA threatens the quality of our jobs and our labour rights

Canada has a huge trade deficit with the EU. That means we import more goods and services from the EU than we export to them. In 2008, we imported \$17 billion more in EU goods than we exported, and a lot of this was in high-end goods like autos. Our trade deficit in services was also large — \$4 billion in 2007. This is a sign that we are being deprived of good-paying jobs in manufacturing, technological innovation and high-end services. The CETA will likely make this situation worse.

Prime Minister Harper wants to open up foreign markets to increase our exports of raw materials like oil and petroleum prod-

ucts, diamonds, gold and other metals. But remember, Canada has already lost over 550,000 good-paying manufacturing jobs in recent years. Putting more focus on the resource sector will only hurt manufacturing even more.

The CETA also threatens the rights of all workers. CETA negotiators will say labour standards will be maintained. But any agreement on labour standards will be meaningless if workers’ rights are corroded by investors’ rights or left unenforced.

5. CETA threatens our democratic rights

If our governments, which we elect, can’t regulate on our behalf, all due to trade rules that put corporate rights first, then the CETA is actually a threat to our democratic system. But wait — it gets worse! CETA negotiators are planning to give transnational corporations and foreign investors the right to sue our governments over policies or decisions that they feel

prevent them from making profits — even if those policies or decisions are in the public’s interest! It’s NAFTA all over again.

The Harper government is pushing ahead with the CETA very quickly. It hopes this trade deal can be completed by the end of next year. We must act now to stop it— before it’s too late!

CETA also threatens public health care, the environment, food sovereignty and farmers rights, cultural and communications sovereignty and indigenous people’s rights. To find out about these issues and what you can do to stop CETA, see the cartoon book called ‘Top Ten Reasons why CETA is Bad for Canada’ at http://www.cupw.ca/index.cfm?ci_id=12411&la_id=1:

To find out more about CETA and postal services, go to CUPW’s website:

http://www.cupw.ca/index.cfm/ci_id/6454/la_id/1.htm



A Two-Tiered System for Postal Workers in Trinidad and Tobago

It is 7 AM. Elizabeth and Shaundra are starting their shift as sorters at the Trinidad and Tobago National Mail Processing Centre. They are good friends and usually try to work beside each other for part of the day. They do exactly the same work and are both active in the Trinidad and Tobago Postal Workers Union (TTPWU).

But when it comes to pay and benefits, the similarity ends. Elizabeth has been working for Trinidad and Tobago Post for over 30 years. She gets an adequate wage, pays into a pension plan, and has benefits. Shaundra has been a postal worker for only 5 years. Even though she works full-time, she earns less than Elizabeth, has only a few benefits, and no pension plan.

Over a decade ago, the Trinidad and Tobago government restructured the post office from a government department to a state-owned company. People who already worked for the post office maintained their wages, benefits and pensions, but new hires received lower pay and benefits.

When the Trinidad and Tobago post office was first devolved, it was run by the New Zealand postal service. Canada Post also bid to run it, unsuccessfully.

The Trinidad and Tobago Postal Workers Union is struggling to achieve better wages and benefits for all workers at Trinidad and Tobago Post, including a pension plan. They have been negotiating with the employer for several years.

CUPW and the TTPWU are undertaking joint projects. In April 2010, three CUPW members went to Trinidad and Tobago to participate in seminars for TTPWU members. Issues covered included: the role of the shop steward, labour law, the grievance procedure, mobilizing members, and the state of post offices internationally.

Many miles separate TTPWU and CUPW members, but we are bound together in solidarity by the same struggle.



FOURTH VERIFICATION, MARCH 15 TO 24, 2010

1. INTRODUCTION

The National Board of Trustees met from March 15 to 24, 2010 at the National Headquarters of the Union in Ottawa for the fourth verification of this term. As provided in the National Constitution under sections 4.96 to 4.99, we have completed an examination of the financial transactions of the Union for the period of July 1, 2009 to December 31, 2009.

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

2. COMPOSITION OF THE NATIONAL BOARD OF TRUSTEES

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

Atlantic Region	Brother Paul Hand	Chairperson
Pacific Region	Sister Micki McCune	Secretary
Quebec Region	Brother Denis Poirier	Member
Metro-Montreal Region	Brother Martin Champagne	Member
Central Region	Sister Bev Collins	Member
Metro-Toronto Region	Brother Owen Edwards	Member
Ontario Region	Brother Robert Henry	Member
Prairie Region	Sister Arla Mephram	Member

Brothers Paul Hand and Owen Edwards and Sister Bev Collins were unable to attend the fourth verification. They were replaced respectively by Brother Robert Garnier, 1st Alternate Trustee from the Atlantic Region, Brother Bright Acquah, 1st Alternate Trustee for the Metro-Toronto Region and Sister Mary Aitken, 1st Alternate Trustee for the Central Region.

Brother Denis Poirier, Trustee from the Québec Region, was elected Chairperson for this verification.

3. RESOLUTIONS AND RECORDS OF PROCEEDINGS

The National Board of Trustees verified all resolutions and records of proceedings of the National Executive Board meetings for the period of July 1 to December 31, 2009, for the purpose of verifying financial resolutions, as per section 4.99 (c) of the National Constitution.

There were still a number of resolutions that did not contain sufficient information to allow the National Board of Trustees to properly verify if expenses were constitutional. These items were brought to the attention of the National Secretary-Treasurer.

Therefore, the National Board of Trustees recommends:

- That the National Executive Board, for all items involving financial expenditures, specify which budgetary item will be affected, the source of the funds and the amounts involved.
The National Executive Board will ensure resolutions requiring the expenditure of funds indicate which budget the funds will come from as well as the amount allocated.

4. SEMI-ANNUAL VERIFICATION

The National Board of Trustees has noted that, at a National Executive Board meeting held from August 25 to 28, 2009, a motion was adopted to accept a report concerning an expense of \$16,099.00 that was initially incurred in September 2008. Between September 2008 and April 2009, \$5,650.05 were recovered from this amount. The result was a net expense of \$10,448.95 that was charged to the General Fund.

Our verifications have revealed that no motion was adopted by the National Executive Board or by the National Executive Committee to approve this expense before it was incurred. Furthermore, the expense was not specifically provided for in the 2008-2009 budget.

The National Board of Trustees is of the opinion that this approach is not consistent with the provisions of section 7.15 of the National Constitution.

Therefore the National Board of Trustees recommends:

- That expenses not specifically provided for in the budget be approved by decision of the National Executive Board or the National Executive Committee and that this occur before the expense is incurred.
The recommendation of the National Board of Trustees reflects the usual practice of the National Executive Board and the National Executive Committee.

5. LOCAL FINANCIAL REPORTS

The National Board of Trustees reviewed the Annual Financial Statements received from the Locals covering the period of July 1, 2008 to June 30, 2009.

Financial Statement forms covering the period of review were sent to the Locals in accordance with section 9.29 of the National Constitution. The obligation of submitting an Annual Financial Statement by each Local to the National Secretary-Treasurer is contained within section 9.28 of the National Constitution.

	Number of locals in region	Reports not received 2008-09	Locals under Trusteeship	Non-payment to Labour Council ⁽¹⁾
Atlantic	36	5	0	14
Québec	31	1	1	16
Montréal	2	1	0	0
Central	38	7	0	16
Toronto	1	1	0	0
Ontario	30	1	0	4
Prairie	35	9	1	12
Pacific	38	7	0	13
TOTAL	211	32	2	75

⁽¹⁾ Non-payment to Labour Council does not include those Locals that have not filed a 2008-2009 Annual Financial Statement, thus there is no way to determine if such payment was made. It also does not include Locals in areas with no Labour Council.

- 5.1 There were 32 Locals that did not submit their July 1, 2008 to June 30, 2009 annual financial statements, an increase of three (3) from the 2007-2008 reporting period.
- 5.2 There were 75 Locals that did not submit the per capita dues payment to Labour Councils. This represents a decrease of nine (9) from the 2007-2008 reporting period. This is a requirement under section 9.41 of the National Constitution.
- 5.3 Some Locals are not submitting their Annual Financial Statement on the proper form, as sent to Locals by the National Secretary-Treasurer. Some Locals are not completing all information lines on the statement and some statements do not balance from year to year.
- 5.4 Some Locals have more funds other than the General Fund. Although there are some Locals that report all fund accounts, other Locals do not report all fund accounts held within the Local.

Therefore the National Board of Trustees recommends:

- 5.1 That the National Secretary-Treasurer, in conjunction with the National Directors of each applicable region, contact each local in writing as a reminder to meet their obligations under section 9.28 of the National Constitution.
The recommendation of the National Board of Trustees will be implemented by the National Secretary-Treasurer in conjunction with the National Directors.
- 5.2 That the National Secretary-Treasurer, in conjunction with the National Directors of each applicable region, contact each Local in writing as a reminder to meet their obligations under section 9.41 of the National Constitution.
The recommendation of the National Board of Trustees will be implemented by the National Secretary-Treasurer in conjunction with the National Directors.
- 5.3 That the National Secretary-Treasurer, in conjunction with the National Director of each applicable region, contact applicable Locals in writing, reminding them to submit the Annual Financial Statement using the proper statement form, if not using the services of an auditor.
Locals not using the services of an auditor will be advised to use the Annual Financial Statement form provided by the National Office or their own form, as long as it provides the same information as that included on the national form.
That the National Secretary-Treasurer continue to send guidelines with each blank Annual Financial Statement form to assist the local secretary-treasurers in fulfilling their duties.
Guidelines for completing the local Annual Financial Statement will be sent with the form to locals.
- 5.4 That the applicable Locals be reminded to report all fund accounts when submitting the annual financial statement.
The guidelines noted above clearly indicate that locals are to report all funds.

6. EXPENSES FOR REGIONAL ACTIVITIES

The National Board of Trustees examined the expense accounts with respect to union activities for which the National Directors have received an advance.

- 6.1 All regions have submitted their expense reports required under section 5.11 of the National Constitution. We noted all regions submitted their reports in a timely fashion.
- 6.2 During this verification, we noted one region has not returned surplus funds relating to all of its regional activities, as required in section 5.11 of the National Constitution.
- 6.3 We noted an administrative practice in one region during this verification that does not conform to procedures set out in section 4.82 of the National Constitution and the administrative process agreed to by the NEB following our third verification.

Therefore, the National Board of Trustees recommends:

- 6.2 That the National Secretary-Treasurer take all necessary steps to recover all surplus funds from the applicable region.
The funds in the applicable region have been reconciled and surpluses returned to the National Office.
- 6.3 That the National Secretary-Treasurer ensure that proper administrative procedures are followed as set out in section 4.82 of the National Constitution and the administrative process agreed to by the NEB following our third verification.
The National Secretary-Treasurer will ensure that administrative processes comply with the provisions of the National Constitution.

7. **EXPENSES FOR REGIONAL OFFICES**

The National Board of Trustees reviewed the files containing bank statements, reconciliation reports, forms and receipts for the expenses of regional offices for the period of July 1st to December 31, 2009.

- 7.1 We noted that the Pacific, Prairie and Metro-Toronto Regional Office expenses are paid by National Office. The other five regions have submitted their monthly expense reports.
- 7.2 We noted that one region was missing its bank reconciliation reports for the General Fund for November and December 2009. Further, two regions have not submitted any Activity Account reconciliation reports for July to December 2009.

Therefore, the National Board of Trustees recommends:

- 7.2 That the National Secretary-Treasurer ensure that all National Directors submit copies of bank reconciliation reports, for all union accounts, in accordance with a prior decision made by the National Executive Board in June 2000.

The National Secretary-Treasurer will continue to work with the National Directors to ensure reconciliation reports are submitted on a timely basis.

8. **INVENTORY LISTS FOR NATIONAL AND REGIONAL OFFICES**

In order for the National Secretary-Treasurer to do a proper accounting of the assets of the Union, as per section 4.54 of the National Constitution, it would require an inventory list from National Office as well as all eight Regional Offices. These lists should include all items purchased by union funds such as filing cabinets, office furniture, etc, essentially all items excluding office supplies.

Since our fourth verification of the 2002-2005 term when this section on inventory lists was first introduced, the National Board of Trustees has stressed the importance of accounting for all the inventory in the National Office and in the eight Regional Offices. At that time, the National Board of Trustees understood that the process of compiling such an extensive list from both the National and Regional Offices would take some time.

The National Board of Trustees feels that a completed inventory is essential for National and Regional offices as it would allow the Union to keep better track of the Union’s assets as well as provide documentary information for insurance purposes, if required.

To date, a complete inventory of National Office and seven Regional Offices has been received, compiled and administered by National Office. The last Regional Office is currently in the process of compiling and submitting its inventory list. The trustees have observed and reviewed the lists and are satisfied by the efforts of the groups involved.

Therefore, the National Board of Trustees recommends:

- That all eight Regions and National Office review and update their office inventory list annually to ensure a current accounting of all Union assets.

The National and Regional Offices will ensure the office inventory lists are kept up to date.

9. **REVIEW OF STATEMENT OF EXPENSES**

The National Board of Trustees examined the individual statement of expense forms for the period of July 1 to December 31, 2009 for each of the National and Regional Officers, Union Representatives and Alternate Union Representatives.

- 9.1 The National Board of Trustees noted that three officers have not submitted one month, one officer has not submitted two months and one officer has not submitted any monthly expense reports. It is essential that these officers submit a monthly expense report, even for months where no expenses are incurred. This is necessary to ensure annual leave, sick leave and other types of leave are recorded. It has been noted that all other individual reports were detailed and submitted in a timely fashion.
- 9.2 During this verification, the National Board of Trustees noted no significant improvement for travel authorization by National and Regional Officers.
- 9.3 The National Board of Trustees has confirmed that the national mobility cell phone plan has successfully reduced cell phone costs. It was noted that the average cost per cell phone is under \$50.00 per month. It was also noted that in three regions, not all officers are on the national plan. Cell phone costs, in these regions, are extremely high, with monthly individual billing ranging from \$75.20 to \$1,467.71 per month.
- 9.4 The National Board of Trustees continues to note the high costs of vehicle rentals in some regions.

Therefore, the National Board of Trustees recommends:

- 9.1 That the National Secretary-Treasurer obtain the missing expense reports from the Officers concerned and that these Officers be reminded for a second time in writing that there are no exceptions. All monthly expense reports must be submitted.

The National Secretary-Treasurer will follow-up in writing to obtain missing reports.

- 9.2 That the National Secretary-Treasurer send a letter reminding those who continually neglect to provide the necessary authorization forms, of their responsibilities to comply with sections 7.42, 7.44, 7.53, 7.54, 7.55 and 7.56 of the National Constitution.

Memos concerning the proper procedures under sections 7.42, 7.44 and 7.53 through 7.56 of the National Constitution will be sent to those who continually neglect their obligations under those sections.

- 9.3 That the National Secretary-Treasurer investigate the cost to cancel present cell phone plans for individuals or regions on their own plans and have them placed on the national plan.

Cell phone costs are an ongoing concern and cost reduction measures will be taken where appropriate.

- 9.4 That the National Executive Board find a solution to reduce the high cost of vehicle rentals up to and including either leasing or purchasing vehicles.

The National Secretary-Treasurer will work with the Director, Finance and Administration and the National Directors to reduce our vehicle rental costs.

10. **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 and December 31, 2009.

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

- Moving and relocation expenses (section 7.39) paid to three (3) members \$ 19,878
- Unused annual leave: 46 days \$ 10,712
- Total \$ 30,590

Among those who left their positions, one had accumulated 40 days of unused annual leave credits, for which \$9,341.00 had to be disbursed.

11. **UNION FUNDS**

- 11.1 The National Board of Trustees reviewed the annual audited financial statements prepared by the accounting firm of Marcil Lavallée. These audited statements (2008-2009) provide data relating to the General Fund, Defence Fund and Reserve Fund.

As provided for in section 7.13 of the National Constitution, the following is a table providing the amount in each fund to June 30, 2009 in comparison with June 30, 2008:

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
General Fund	\$ 0	\$ 0
Defence Fund	\$ 21,942,464	\$ 21,463,375
Reserve Fund	\$ 7,791,202	\$ 4,039,754

Note: The balances were taken from the annual audited financial statements provided by Marcil Lavallée.

- 11.2 As provided for in section 7.20 of the National Constitution, the monies normally deposited in the Defence Fund were deposited into the General Fund.
- 11.3 The National Board of Trustees found, for the verification period, that the 5% transfers to the Reserve Fund were made monthly as per section 7.17 of the National Constitution. Two and one-half percent (2.5%) of the Reserve Fund is allocated to external organizing activities, as per section 7.17 of the National Constitution.

12. **CUPW BUILDING SOCIETY**

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

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

The entity changed the name of the corporation from “CUPW Holdings Limited” to “CUPW Building Society” on June 16, 2009.

The organization derives its income primarily from rental of the properties. Funding for purchase of the properties and share capital was obtained through investments of the Defence Fund and the General Fund, which are non-interest bearing and have no defined terms of repayment. Based on the audited financial statements as of June 30, 2009, the balance on these mortgages is \$2,228,302.00 and the net value of the assets of CUPW Building Society \$10,350,019.00.

13. **FINANCIAL REPORTS**

- 13.1 The National Board of Trustees found that financial statements covering the period under review were sent to the Locals in accordance with section 4.50 of the National Constitution.
- 13.2 The National Board of Trustees reviewed statements for the 2008-2009 fiscal year, as audited by the audit firm of Marcil Lavallée and adopted by the National Executive Board at the meeting held from October 6 to 9, 2009. The balances of the various union funds have been reported in items 11.1 of this report.
- 13.3 The National Board of Trustees reviewed the budget sent to locals under section 7.02 of the National Constitution and adopted by the National Executive Board at its October 2009 meeting.

14. CUPW ADMINISTRATIVE STAFF

14.1 All the staff working at the national office and in the regional offices are covered by collective agreements negotiated between CUPW and their respective union.

	The Canadian Office and Professional Employees Union (COPE 225)	The Canadian Union of Public Employees (CUPE 1979)
Number of employees	51 (national and regional offices)	24 at the national office
Collective agreement's starting date	July 1, 2008	In negotiations
Collective agreement's expiry date	December 31, 2011	In negotiations

14.2 As of December 31, 2009, there were three administrative employees who were covered by individual contract with CUPW. The positions include:

1. Director of Finance and Administration
2. Director of Information Technology
3. Director of Oracle Services

During the NEB meeting held from November 4 to 7, 2008, a resolution was adopted to allow for the creation of a system engineer position. As of December 31, 2009, this position has not yet been filled.

15. JOE DAVIDSON FUND

The National Board of Trustees was unable to finalize our review of this item during the 2nd verification as we had not received responses to our questions. During the 3rd verification, we received the following responses to these questions:

1. What are the criteria used to grant this bursary as there is no longer a CLC Labour College?
The Labour College will reopen in 2010. The NEB will decide on the criteria based on the information from the college.
2. Does the ruling made by the National President in the Fall of 1999 regarding the administration of this fund still apply or has there been a new ruling?
The rules were applied differently from 1999. Also, the CLC did not cover meals, which CUPW paid.
3. How does the National Executive Board determine the amount budgeted for this fund?
The NEB established \$10,000 for the fund in the July 1, 2009 to June 30, 2010 budget.
4. Are the unused amounts made available for the education services of the FTQ carried over from year to year? If not, why? If yes, how is this accounted for?
The FTQ informs the Union of the Fund situation on request. Money is carried forward from year to year. There is money left from the 2008-2009 fund.

During this verification, there was one member whose registration fee for the 2010 CLC Labour College was paid under section 11.04 – the Joe Davidson Education Fund. Further expenses related to this member will occur in the period covered by the next verification.

Regarding the rules used to pay out the Joe Davidson Education Bursary and subsequently allocate a matching amount to the Union Education Service of the Quebec Federation of Labour, the response received by the National Board of Trustees during our third verification left certain processes undefined.

Therefore, we have the following questions:

- A. What expenses are covered under the Joe Davidson Education Fund and are therefore due to the Union Education Service of the Quebec Federation of Labour?
- B. What is the process to ensure the correct amount of funds are sent to the Union Education Service of the Quebec Federation of Labour in a timely manner?
- C. What is the process to ensure that we keep updated on the amount of funds carried forward each year at the Union Education Service of the Quebec Federation of Labour? (So as to inform the members from the Metro-Montreal and the Quebec Regions of how much is still available to use).

The National Board of Trustees would appreciate a response to these questions so we can give an accurate report on this item in the 5th verification.

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

16.1 Based on information received this fourth verification, as of December 31, 2009, the sum of \$337,855.70 has been recovered from some locals pertaining to the outstanding pre-April 2000 amount of \$1,207,779.18.

This represents an additional amount of \$240,296.16 received this fourth verification period from the \$97,559.54 received during the third verification period (June 30, 2009)

The National Secretary-Treasurer has confirmed that the National Office will continue to pursue all outstanding amounts from the applicable locals.

The National Board of Trustees will continue to monitor this file very closely.

16.2 For the fourth verification period of July 1st to December 31, 2009, the National Board of Trustees also reviewed the amounts pertaining to local union leave withheld by Canada Post Corporation from the national union dues remittance as per clause 26.06 (h).

Amounts withheld:

JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
\$62,339.81	\$68,060.55	\$79,536.65	\$56,634.12	\$41,242.84	\$42,532.33

The amounts of these six months total \$350,346.30, an increase of \$254,853.87 from the previous third verification amount of \$95,492.43.

It is important to note that this amount of \$350,346.30 reflects only the amount owed by locals who have not paid their Canada Post billing directly to Canada Post but had the National Office deduct the amount from their dues rebate. The National Board of Trustees is concerned that locals may not be following the steps set out in clause 26.06 in particular 26.06 (f) prior to having the billing by Canada Post deducted from their dues rebate by the National Office.

Clause 26.06 (f) states:

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

If local billings sent out by Canada Post are not checked for errors by the locals concerned then the National Office has no way of knowing if these errors actually exist. This may result in Canada Post being paid money they are not entitled to, but in fact belongs to the local.

Therefore, the National Board of Trustees recommends:

- 16.1 That the National Secretary-Treasurer continue to take the necessary steps with all applicable locals in the recovery of the Pre-April 2000 outstanding amounts.
Recovery of the pre-April 2000 amounts is ongoing with the locals concerned.
- 16.2 That the National Union continue to recover outstanding union leave payments and that it provide assistance (training/education) to the locals who do not make payments appropriately.
The recovery from locals of amounts withheld by the corporation from the National rebate is ongoing. National Directors will be advised whenever it appears a local or locals are encountering difficulties with the 26.06 process.

17. COLLECTIVE AGREEMENT FUNDS

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

17.1 URBAN OPERATIONS' COLLECTIVE AGREEMENT

	Based on the audited financial statements from July 1 st , 2008 to June 30, 2009		
	Appendix "L"	Appendix "R"	Appendix "U"
	Child Care Fund	International Fund	Education Fund
Revenues	\$1,593,955	\$237,344	\$2,704,276
Expenses	\$1,675,359	\$237,344	\$2,922,231
(Deficit)/Surplus	(\$81,204)	\$0	(\$217,955)
Balance as of June 30, 2009	\$1,027,758	\$0	\$1,661,559

There are four other funds administrated by the Union under the urban operations collective agreement. They are:

- Appendix "S" – Parcel Delivery Model;
- Appendix "T" – Service Expansion and Innovation and Change Committee;
- Appendix "AA" – Collection and Delivery Model;
- Appendix "JJ" – Clear Language Committee.

For Appendix "T", an amount of \$645.57 is due for the 2008-2009 fiscal year and of \$19,754.50 for the period between July 1st to December 31st, 2009.

17.2 RURAL AND SUBURBAN MAIL CARRIERS

Article 34 – Transition Committee

Based on the information made available to us, the Union is claiming an amount of \$668,532, including an amount of \$587,125.00, which is part of a dispute that has been referred to the grievance and arbitration procedure. An amount of \$81,407.00 is still owed by Canada Post for the period between October 1st to December 31st, 2009.

17.3 EDUCATION FUND – PRIVATE SECTOR BARGAINING UNITS

The National Board of Trustees also reviewed the education funds for the private sector bargaining units. Based on a computer printout as of December 31, 2009, the balances are as follows:

• EMC – Bedford (Atlantic)	\$15,580
• Super Express – Fredericton (Atlantic)/Ste-Marie (Central)	\$ 500
• RMS Pope (Atlantic)	\$10,000
• OMNI Kitchener-Waterloo (Ontario)	\$ 150
• OMNI Windsor (Ontario)	\$ 450
• OMNI Hamilton (Ontario)	\$ 900
• Dynamex Red River (Prairie)	\$22,821
• Total	\$50,401

It should be noted that the J & A Building-Hamilton bargaining unit no longer exists. However, an amount of \$200.00 still appears in its Education Fund for the period of verification.

18. EXTERNAL ORGANIZING

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

Balance as of June 30, 2009	\$ 584,061
Plus 2.5% from the Reserve Fund (from July 1 st to December 31 st 2009)	\$ 367,357
Less expenses for the period of July 1 st to December 31 st , 2009	<u>(\$ 334,316)</u>
Balance as of December 31 st , 2009	\$ 617,102

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

18.2 In our report from the third verification, we noted that the national office has implemented an administrative process to collect union dues from private sector bargaining units. This process allows the Union to follow the progress of the amounts received from each company and the dues paid by each member every month.

However, for the period under verification, we noted that, out of the 13 private sector units covered by a collective agreement, one (1) has not paid any dues for six (6) months, one (1) for four (4) months, one (1) for three (3) months, two (2) for two (2) months and two (2) others for one (1) month. These cases have been referred to the National Secretary-Treasurer.

Therefore, the National Board of Trustees recommends:

18.2 That the National Secretary-Treasurer, in conjunction with the National Directors, inform the locals in question so that the necessary steps can be taken to recover the amounts due from the companies involved.

Monitoring of dues payments by members in non-national bargaining units must be done at the local level. The National Office will provide assistance to locals as necessary for follow-up with employers in private sector bargaining units.

19. CHECK-OFF AND MEMBERSHIP

In accordance with sub-section 4.99 (e) of our National Constitution, the National Board of Trustees has audited membership and check-offs for the period of July 1 to December 31, 2009.

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

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

Notes:

- The terms “member in good standing” (MIGS) and “member” are defined in sections 1.04 and 1.07 of the National Constitution.
- The term “Rand” refers to the formula in section 70 of the Canada Labour Code for collecting Union dues from employees who have not become members or who have lost membership status as per section 1.11 of the National Constitution.

CHART 1

AVERAGE NUMBER OF MEMBERS IN GOOD STANDING, MEMBERS AND RAND MEMBERS BY BARGAINING SECTORS JULY 1 TO DECEMBER 31, 2009				
	URBAN OPERATIONS	RSMC	PRIVATE SECTOR	TOTAL
Average: July 1 to December 31, 2009	46,516	7,077	698	54,291
Average: January 1 to June 30, 2009	47,938	6,704	733	55,375
Variation	(1,422)	373	(35)	(1,084)

CHART 2

AVERAGE NUMBER OF MEMBERS IN GOOD STANDING, MEMBERS AND RAND MEMBERS WORKING FULL-TIME, PART-TIME OR ON A TEMPORARY BASIS JULY 1 TO DECEMBER 31, 2009				
	FULL-TIME	PART-TIME	TEMPORARY	TOTAL
Average: July 1 to December 31, 2009	42,086	6,225	5,980	54,291
Average: January 1 to June 30, 2009	42,401	6,269	6,705	55,375
Variation	(315)	(44)	(725)	(1,084)

CHART 3

AVERAGE NUMBER OF MEMBERS BY STATUS JULY 1 TO DECEMBER 31, 2009				
	MEMBERS IN GOOD STANDING	MEMBERS	RAND	TOTAL
Average: July 1 to December 31, 2009	48,395	2,386	3,830	54,611
Average: January 1 to June 30, 2009	49,472	2,341	3,871	55,684
Variation	(1,077)	45	(41)	(1,073)

Note: 320 lifetime members are included in the number of members in good standing for the period of July to December 2009

309 lifetime members are included in the number of members in good standing for the period of January to June 2009.

In accordance with section 1.21 of the National Constitution, 73 members have received Retired Member status in CUPW but are not included in the above charts.

All figures have been rounded off.

CHART 4

AVERAGE NUMBER OF MEMBERS BY REGION, GROUP AND BARGAINING SECTORS JULY 1 TO DECEMBER 31, 2009									
REGION	URBAN OPERATIONS						RURAL	PRIVATE	GRAND TOTAL
	GROUP 1	GROUP 2	GROUP 3	GROUP 4	UNKNOWN	TOTAL			
Atlantic	1,248	1,421	32	6	4	2,711	897	102	3,710
Quebec	976	2,492	6	1	7	3,482	1,458	53	4,993
Metro-Montreal	2,740	3,620	156	12	3	6,531	185	36	6,752
Central	1,723	2,279	37	5	2	4,046	1,091	45	5,182
Metro-Toronto	4,089	3,519	203	24	0	7,835	293	0	8,128
Ontario	2,179	5,236	66	12	0	7,493	1,273	76	8,842
Prairie	3,079	4,540	104	14	1	7,738	1,245	387	9,370
Pacific	2,349	4,255	70	5	1	6,680	634	0	7,314
Total	18,383	27,362	674	79	18	46,516	7,076	699	54,291

CHART 5

BREAKDOWN OF FUNDS RECEIVED JULY 1 TO DECEMBER 31, 2009	
Dues received	\$ 21,792,754.00
Local rebates	\$ (5,161,683.42)
Local assessments	\$ (238,638.06)
Additional Local rebates (section 7.08)	\$ (387,943.00)
Federation of Labour Per Capita	\$ (242,382.58)
Optional Insurance	\$ (1,045,366.91)
Basic Life Insurance	\$ (585,064.79)
Dues unapplied and Suspended	\$ (23,720.98)
Reserve Fund	\$ (734,651.39)
General Fund	\$ 13,373,302.87

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

This concludes our report, which we now submit to the members of the National Executive Board.