

**REPORT OF THE  
FINANCE COMMITTEE  
2017 CEIU CONVENTION**

**February 6-9, 2017**

# **REPORT OF THE FINANCE COMMITTEE TO THE 2017 NATIONAL CEIU CONVENTION**

Chris Aylward the CEIU Trustee appointed Deputy Trustees Eddy Bourque and Jacques Perrin as the co-chairs of the CEIU's Finance Committee for the 2017 National Convention. Below you will find the list of members of the Finance Committee.

Any decision or recommendation made by the Finance Committee is subject to ratification by the delegates to the 2017 National CEIU Convention.

## **Co-Chairs**

Eddy Bourque, Deputy Trustee for Atlantic

Jacques Perrin, Deputy Trustee for National Capital Region

## **Members**

Jodi MacPherson, Atlantic

Bernard Blanchet, Quebec

Daniel Carrière, National Capital Region

Denis Roy, Ontario

Chris Gardiner, Prairies

Vanessa Miller, BC & Yukon

## **Staff**

Alain Normand, Director of Finance and Administration

Danielle Chartrand, Assistant to the Director of Finance and Administration

The Committee met in Ottawa from January 10<sup>th</sup> to 12<sup>th</sup>, 2017.

## **WORK OF THE COMMITTEE**

1. Prepare a budget for the years 2018, 2019 and 2020
2. Review, cost and recommend finance resolutions
3. Cost resolutions referred by other Committees
4. To recommend adoption of the Audited Financial Statements for the years 2014 & 2015

You will find attached the following:

- a) The proposed triennial budget for 2018, 2019 and 2020
- b) Recommendations made by the Committee on the financial resolutions submitted for its review
- c) Costing of the resolutions referred by other Committees
- d) Audited Financial Statements for the years 2014 & 2015

# **2018-2020 BUDGET**

## **THE NUMBERS**

## CEIU BUDGET 2018-2020

	2015 Original Budget	2015 Revised (1) Budget	2015 Actual	2016 Budget	2016 Projection	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>Revenue</b>									
Membership Dues	6,240,000	6,240,000	6,771,705	6,240,000	6,850,000	6,240,000	7,077,000	7,183,000	7,290,000
Investment Income	150,000	150,000	44,795	198,000	285,000	198,000	200,000	200,000	200,000
Other Revenue	-	-	-	-	30,000	-	-	-	-
<b>Total Revenue</b>	<b>6,390,000</b>	<b>6,390,000</b>	<b>6,816,500</b>	<b>6,438,000</b>	<b>7,165,000</b>	<b>6,438,000</b>	<b>7,277,000</b>	<b>7,383,000</b>	<b>7,490,000</b>
<b>Expenses</b>									
Salaries and Benefits (Section B)	4,289,260	4,289,260	4,281,536	4,331,988	4,361,388	4,379,641	4,595,000	4,684,000	4,775,000
Members' Expenses (Section C)	1,081,358	1,456,358	1,414,218	1,123,358	1,275,345	1,128,358	1,490,400	1,500,400	1,500,400
Other Operating Expenses (Section D)	473,700	473,700	636,081	521,700	614,328	521,700	616,500	616,500	616,500
Rent (Section D)	467,082	467,082	453,060	471,609	391,000	476,227	484,000	489,000	491,000
Amortization of Capital Assets (Section D)	-	-	55,205	-	65,000	-	65,000	65,000	65,000
Trusteeship Charges	-	-	559	-	300,000	-	-	-	-
Inflation	-	-	-	-	-	-	-	32,000	64,000
<b>Total Expenses</b>	<b>6,311,400</b>	<b>6,686,400</b>	<b>6,840,659</b>	<b>6,448,655</b>	<b>7,007,061</b>	<b>6,505,926</b>	<b>7,250,900</b>	<b>7,386,900</b>	<b>7,511,900</b>
<b>Excess of (Expenses Over Revenue)</b>	<b>78,600</b>	<b>(296,400)</b>	<b>(24,159)</b>	<b>(10,655)</b>	<b>157,939</b>	<b>(67,926)</b>	<b>26,100</b>	<b>(3,900)</b>	<b>(21,900)</b>
<b>Revenue over Expenses</b>									

(1) Revised budget as approved by the National Executive on April 16, 2015 applying surplus from 2014.

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# CEIU BUDGET 2018-2020

## THE NUMBERS

	2015 Budget	2015 Actual	2016 Budget	2016 Projection	2017 Budget	2018 Budget	2019 Budget	2020 Budget
Deductee count used for Dues Revenue	16,000	16,831	16,000	17,033	16,000	17,000	17,000	17,000
Average Salary used for Dues Revenue	\$ 53,403	\$ 54,984	\$ 53,403	\$ 55,060	\$ 53,403	\$ 57,000	\$ 57,855	\$ 58,723
Average Member Dues Percentage - Base	0.7303%	0.7303%	0.7303%	0.7303%	0.7303%	0.7303%	0.7303%	0.7303%
Deductee Projected Salary Increases	0.0%	3.0%	0.0%	0.1%	0.0%	0.0%	1.5%	1.5%
Inflation factor (applies to Members' Expenses and Other Operating)	0.0%	0.9%	1.5%	2.0%	1.5%	1.5%	1.5%	1.5%
Number of Staff Positions	35	35	35	35	35	35	35	35

## CEIU BUDGET 2018-2020

### MEMBERS' EXPENSES

	2015 Revised Budget	2015 Actual	2016 Budget	2016 Projection	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>Internal Governance (National Executive)</b>	494,558	453,480	394,558	493,833	394,558	437,000	437,000	437,000
<b>National Committees Meetings</b>	60,000	67,944	60,000	60,584	60,000	42,000	42,000	42,000
<b>National Conferences</b>	80,600	78,915	80,600	188,728	80,600	125,000	125,000	125,000
<b>President Regional Conferences</b>	250,000	250,000	150,000	150,000	150,000	200,000	200,000	200,000
<b>Triennial Convention</b>	301,000	301,000	311,000	311,000	316,000	340,000	340,000	340,000
<b>Training</b>	175,000	187,508	-	-	-	245,000	245,000	245,000
<b>Organisation &amp; Support</b>	67,200	67,200	67,200	67,200	67,200	71,400	71,400	71,400
<b>Special Needs</b>	8,000	939	40,000	-	40,000	10,000	20,000	20,000
<b>Family Care</b>	10,000	7,232	10,000	4,000	10,000	10,000	10,000	10,000
<b>Employer share of Benefits for LOS</b>	10,000	-	10,000	-	10,000	10,000	10,000	10,000
<b>Total</b>	<b>1,456,358</b>	<b>1,414,218</b>	<b>1,123,358</b>	<b>1,275,345</b>	<b>1,128,358</b>	<b>1,490,400</b>	<b>1,500,400</b>	<b>1,500,400</b>

## CEIU BUDGET 2018-2020

### OPERATING EXPENSES

	2015 Revised Budget	2015 Actual	2016 Budget	2016 Projection	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>Salaries and Benefits</b>	<b>4,289,260</b>	<b>4,281,536</b>	<b>4,331,988</b>	<b>4,361,388</b>	<b>4,379,641</b>	<b>4,595,000</b>	<b>4,684,000</b>	<b>4,775,000</b>
<b>Other Operating Expenses</b>								
Communication	94,900	95,421	94,900	65,252	94,900	95,000	95,000	95,000
General	227,850	146,673	227,850	170,772	227,850	181,000	181,000	181,000
Travel	144,100	85,509	144,100	137,429	144,100	133,000	133,000	133,000
Sundry	106,350	247,518	154,350	320,610	154,350	157,000	157,000	157,000
Meetings	40,500	200,960	40,500	60,265	40,500	50,500	50,500	50,500
Funding from Provisional accounts	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	-	-	-
<b>Total</b>	<b>473,700</b>	<b>636,081</b>	<b>521,700</b>	<b>614,328</b>	<b>521,700</b>	<b>616,500</b>	<b>616,500</b>	<b>616,500</b>
<b>Rent</b>	<b>467,082</b>	<b>453,060</b>	<b>471,609</b>	<b>391,000</b>	<b>476,227</b>	<b>484,000</b>	<b>489,000</b>	<b>491,000</b>
<b>Amortization of Capital Assets</b>	-	<b>55,205</b>	-	<b>65,000</b>	-	<b>65,000</b>	<b>65,000</b>	<b>65,000</b>
<b>Trusteeship Charges</b>	-	<b>559</b>	-	<b>300,000</b>	-	-	-	-
<b>Inflation</b>	-	-	-	-	-	-	<b>32,000</b>	<b>64,000</b>



# **SECTION A**

## **2018-2020 BUDGET**

### **INTRODUCTION AND OVERVIEW**

## Introduction

The CEIU has continued to administer its finances effectively throughout the many challenges that were presented to us during the current period. We continue to strive to meet our financial obligations while maintaining our level of service to the membership. We are recommending a continued reduction in expenditures over the next three-year budget to enable us to maintain a no dues increase stance for the membership.

The Finance Committee reviewed the income and expenses of the CEIU for the past 3 years with the Director of Finance and Administration and developed a balanced budget for the period 2018-2020 with no dues increase. We did this by continuing our union's policy of restraint in matters of expenditure while recognizing the needs of our members. The Finance Committee reviewed all line items, those with fixed or committed costs and those where some adjustments could be made. You will note the decreases in the line items where it was possible. These analyses were difficult and the Finance Committee took all the necessary actions to review the costs and present the best possible option for the upcoming budget period.

We the Finance Committee present to you a balanced budget for your consideration.

## CEIU Proposed Triennial Budget for 2018 to 2020

The Finance Committee has prepared a balanced budget based on the assumptions below. The Committee has taken into account all projected operating expenses some which can be forecasted with accuracy, and others that are estimated based upon historical data and future needs.

The Committee based its discussion on historical data to ensure their projections were as accurate and informative as possible.

The Committee took into account the future status of our membership numbers, our service to the membership and our human and material resource requirements.

### Budget Assumptions

Three main assumptions come together to determine the revenue projections for each of the three years in this budget:

- 1. Membership numbers**
- 2. Members' average salary**
- 3. CEIU dues rate**

**The annual estimated revenue is based on the dues paid by the estimated members' average salary times the number of members.**

## **Assumption 1: Membership Numbers**

Economic and political realities compelled us to build our most recent budget on conservative estimates of membership numbers.

The expected reduction in our membership following the proposed changes from the Conservative government did not actualized as negatively as expected. Therefore, our membership numbers have been relatively stable over the last 4 years ranging between 16,300 and 17,400. Given the economic and political climate we are operating in, our financial planning must remain cautious. **We have built the 2018-2020 budgets using a membership count of 17,000.** This number is in line with the average number of members between 2014 and 2016.

The Committee discussed the addition of the passport members to ESDC and IRCC. However, their membership has not been transferred to the CEIU at the time that we prepared this budget. Considering the political uncertainty regarding the completion of this process, this budget is not considering any addition regarding these members.

## Assumption 2: Members' Average Salary

In the past budget, we underestimated our members' average salary. In the year 2015 for example, we had projected a members' average salary of \$53,403 whereas the actual average was \$54,984. This underestimation had a positive variance of supplemental revenue totalling \$185,000.

Based on our projection of membership numbers by sector over the next budget cycle and taking under consideration the information included in the tentative agreement from December 2016 to evaluate the average salary by sector, as well as an inflation projection of 1.5% in years two and three of the budget, the estimated members' average salary in this budget are:

<b>2018</b>	<b>\$57,000</b>
<b>2019</b>	<b>\$57,855</b>
<b>2020</b>	<b>\$58,723</b>

### Assumption 3: Dues Rate

In the budget, the CEIU convention Finance Committee proposes a **zero percent increase of the National dues.**

The CEIU National dues rate proposed in the budget is the same as the CEIU National rate paid by our members since 1989: **0.7303%**

This rate is being applied to the first step of each members' classification and does not include the Regional and Local share that are added to the component portion.

Class	Salary	PSAC	CEIU	Region	Local
PM2	54,374	45.12	33.09		
		0.9740%	<b>0.7303%</b>	Various	Various

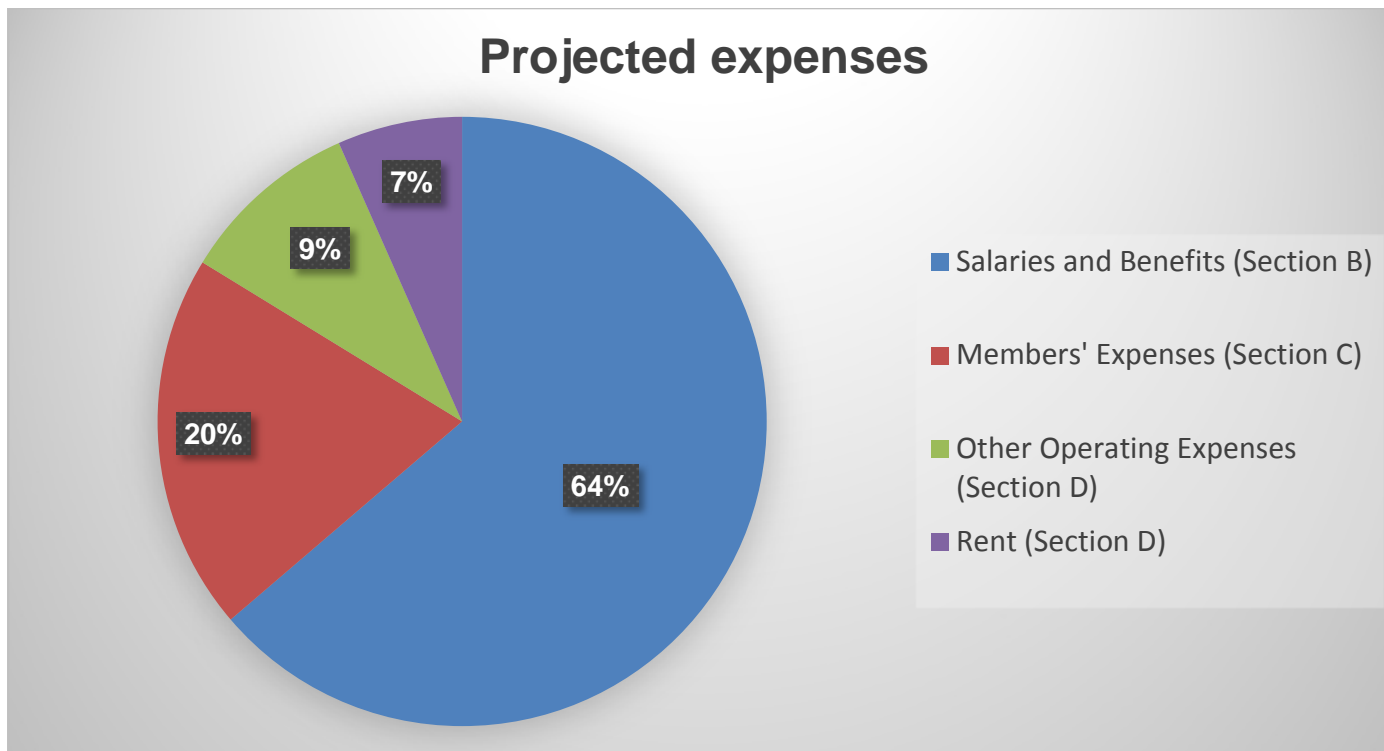
## Projected Revenue: 2018-2020

The following table summarizes the assumptions and proposals built into the 2018-2020 Budget:

	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Number of Members</b>	17,000	17,000	17,000
<b>Members Average Salary</b>	\$57,000	\$57,855	\$58,723
<b>CEIU Dues rate</b>	0.7303%	0.7303%	0.7303%
<b>Membership Dues</b>	<b>\$7,077,000</b>	<b>\$7,183,000</b>	<b>\$7,290,000</b>
<b>Investment Income</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>
<b>Total Revenue</b>	<b>\$7,277,000</b>	<b>\$7,383,000</b>	<b>\$7,490,000</b>

## Projected Expenses: 2018-2020

The CEIU's expenses are divided into a few main categories. Salaries and benefits comprise 64% of total expenses, members' expenses 20%, other operating costs 9% and rent 7%.





## Staff Salaries and Benefits

The CEIU staff in headquarters and in strategically located Regional Offices, provide services to our members working in every province and territory in Canada.

Due to the nature of our organisation – we're a union – our human resources are one of our greatest assets. And because we're a union, we have a responsibility to be a good employer, a responsibility we take very seriously.

These principles are reflected in our budget. Staff salaries and benefits represent 63.45% of total expenses. This includes two full time elected officers on the CEIU's Executive Committee (the National President and the National Executive Vice-President).

Section B will provide you with a more detail analysis of the information considered to prepare the current budget for the staff salary and benefits.

## Members' Expenses

Members' expenses are the funds that directly support the participation of members in our union and the delivery of programs and services to them. Expenses for your National executive, IRCC, IRB, Human Rights, Call Centre, Training and many more activities are covered here. These expenses, totalling approximately \$1,500,000 per year represent 20.28% of all budgeted expenditures over the 2018-2020 cycle.

Section C provides the detailed breakdown of the budget for each category of Members' Expenses, and explains the choices that were made to arrive at the budget.

## Operating Expenses

Section D outlines the change to the operating expenses, including rent, amortisation of capital assets and other operating costs.

## Inflation

Given the state of the Canadian economy, including historically low inflation rates, and the pattern of settlements in the federal public sector, we have projected an inflation factor of **1.5%** in years two and three of the budget cycle.

This inflation rate of 1.5% is factored into the following budget lines:

- The average membership salary;
- The average CEIU staff cost;
- The inflation line item in the budget, which takes into account inflationary pressures on membership expenses and other operating costs.

## Conclusion

In preparing the budget, we have sought to ensure that our total planned expenses do not exceed our total planned revenue. This budget proposal accomplishes that. Over the full three-year cycle, our total budgeted revenues amount to \$22,150,000, and our total budgeted expenses amount to \$22,149,700. As shown on page 1 of the numbers, the bottom line is that the budget provides for a very small surplus over the three years - \$300. It is, in effect, a balanced budget.

**SECTION B**

**2018-2020 BUDGET**

**SALARIES & BENEFITS**

## Introduction

The objective of this Section is to provide a global picture of the salaries and benefits, which follows the CEIU's commitment to produce an open, transparent and easy to understand Budget.

Considering the decentralized approach to provide the services with the various offices located across the country, the 64 % share of the expenditures allocated to the staff is better serving our members in their locality and therefore they have access to the expertise of the National staff to support them in the various situation they face in their day to day activities.

## Salaries and Benefits

<b>SALARIES AND BENEFITS</b>								
	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Projection</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
<b>National office</b>	1,035,315	1,008,546	1,035,315	1,086,769	1,035,315	1,125,000	1,142,000	1,159,000
<b>Regional offices</b>	1,934,379	1,865,287	1,934,379	1,989,452	1,934,379	2,086,000	2,117,000	2,149,000
<b>Total salaries</b>	2,969,694	2,873,833	2,969,694	3,076,221	2,969,694	3,211,000	3,259,000	3,308,000
<b>Benefits</b>	1,319,566	1,407,703	1,362,294	1,285,167	1,409,947	1,384,000	1,425,000	1,467,000
<b>Salaries and Benefits</b>	4,289,260	4,281,536	4,331,988	4,361,388	4,379,641	4,595,000	4,684,000	4,775,000

## Salaries

The Budget is built considering the allocation of the staff between the National office and the Regional offices. The National office also includes the salary for two elected officials being the President and the National Executive Vice-President. To better reflect the allocation between the National and the Regional offices, there has been an adjustment of \$247,257 reallocating the NCR regional staff to the Regional offices line when we compare to the information from the prior Budget exercise.

The 2018-2020 Budget is calculated taking into consideration the current allocation of staff in each office across the country.



The salary calculation for 2018 has been established by using the following pay table for the staff of the organization:

<b>Band</b>	<b>Salary range</b>
<b>2</b>	\$59,668 to \$64,557
<b>5</b>	\$67,964 to \$73,535
<b>6</b>	\$71,807 to \$77,690
<b>8</b>	\$82,107 to \$88,844
<b>10</b>	\$89,118 to \$96,416
<b>12</b>	\$99,362 to \$107,502
<b>Elected officials</b>	
<b>President</b>	\$112,530
<b>NEVP</b>	\$102,191

## Benefits

Benefits for the CEIU staff and Officers represent a considerable annual cost. In the last budget, benefits were budgeted at an average of 46 % for the three years. We have been able to manage the budgeted amount for this exercise to an average of 44 % for the upcoming 3 years. This 2 % reduction is allocating close to \$195,000 to the membership services over the three-year period.

The largest single benefit cost is the employer share of the PSAC Pension Plan. Employer pension contributions represent about one-third of the total CEIU benefits costs. Currently, contributions are determined in accordance with the January 2014 actuarial valuation. As of January 2014, the employer and the employee contributions to the Plan were set at 50 % each (Previously 60 % employer and 40 % employee). Both now contribute 12.545 % of pensionable pay as of January 1, 2014. Currently the Components that are employer participants in the PSAC staff pension plan continue to contribute at a 60 % (15.05 %) rate rather than the 50 % share established on January 1, 2014. The difference is being contributed to the Pension Solvency Deficit Reserve Fund.

The next actuarial valuation of the PSAC pension plan is legally required for January 2017; however, considering the requirement to prepare the budget for our convention in February 2017, we were not able to reflect any adjustment that the new valuation could require. The expectation is that if any adjustment to the employer contribution is required, the adjustment will have a minimal impact on the calculation and will be covered by other items within the budget.

The other major contributor to the benefits costs is extended Health Benefits, which includes health, dental, vision and life benefits. Considering the actual increases from prior years, we have projected in our calculation an annual inflation rate of 5 % for this portion of the benefits calculation.

Also, included in the benefits costs are the employer's share of the statutory deductions such as EI, CPP, etc.

The total benefits cost is included within the overall salary envelope budget.

**SECTION C**

**2018-2020 BUDGET**

**MEMBERS' EXPENSES**

## MEMBERS' EXPENSES

	2015 Revised Budget	2015 Actual	2016 Budget	2016 Projection	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>Internal Governance (National Executive)</b>	494,558	453,480	394,558	493,833	394,558	437,000	437,000	437,000
<b>National Committees Meetings</b>	60,000	67,944	60,000	60,584	60,000	42,000	42,000	42,000
<b>National Conferences</b>	80,600	78,915	80,600	188,728	80,600	125,000	125,000	125,000
<b>President Regional Conferences</b>	250,000	250,000	150,000	150,000	150,000	200,000	200,000	200,000
<b>Triennial Convention</b>	301,000	301,000	311,000	311,000	316,000	340,000	340,000	340,000
<b>Training</b>	175,000	187,508	-	-	-	245,000	245,000	245,000
<b>Organisation &amp; Support</b>	67,200	67,200	67,200	67,200	67,200	71,400	71,400	71,400
<b>Special Needs</b>	8,000	939	40,000	-	40,000	10,000	20,000	20,000
<b>Family Care</b>	10,000	7,232	10,000	4,000	10,000	10,000	10,000	10,000
<b>Employer share of Benefits for LOS</b>	10,000	-	10,000	-	10,000	10,000	10,000	10,000
<b>Total</b>	<b>1,456,358</b>	<b>1,414,218</b>	<b>1,123,358</b>	<b>1,275,345</b>	<b>1,128,358</b>	<b>1,490,400</b>	<b>1,500,400</b>	<b>1,500,400</b>

## Internal Governance

<b>INTERNAL GOVERNANCE</b>								
	<b>2015 Revised Budget</b>	<b>2015 Actual</b>	<b>2016 Budget</b>	<b>2016 Projection</b>	<b>2017 Budget</b>	<b>2018 Budget</b>	<b>2019 Budget</b>	<b>2020 Budget</b>
NE Meetings	220,560	297,498	220,560	358,161	220,560	160,500	160,500	160,500
NE Expenses	273,998	155,982	173,998	135,672	173,998	276,500	276,500	276,500
<b>Total</b>	<b>494,558</b>	<b>453,480</b>	<b>394,558</b>	<b>493,833</b>	<b>394,558</b>	<b>437,000</b>	<b>437,000</b>	<b>437,000</b>

The internal governance line includes the expenses incurred by the members of the National Executive and their alternates for purposes such as travel, accommodations, leave without pay, supplies and communication; while performing the duties from their respective portfolios. This line item also includes the cost associated with the bi-annual National executive meetings, and all related sub-committees. We have adjusted this line to reflect the new structure that was approved on December 9, 2016 by a vote from the membership. You will find an example of the breakdown of the NE expenses in schedule A.

## National Committees Meetings

<b>NATIONAL COMMITTEES MEETINGS</b>								
	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>Revised</b>	<b>Actual</b>	<b>Budget</b>	<b>Projection</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>Budget</b>							
IRCC	12,000	10,145	12,000	13,599	12,000	12,000	12,000	12,000
Human Rights Activities	24,000	34,268	24,000	24,000	24,000	30,000	30,000	30,000
Call Centre	24,000	23,531	24,000	22,985	24,000	-	-	-
<b>Total</b>	<b>60,000</b>	<b>67,944</b>	<b>60,000</b>	<b>60,584</b>	<b>60,000</b>	<b>42,000</b>	<b>42,000</b>	<b>42,000</b>

This line is used to present the allocation for the National committees' meetings as per the By-Laws and the Resolutions of Record (ROR). The National committee meetings are the HRRR Committee per By-Law 15.3 who meets twice a year and the IRCC that meet once per year.

## National Conferences

<b>NATIONAL CONFERENCES</b>								
	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>Revised</b>	<b>Actual</b>	<b>Budget</b>	<b>Projection</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
	<b>Budget</b>							
IRB	23,000	21,315	23,000	23,811	23,000	23,000	23,000	23,000
Women Activities (\$0.30 /m/m)	57,600	57,600	57,600	57,600	57,600	61,200	61,200	61,200
HRRR (\$0.20 /m/m)	-	-	-	107,317	-	40,800	40,800	40,800
<b>Total</b>	<b>80,600</b>	<b>78,915</b>	<b>80,600</b>	<b>188,728</b>	<b>80,600</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>

This line is used to present the allocation for the National Conferences that occurs yearly for the IRB as per the Resolution of Record 99/B-11 and 02/B-13 and once per budget period for the HRRR and Women’s conference. The budget amount for the HRRR conference is calculated following the Resolution of Record 93/B-10A at a rate of \$0.20 /m/m and the Women’s conference, Regional Women conference, meetings and/or seminar is calculated following the Resolution of Record 87/B-11 at a rate of \$0.30 /m/m.



## President Regional Conference

This line item covers the subsidy provided to the regions in order for them to hold annual regional conferences, sometimes referred to as the President's Conference. This amount will be allocated based on membership in each region established at the beginning of each calendar year. You will find an example of the Regional breakdown of the budget allocation for the President Conference in schedule B, that will be adjusted with the yearly membership data.

## Triennial Convention

This line item is a provisional account which is set up in order to distribute over the 3 years the cost of the triennial convention. This line covers all costs related to the convention, which includes the National Election training, the elections for all regional NVP's, the National NVP's and their alternates as well as delegates to convention, the four convention committees who meet prior to convention, the host committee meetings, all stationery, supplies, rental of equipment, boardrooms, materials, and the costs associated with the attendance of delegates, NVP's, guests and staff at convention.

## Training

Considering the importance of training for our members, we have been able to establish a yearly budget of \$245,000 by using savings that were realized following the adoption of the new structure by the membership and by using the savings produced by the review of the employees benefits. There is 25% of this budget that is allocated to women's training.

## Organisation & Support

The budget amount for this line item is calculated following the Resolution of Record 87/B-22A at a rate of \$0.35 /m/m. These funds are being used to support direct actions by Locals and for campaigns on current issues affecting the membership. This line includes the funding for the 50% contribution to the Canadian Labour Council and the amount to cover the registration fee for the PSAC conferences.

## Special Needs

This line item includes funds to be used to pay for the costs associated with accommodating the needs of persons with disabilities in order to help them participate in National union activities. The Special Needs budget adjustment is done to reflect more adequately the actual use in the past years.

## Family Care

The budget for this item is regrouping \$5,000 from the National Executive expenses and from the National meetings expenses from the previous budget exercise for a total of \$10,000. By establishing a separate line to follow the cost of family care will facilitate the analysis of these expenses and will present clearly the information to our members.

## Employer Share of Benefits for LOS

This line item covers the employer share of the benefits related to loss of salary reimbursement that are being paid to members participating in national union activities.

**SECTION D**

**2018-2020 BUDGET**

**OPERATING EXPENSES**

## OPERATING EXPENSES

	2015 Revised Budget	2015 Actual	2016 Budget	2016 Projection	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>Other Operating Expenses</b>								
Communication	94,900	95,421	94,900	65,252	94,900	95,000	95,000	95,000
General	227,850	146,673	227,850	170,772	227,850	181,000	181,000	181,000
Travel	144,100	85,509	144,100	137,429	144,100	133,000	133,000	133,000
Sundry	106,350	247,518	154,350	320,610	154,350	157,000	157,000	157,000
Meetings	40,500	200,960	40,500	60,265	40,500	50,500	50,500	50,500
Funding from Provisional accounts	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	-	-	-
<b>Total</b>	<b>473,700</b>	<b>636,081</b>	<b>521,700</b>	<b>614,328</b>	<b>521,700</b>	<b>616,500</b>	<b>616,500</b>	<b>616,500</b>
<b>Rent</b>	<b>467,082</b>	<b>453,060</b>	<b>471,609</b>	<b>391,000</b>	<b>476,227</b>	<b>484,000</b>	<b>489,000</b>	<b>491,000</b>
<b>Amortization of Capital Assets</b>	<b>-</b>	<b>55,205</b>	<b>-</b>	<b>65,000</b>	<b>-</b>	<b>65,000</b>	<b>65,000</b>	<b>65,000</b>

## Introduction

The objective of this Section is to provide a global picture of Operating expenses, Rent and Amortization of Capital Assets which follows the CEIU's commitment to produce an open, transparent and easy to understand Budget. All Operating Expenditures, including Rent, Salaries and Benefits, and Other Operating Expenses have been identified in this Budget.

This Budget document provides general information on the CEIU's Operating Expenditures.

This budget will see an increase of 1.4% in the amount of Rent when compared to 2017 budgeted amount. This variance is mostly due to the renewal of the leases for the National and Regional offices. As a percentage of Total expenditures, Rent decreased from 7.21% to 6.61%. This is indicative of an increase that is lower than the estimated 1.5% inflation that is being considered in the proposed budget.

## OTHER OPERATING EXPENSES

	2015	2015	2016	2016	2017	2018	2019	2020
	Budget	Actual	Budget	Projection	Budget	Budget	Budget	Budget
Communication	94,900	95,421	94,900	65,252	94,900	95,000	95,000	95,000
General	227,850	146,673	227,850	170,772	227,850	181,000	181,000	181,000
Travel	144,100	85,509	144,100	137,429	144,100	133,000	133,000	133,000
Sundry	106,350	247,518	154,350	320,610	154,350	157,000	157,000	157,000
Meetings	40,500	200,960	40,500	60,265	40,500	50,500	50,500	50,500
Funding - Provisional account	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)	-	-	-
<b>Total</b>	<b>473,700</b>	<b>636,081</b>	<b>521,700</b>	<b>614,328</b>	<b>521,700</b>	<b>616,500</b>	<b>616,500</b>	<b>616,500</b>

In addition to the cost of Rent, and the Salary and Benefits costs, this budget includes 5 categories of Other Operating Expenses, namely: Communication; General; Travel; Sundry; and Meetings. These fund the operations of every office of the CEIU.

Under this Budget, the CEIU proposes to spend \$616,500 in 2018 on Other Operating Expenses, which is a decrease from the \$661,700 from the previous Budget when we exclude the Recovery amount that is no longer available for this Budget cycle.

## COMMUNICATION

	2015	2015	2016	2016	2017	2018	2019	2020
	Budget	Actual	Budget	Projection	Budget	Budget	Budget	Budget
<b>Telephone Monthly charge</b>	94,900	77,947	94,900	37,923	94,900	41,400	41,400	41,400
<b>Internet</b>	-	8,126	-	13,775	-	31,100	31,100	31,100
<b>Cellular Phone</b>	-	8,844	-	12,315	-	20,160	20,160	20,160
<b>Conference call</b>	-	504	-	1,239	-	2,340	2,340	2,340
<b>Total</b>	<b>94,900</b>	<b>95,421</b>	<b>94,900</b>	<b>65,252</b>	<b>94,900</b>	<b>95,000</b>	<b>95,000</b>	<b>95,000</b>

The communication budget used to be presented in two portion, one being part of the telecommunications and the other being part of the Regional union offices budget in the previous budget.

To facilitate the presentation of the communication cost for the organisation by type of expenditure, we have broken down the line item in its component being the telephone monthly charge, the internet cost and subsidy to the locals, the cellular phone adjusted to the new Cellular Phone Policy and the conference call amount excluding the translation as this is part of a different line item.



## GENERAL

	2015	2015	2016	2016	2017	2018	2019	2020
	Budget	Actual	Budget	Projection	Budget	Budget	Budget	Budget
<b>Furniture and Equipment</b>	20,000	9,629	20,000	9,080	20,000	10,000	10,000	10,000
<b>Computer Equipment</b>	65,000	36,920	65,000	13,375	65,000	10,000	10,000	10,000
<b>Repairs and Maintenance</b>	23,450	5,049	23,450	13,861	23,450	24,400	24,400	24,400
<b>Rental Photocopier</b>	31,000	48,727	31,000	47,404	31,000	46,000	46,000	46,000
<b>Office Supplies</b>	21,300	17,158	21,300	22,527	21,300	34,100	34,100	34,100
<b>Printing &amp; Stationery</b>	35,000	15,196	35,000	6,651	35,000	10,000	10,000	10,000
<b>Software</b>	-	-	-	20,512	-	15,000	15,000	15,000
<b>Publication and Subscription</b>	-	-	-	559	-	2,000	2,000	2,000
<b>Translation of Documents</b>	10,000	1,626	10,000	7,929	10,000	10,000	10,000	10,000
<b>Postage and Express</b>	22,100	12,368	22,100	28,874	22,100	19,500	19,500	19,500
<b>Total</b>	<b>227,850</b>	<b>146,673</b>	<b>227,850</b>	<b>170,772</b>	<b>227,850</b>	<b>181,000</b>	<b>181,000</b>	<b>181,000</b>

## **Furniture and Equipment**

This line used to include the portion for capital expenditures that were being transferred in the fixed assets and reported on the Amortization of Capital assets. This is why we have decreased this line and the amount of the reduction was allocated to the Amortization of Capital assets to reflect the presentation of the information in the Financial Statements.

## **Computer Equipment**

Following the process of the furniture and equipment line, this budget is used to make sure the organisation is able to maintain the service to our members by using the proper technology that is not outdated. We are making sure that our inventory of computer equipment is being replaced at least every four years and to achieve this objective the main portion of the previous budget was also presented in the Amortization of Capital assets line. This is why we have moved \$55,000 of this budget to the Amortization line and left a small portion on this line to support the purchase of the accessories with a cost of less than \$500 as per our capitalisation policy.

## **Repair and Maintenance**

The components for this budget line used to be recorded under General expenses for the National office and also includes a portion of the Regional union offices. This line represents the cost for the maintenance contract of the various photocopier being used throughout the offices. These contracts are being calculated based on a cost per copy and includes not only the maintenance but also the cost of the supplies. In addition to the maintenance contract, there is a small portion in the budget to record the additional cost from the various office space rental agreement.

## **Rental of Photocopier**

In the previous budget, this was included under the Regional union office only as the National office was part of the Printing and stationary budget. We have reduced the Printing and stationary line by \$25,000 to allocate the National office portion of the photocopier rental. The various rental agreements of our photocopiers have been renewed at an equivalent or lower cost. We have considered these adjustments in the presented numbers.

## Office Supplies

In the previous budget, this item was included on the office supplies line for the National office and part of the Regional union offices as well. The amount of the current budget reflects the current activity as projected for 2016 plus \$10,000 that is being taken from the sundry expenses as they are in fact supplies that have been recorded incorrectly in previous years.

## Printing and Stationery

This line includes the cost of letterheads, envelopes, business cards and printing of newsletters and other documents. As indicated above the portion related to the National office photocopier rental was reallocated.

## Software

This item was not budgeted separately in the previous budget exercise, it includes the cost of the maintenance software for the computer server that is being used by the National and Regional offices and the other operational software used by the organization.

## **Publication and Subscription**

This item was not budgeted separately in the previous budget exercise, it was included in printing and stationery.

## **Translation of Documents**

In the previous budget, this line used to be called written translation and is used to record the cost of translation for documents that are not being charged to other specific activities.

## **Postage and Express**

This item was included separately for the National office and part of the Regional union offices. The amount of the current budget reflects the current activity as projected for 2016 and adjusted to exclude the special activity processed by the National office regarding the selection of the delegates for the 2017 convention.

## TRAVEL

	2015	2015	2016	2016	2017	2018	2019	2020
	Budget	Actual	Budget	Projection	Budget	Budget	Budget	Budget
<b>Transportation</b>	144,100	48,542	144,100	66,077	144,100	60,000	60,000	60,000
<b>Accommodation</b>	-	17,838	-	29,200	-	34,000	34,000	34,000
<b>Meal Allowance</b>	-	18,360	-	40,280	-	33,000	33,000	33,000
<b>Conference Registration</b>	-	325	-	20	-	-	-	-
<b>Misc. Travel Expenses</b>	-	444	-	1,852	-	6,000	6,000	6,000
<b>Total</b>	<b>144,100</b>	<b>85,509</b>	<b>144,100</b>	<b>137,429</b>	<b>144,100</b>	<b>133,000</b>	<b>133,000</b>	<b>133,000</b>

In the previous budget, this was part of general expenses for the National office and part of the Regional union offices. The total budget was reporting on one line the cost of the Transportation, Accommodation, Meal allowance and other travel cost of our staff. We have broken down these costs and allocated the budget accordingly between each category to better reflect the reality of the activity of our staff when providing the support to our members.

## SUNDRY

	2015	2015	2016	2016	2017	2018	2019	2020
	Budget	Actual	Budget	Projection	Budget	Budget	Budget	Budget
<b>Membership Fees</b>	-	-	-	725	-	2,000	2,000	2,000
<b>Professional Fees</b>	60,000	64,703	60,000	114,284	60,000	40,000	40,000	40,000
<b>Legal Fees</b>	-	-	-	89,226	-	40,000	40,000	40,000
<b>Staffing Processes</b>	-	43,438	-	15,127	-	-	-	-
<b>Insurance &amp; Bonding</b>	20,000	19,153	20,000	14,835	20,000	20,000	20,000	20,000
<b>Employee Special Consideration</b>	-	-	-	1,814	-	1,000	1,000	1,000
<b>Advertising &amp; Donations</b>	10,000	7,745	10,000	6,000	10,000	7,000	7,000	7,000
<b>Bank Service Charges</b>	6,200	7,157	6,200	7,826	6,200	8,000	8,000	8,000
<b>Bank Charges - Investments</b>	-	-	48,000	50,769	48,000	35,000	35,000	35,000
<b>Other Sundry Expenses</b>	10,150	105,322	10,150	20,004	10,150	4,000	4,000	4,000
<b>Total</b>	<b>106,350</b>	<b>247,518</b>	<b>154,350</b>	<b>320,610</b>	<b>154,350</b>	<b>157,000</b>	<b>157,000</b>	<b>157,000</b>

## **Membership Fees**

The membership fees are the professional dues required to maintain some of our staff in good standing with their professional association.

## **Professional Fees and Legal Fees**

In the previous budget, this line covered all professional fees. The Committee has made the decision to break down this line to present separately the legal fees considering the significance of this cost. The remaining portion in the professional fees are used to cover the annual financial Audit costs and other professional consultant that we use from time to time.

## **Insurance and Bonding**

This line is used to protect our assets and make sure we are covered adequately against unforeseen circumstances.



## **Employee Special Consideration**

This line is being used to cover the cost related to staff appreciation activities.

## **Advertising and Donations**

The advertising and donation line includes annual donation to food banks located in the regions where we have offices and also advertising in the Legion annual publication as a support to our veterans.

## **Bank Service and Investments Charges**

In the previous budget, the bank charges were only presenting the day to day cost for our operational activities. Following accounting requirement of presenting separately all revenue and expenses, we have segregated the investment charges that used to be netted in the investment income.

This has been modified in the 2016 and 2017 budget by increasing the investment income by \$48,000 and matching that increase in the investment charges with no impact on the total approved budget from last convention.

## Other Sundry Expenses

This is a small amount budgeted to cover charges that are not reported in any other category. We have reduced this line from the previous budget and continue to work on identifying each expense adequately for better accountability and transparency.

<b>MEETINGS</b>								
	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>Budget</b>	<b>Actual</b>	<b>Budget</b>	<b>Projection</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
<b>Translation Equipment</b>	-	-	-	5,740	-	10,000	10,000	10,000
<b>Interpreters</b>	10,000	7,578	10,000	9,521	10,000	10,000	10,000	10,000
<b>Ad Hoc Committees</b>	23,000	189,798	23,000	45,004	23,000	23,000	23,000	23,000
<b>Equity Groups</b>	7,500	3,584	7,500		7,500	7,500	7,500	7,500
<b>Total</b>	<b>40,500</b>	<b>200,960</b>	<b>40,500</b>	<b>60,265</b>	<b>40,500</b>	<b>50,500</b>	<b>50,500</b>	<b>50,500</b>

The first two categories of this section are self explanatory and were part of the NVP conferences in the previous budget. More specifically, the interpreters line is related to New-

Brunswick President’s meeting and special conferences as per Resolution of Record 02/B-12. The Ad Hoc Committees budget items was part of the General expenses in the previous budget. The Equity groups line is established to provide \$1,500 per equity group to promote awareness. The Equity groups line also includes an allocation of \$1,500 for Women’s activities around March 8<sup>th</sup> and December 6<sup>th</sup>.

<b>RENT</b>								
	<b>2015 Revised Budget</b>	<b>2015 Actual</b>	<b>2016 Budget</b>	<b>2016 Projection</b>	<b>2017 Budget</b>	<b>2018 Budget</b>	<b>2019 Budget</b>	<b>2020 Budget</b>
Rent	467,082	453,060	471,609	391,000	476,227	484,000	489,000	491,000

This line item covers the cost of office space rental for the national office located at 275 Slater Street in Ottawa as well as rent paid on behalf of 5 of 7 Regional Offices located in Vancouver, Winnipeg, Toronto, Montreal and Moncton. Most of the CEIU offices across Canada have signed leases beyond 2020 and some stretch as far as 2026.

## Amortization of Capital Assets

This category of expense covers Capital assets purchased for use over long period of time, such as furniture and equipment costing more than \$500, photocopiers, telephone systems and computer equipment over \$500, etc.

It should be noted that current accounting policies require that Capital Assets be recorded at cost and that they be amortized (expensed) on a straight-line basis over three years for computer equipment, and five years for such things as furniture and equipment. As a result, the orderly regular replacement of Capital Assets provides a relatively stable net book value for Capital Assets, and a correspondingly stable amortization of Capital Assets line in the Budget.

The Capital Assets part of this Budget is targeted to both replace equipment and maintain the computer equipment infrastructure up to date with the constant evolution of technology. The estimated cost to achieve this objective is evaluated to be \$200,000 for the 2018-2020 Budget Cycle.

**2018-2020 BUDGET**

**SCHEDULES**

SCHEDULE A  
ANNEXE A

**NATIONAL EXECUTIVE EXPENSES - 2018 - DÉPENSES DE L'EXÉCUTIF NATIONAL**

Based on 3 criteria (locals 20, deductees 40, travel 40)

	%		%		%		A	B	C	D
	# OF LOCAL	# OF LOCALS	# of deductees/	DEDUCTEES/	Travel	AVERAGE	\$\$\$	BASE ALL.		
BASED ON DECEMBER 2016 MEMBERSHIP REPORT										
BASE SUR LE RAPPORT DU SOCIETARIAT DE DÉCEMBRE 2016	# DE LOCALES	# DE LOCALES	# de cotisants	COTISANTS		MOYENNE	(.7639)	ALL. DE BASE		(B + C)
ONTARIO	46	26.14%	4671	27.23%	23834	18.34%	23.45%	33,187	10,000	43,187
QUEBEC/QUÉBEC	31	17.61%	2828	16.48%	20809	16.01%	16.52%	23,378	10,000	33,378
B.C. / C.B. - YUKON	26	14.77%	1768	10.30%	23951	18.43%	14.45%	20,445	5,000	25,445
ALBERTA NWT/TNO	10	5.68%	1505	8.77%	7918	6.09%	7.08%	10,023	5,000	15,023
MANITOBA - SASKATCHEWAN	21	11.93%	1010	5.89%	6904	5.31%	6.87%	9,716	5,000	14,716
N. BRUNSWICK - PEI / IPE	10	5.68%	897	5.23%	17231	13.26%	8.53%	12,072	5,000	17,072
N.S. / N.E. - NFLD / TN	25	14.20%	1113	6.49%	29010	22.32%	14.37%	20,327	5,000	25,327
H.Q./ADMIN. CENTRALE	7	3.98%	3365	19.61%	289	0.22%	8.73%	12,352	5,000	17,352
<b>SUB-TOTAL/SOUS-TOTAL</b>	<b>176</b>	<b>100.00%</b>	<b>17,157</b>	<b>100.00%</b>	<b>129,946</b>	<b>100.00%</b>	<b>100.00%</b>			
IRB/CISR:								2,000	5,000	7,000
NVP CIC								2,000	5,000	7,000
NVP HRRR								2,000	5,000	7,000
<b>WOMEN'S NVP/VPN CONDITION FÉMININE</b>										
EAST/EST								2,000	5,000	7,000
WEST/OUEST								2,000	5,000	7,000
<b>SUB-TOTAL</b>										<b>226,500</b>
DEPENDANT CARE//GARDERIE										
NATIONAL EXECUTIVE MEETINGS AND COMMITTEES//RÉUNIONS DE L'EXÉCUTIF NATIONAL ET COMITÉS										160,500
NATIONAL PRESIDENT TRAVEL // DÉPLACEMENT DU PRÉSIDENT NATIONAL										30,000
NATIONAL EXECUTIVE VICE-PRESIDENT TRAVEL//DÉPLACEMENT DU VICE-PRESIDENT EXÉCUTIF NATIONAL										20,000
<b>GRAND TOTAL:</b>										<b>437,000</b>

**2018 - 2020 CEIU BUDGET  
PRESIDENT REGIONAL CONFERENCE  
BASED ON DECEMBER 2016 MEMBERSHIP REPORT**

	LOCALS		MEMBERS		AVERAGE (1) + (2) / 2	ALLOCATION			
	#	% (1)	#	% (2)		VARIABLE	FIXED	TOTAL	
								\$	%
ONTARIO	46	26.14%	4671	27.23%	26.68%	48,959	1,500	50,459	25.23%
QUEBEC	31	17.61%	2828	16.48%	17.05%	31,284	1,500	32,784	16.39%
B.C. - YUKON	26	14.77%	1768	10.30%	12.54%	23,009	1,500	24,509	12.25%
ALBERTA NWT	10	5.68%	1505	8.77%	7.23%	13,261	1,500	14,761	7.38%
SASKATCHEWAN	9	5.11%	391	2.28%	3.70%	6,783	1,500	8,283	4.14%
MANITOBA	12	6.82%	619	3.61%	5.21%	9,566	1,500	11,066	5.53%
NEW BRUNSWICK	8	4.55%	807	4.70%	4.62%	8,486	1,500	9,986	4.99%
NOVA SCOTIA	16	9.09%	720	4.20%	6.64%	12,191	1,500	13,691	6.85%
NEWFOUNDLAND AND LABRADOR	9	5.11%	393	2.29%	3.70%	6,793	1,500	8,293	4.15%
PRINCE EDWARD ISLAND	2	1.14%	90	0.52%	0.83%	1,524	1,500	3,024	1.51%
NATIONAL CAPITAL REGION	7	3.98%	3365	19.61%	11.80%	21,644	1,500	23,144	11.57%
<b>TOTAL</b>	<b>176</b>	<b>100.00%</b>	<b>17,157</b>	<b>100.00%</b>	<b>100.00%</b>	<b>183,500</b>	<b>16,500</b>	<b>200,000</b>	<b>100.00%</b>

**TOTAL BUDGET**  
**FIXED ALLOCATION**  
**VARIABLE ALLOCATION**

**\$200,000****\$16,500****\$183,500**