

VIDEO MESSAGE FROM CAPE PRESIDENT PROPOSED DUES ADJUSTMENT

[Greg Phillips]

Hello everyone and thank you for viewing this message.

- I hope you are all doing well as it has been challenging few years for everyone.
- Today, on behalf of the National Executive Committee, I would like to explain to you the rationale for asking for a dues increase.
- In November, we will be asking you to vote in favour of a \$10 monthly dues increase, **as well as** a yearly increment equivalent to the EC members' negotiated annual increase in their collective agreement.
- It's important to note that union dues are tax deductible, so although you'll be benefitting from the additional \$10 in improved services, assuming a 50% tax rate, you will only be out of pocket \$5.
- Some of you might be wondering how we came up with the \$10 dues increase, and why we are proposing 2 different dues increases.
- There are several contributing factors that went into our request for a \$10-dues increase. There is the needed to catch up with inflation, for one. Then, a combination of increased demands on, and requests for, our services, the ever-increasing complexity of the issues we are facing, and the growth in the number of people we represent.
- I will carefully go through each factor that has contributed into the need for the dues increase, and why now is the right time to approve it.

CAPE's Growth

- CAPE's 2014 annual report shows that CAPE represented nearly **13,000** members. Today, we represent over **21,500** members.
- Our membership base has grown by approximately **70%** since our last dues increase.
- We are no longer a small association, and therefore we can no longer work with the structure of a small association. We can no longer perform important tasks such as HR activities, IM and IT work, translations, etc. off the corner of our desks. We need internal legal resources, so we don't have to continue to rely so heavily on external lawyers and their firms. CAPE needs an organizational structure that supports the size of an organization that we have become.
- We are modernizing our IT infrastructure and creating new policies and procedures for the internal governance of our organization. We now represent 4 bargaining groups, not just the 3 we had for many years. The addition of a new occupation group has resulted in us having to become experts on a new Collective Agreement and also negotiate improvements to it. All of this has an impact on our costs and demands on our staff time.
- It has come to a point where we can no longer operate as a small association, now is the time we must transition into becoming a medium sized union. But that requires both financial resources and human resources.

Inflation

- Earlier I spoke about inflation as being one of the driving factors in needing the dues increase.
- While salaries have increased over the last 7 years, your dues have remained the same. Our operational costs on the other hand, have continued to increase significantly and we too need to bridge this gap to catch up with inflation.
- One just needs to see what the price of groceries or the price of gas these days, to know what kind of an impact inflation has on your spending power. CAPE isn't immune to these same inflationary pressures, pressures that have accumulated over the last 7 years. Our service providers rates have increased, staff salaries have increased, reimbursing expenses of our volunteers have gone up — just to give you a few examples.
- Some of you might wonder why CAPE waited so long before asking for dues increase —the simple answer is that we didn't want to make any changes to your pay while dealing with the Phoenix pay system debacle; I had to consider the risks involved in changing your dues and the impact it could have on your pay as a whole, so I pushed back against the idea of a due increase a couple years ago.
- Other unions have recently been putting through dues increases without difficulties, showing that the pay system platform is far more stable, and a dues increase should not cause a problem with your pay.
- Factoring in inflation makes good business sense now and for the future --- adding an incremental increase tied to EC negotiated salary increases will ensure your association's finances are set up to automatically adapt to our ever-changing economic environment.

Increased workload and complexity of work

- Another reason to propose a dues increase at this juncture is to address the increasing workload and complexity of work we have been dealing with in recent years.
- CAPE has had to manage many disruptive issues which have had significant impacts on our operational capacity.
- The complexity of the work we are handling is far greater than before:
 - we are dealing with a backlog of Phoenix issues and settlement of claims by those who suffered from Phoenix;
 - we are grappling with the pandemic and now mandatory vaccination;
 - we are dealing with increased attention to human rights and employment equity issues such as gender-based issues, and systemic racism;
 - there are also emerging issues such as artificial intelligence and machine learning and how it's impacting the work done by our members;
 - the ever-changing and complex political climate has also increased our workload,
 - finally, our active involvement with the Canadian Labour Congress as a new affiliate has also added to our workload.
- This was just to list a few of the tasks that have added to our workload and that we are dealing with.
- Not only are we working on more complex issues, but the demand on our services is ever increasing and has become overwhelming.
- More people are willing to come forward with cases of discrimination; local leaders — such as your local President, executive, and stewards — rightfully ask for more support from in the form of training and leadership tools.

- The ratio of CAPE labour relations officers to the number of members assigned is exceptionally high, meaning that compared to other unions, the workload of our officers is excessive, and this extra workload has an impact on their ability to provide services in a timely fashion.
- Essentially, the times have changed significantly, and it is reflected in the level of support our members seek from us at CAPE and from our local leadership. We need to provide our volunteers in your locals with the help and tools they need to better perform their roles. The added income from the dues increase will be going directly to support those who support you.

What will we be doing with the money

- This brings me to share more details on how we plan to use the additional funding.
- As you can imagine, more support for our members means needing more hands-on deck – which means that we need to hire more highly skilled professionals and subject-matter experts to support you and your colleagues.
- Upon completing a detailed review of our operational needs earlier this year, it became obvious both to the management team and the National Executive Committee that to be fully effective **we needed the following:**
 - **We need** more labour relations officers to represent you, to take your calls and follow-up with you in a timely fashion so you find us by your side every step of the way and when you expect it;
 - **We need** legal advisors to support our labour relations team and help manage our members' most difficult and complex legal situations, and to improve the strength of our response to emerging issues like mandatory vaccination and Phoenix;

- **We need** more frontline employees dedicated to managing our interactions with our members, for example making sure we can take your calls, so when you reach out to our office you can expect to speak with a real person who can assist or redirect you immediately.
 - **We need** in-house language experts to make sure we provide our members with tools and documentation of equal quality in French and English and help us keep up with the level of information and knowledge content published for you to access, which has increased significantly in recent years.
 - **We need** an HR professional to support our staff, help with our recruitment needs and perform all other typical HR activities currently burdening our executives.
- The added dues are going to support the priorities that the National Executive Committee requested, aid your local leaders in their roles so they can better support you in your workplace, and put us where we need to be so we will be there for you. But the decision will be yours to make.
 - If the dues increase doesn't pass, then without the additional funds we cannot hire more staff, so we will continue with the status quo. But you should note that the dues cannot stay the same forever, CAPE is not immune to inflationary pressures.
 - Here are some other important facts for your consideration:
 - CAPE is the third-largest federal public service union, yet our dues are significantly lower than PSAC, PIPSC, and ACFO. In fact, even after the \$10 dues increase our dues will be significantly lower than those unions.
 - The highest dues increase was approved by the membership in 2006 — the dues increased by \$12, which was a 52% increase.
 - Then 8 years later, in 2014, the membership approved a dues increase of \$13, which was a 37% increase.

- CAPE has a history of approving relatively large dues increases every few years. The proposal for a perpetual dues increase, that is tied the negotiated pay increases for the ECs, should prevent this from happening again in the future.
- Asking you for a dues increase is not easy for us, but it's necessary and it will help us provide the services that are being requested of us.
- Members of the National Executive Committee, the CAPE management team and I are confident that the dues adjustment proposal is sound, fair and will ensure CAPE has the sustainable resources it needs.
- We truly believe this will help us bring the best value and protection to our membership, while keeping our dues lower than the almost all the other Federal Public Service Unions.
- I hope you will support this proposal and when the time comes, you will vote in favour of the dues increase.
- Please send us any question you have to info@acep-cape.ca and please indicate DUES ADJUSTMENT in the subject line.
- We will compile questions and answers and share them with you before our November 10th Annual General Meeting.
- Thank you for your support and stay safe.

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