

# CAPE Budget

## **2025 & 2026**

# Methodology

- Budgets were prepared by analyzing CAPE's historical spend in each category and adjusting for projects/initiatives that are being undertaken in the 2025 and 2026 fiscal years
- Budgeted amounts can be interpreted as the maximum permissible spend in that category – actual amounts spent can vary as a result of new priorities that arise in any given year (i.e. RTO3 in 2024)

# 2025 Highlights

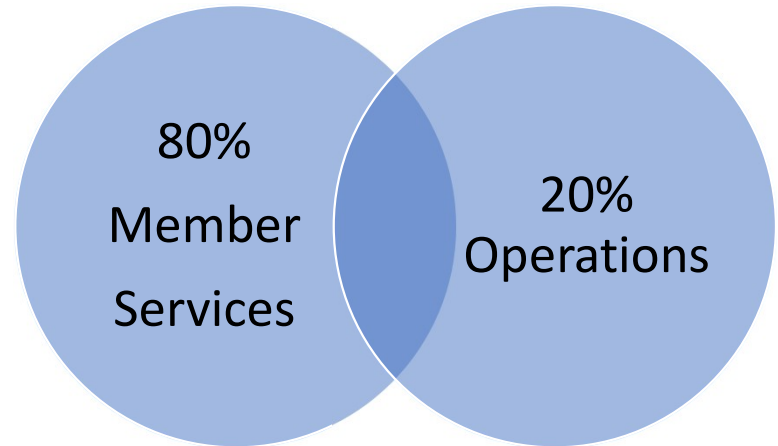
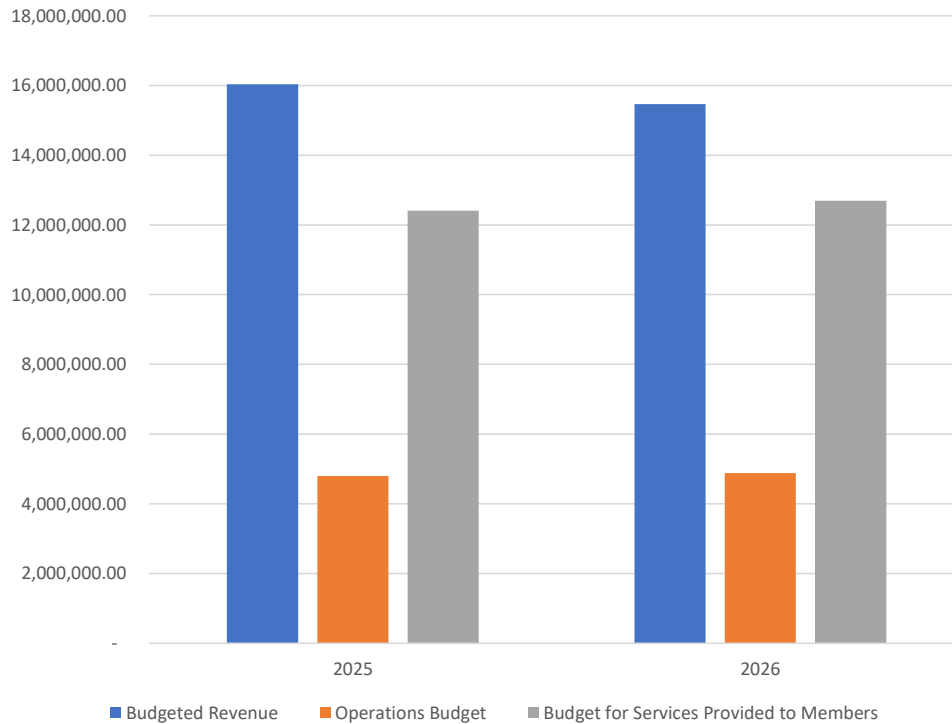
27K Members

Strong Investment  
Portfolio


Focus on  
organizing &  
member  
education

Reducing  
operating costs

# 2025 & 2026 Budget – How are your dues being spent?



# 1. Revenue

- **DUES:** Calculated based on 27,000 dues paying members at \$48 per member per month
- **INVESTMENTS:** Assume a return on investments of 3% per year, based on investment performance at Cumberland Wealth Management since inception
- **TOTAL BUDGETED REVENUE: \$16M --7.4%**

## 2. Salaries & Benefits – Non-Unionized Staff

- Management positions refer to all **EXCLUDED/NON-UNIONIZED** positions at CAPE → **10 TOTAL POSITIONS**
- **Two** term administrative assistant positions moving to indeterminate (already accounted for in 2024 – no additional increase to 2025 budget)
- **One** additional position budgeted for 2025:
  - **Paralegal** to assist General Counsel & Legal Counsel (large amount of work is being done in-house)
- Assumed Salary & Benefits increase is 3% in 2025 and 2% in 2026

## 2. Salaries & Benefits – Unionized Staff

- Budgeting for **three** additional unionized positions to bring total number of unionized staff to 60:
  - 1) Research Assistant (Level 4)
  - 2) Intern (Level 1)
  - 3) Records & Information Management – Administrator (Level 3)
- **Two** term positions in the communications team moving to indeterminate (already accounted for in 2024 – no additional increase to 2025 budget)
- Assumed Salary & Benefits increase is 3% in 2025 and 2% in 2026 (new CAPE /ESU (CSN) Collective Agreement to be renewed in 2024)

## 2. Salaries & Benefits – President

President Salary → As per the contract approved by the National Executive Committee in June 2023 plus 10% short-term incentive pay

Step 1	Step 2	Step 3	Step 4
\$186,000	\$192,138	\$198,479	\$205,000



# Sections 3 & 4 – Severance Pay

- Severance pay can relate to:
  - Employees who depart CAPE within the fiscal year or
  - Per Section 24.06 of the ESU-CSN Collective Agreement → Staff with more than 5 years of service are entitled to cash out their severance pay while still working at CAPE (this reduces the amount payable upon retirement, termination, etc.)

## 5. Communications & Public Affairs – Key Changes

- Budget doubled from prior year
- Increased use of multimedia, online and print advertising and graphic design services to better amplify CAPE's priorities & specific campaigns

## 6. Education – Key Changes (Members, Local Leaders & Stewards)

- Move to virtual meetings wherever possible, resulting in a **67%** reduction in budgeted travel expenses
- Budgeting for **11** education sessions in 2025 → **3** in-person which will relate to the Empowered Stewards Model

## Sections 7, 8, 9, 10 – Cost Savings

- Virtual option for training where possible or minimal travel (\$60K reduction in budgeted expenses)
- Less reliance on external legal firms as many claims are currently being handled in-house (\$200K reduction in budgeted expenses)
- Decreased reliance on external consultants and external recruiting agencies as in-house expertise has increased (\$250K reduction in budgeted expenses)

# Sections 11, 12, 13 – Accounting Items

- These expenses are non-cash items and are purely for financial reporting purposes, but they must be budgeted for as they impact the overall surplus/deficit
- Total expense is ~\$547K:
  - **11.3 Amortization of Furniture & Fixtures** → relates to purchases for new office (amortized over useful life of 5 years)
  - **12.3 Amortization of Leasehold Improvements** → relates to work done to new office space at Constitution Square (amortized over the term of the lease plus any option to extend, which is 15 years)
  - **13.3 Amortization of Intangibles & Computer Equipment** → intangibles such as the member portal and website amortized over 5 years; computer equipment amortized over 3 years
- Years to amortize are based on the useful life of the assets in question and are as per CAPE's Capitalization Policy

# Sections 14 & 15 – Travel & Meetings

- 14. Travel
  - Reduced by **65%** as compared to last year's budgeted amount (savings of \$130K)
- 15. Meetings
  - 15.4 → No Local Leaders Summit budgeted in 2025 or 2026 (as CAPE moves towards a delegated convention)
  - 15.7 → Rename Inter-Union Meetings (previously Networking)
  - 15.13 → No NEC Workshops for 2025 & 2026
  - 15.15 → Funds for CAPE's first delegated convention, tentatively planning for 2026

# Sections 16, 17, 18, 19, 20

- 16. Collective Bargaining
  - Additional \$100K allocated as bargaining prep will begin in 2025
- 17. CLC → Per capita taxes based on 27,000 members
- 18. Local Rebates → increase in the number of locals asking for their rebate; budget adjusted
- 19. Donations → \$5,000 (all donations greater than \$100 must be approved by the NEC via a vote)
- 20. Discretionary → Decrease by \$100K (trending downwards: \$450K allocated in 2023, \$300K allocated in 2024); rename from Contingency

## Section 21 - Organizing

- Previously called Mobilization, Engagement & Education (line 15.9)
- Building CAPE's organizing capacity to support member engagement & campaigns



# Participatory Budget

- Two proposals received
- Assuming both are passed by the membership, total cost will be \$120K

# The Bottom Line

- CAPE is forecasting a budgetary deficit for the 2025 and 2026 calendar years
- Important to note: CAPE's budgets have historically projected deficits, but actual expenditures have resulted in operational surpluses



*Why no deficit??*

**Additional Revenue:** retro dues received & additional positive investment performance

**Cost-conscious spending** → procurement policy, multiple levels of approval, no unnecessary travel