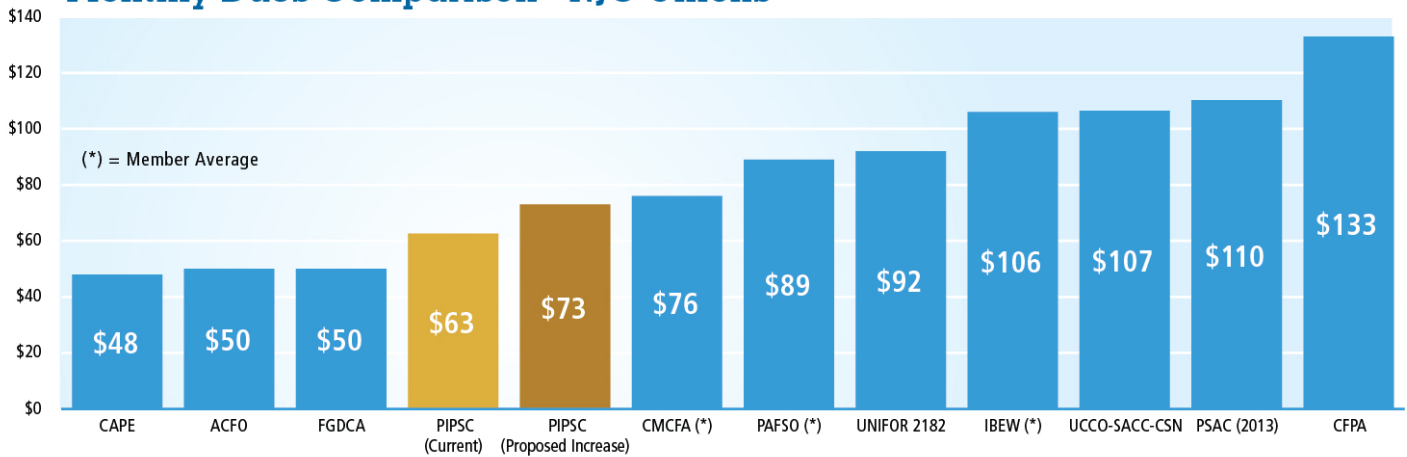




# Top 10 reasons why we need a dues increase

## Monthly Dues Comparison - NJC Unions



### (1) This is our moment to Program for Success

After decades of cuts, outsourcing and downsizing, services and operations that our members deliver and that Canadians rely on are now at risk of being programmed to fail. As the leading voice for professionalism in the federal public service, our goal is to Program for Success.

### (2) We need to invest in PIPSC

A fair dues increase will strengthen the Institute, increase our influence, and allow us to fight for better collective agreements and achieve real results on our members' priorities.

### (3) The rules of the game have changed

The Harper years taught us a tough lesson. To protect our members, our jobs and our livelihood, we need to be strategic, mobilized and influential -- not just during but between elections and rounds of collective bargaining. Through our work in research, communications, lobbying and mobilization, we need to win the hearts and minds of Canadians and their MPs long before we get to the negotiation

table. Only that way can we ensure that the value of professional public jobs is recognized and protected.

### (4) Dues pay for quality services

Your dues and those of other members pay for top-notch negotiators, research staff and analysts when your Group is negotiating a new collective agreement. PIPSC stewards and Employment Relations Officers provide high quality representation at every step of the grievance process. PIPSC supplies expert opinions to correct inequalities in work descriptions and classifications. E-Learning and awards are also funded by member dues. PIPSC legal experts know the law and provide comprehensive defence of our members' rights. PIPSC economists closely monitor economic trends and provide detailed expert analysis of federal budgets and other pivotal government documents. Through regular presentations to parliamentary committees, interventions in court cases, and timely media promotion and mobilization events, your voice is heard by government and the

public. None of this would be possible without your contributions.

#### (5) We've accomplished a lot

- We not only survived the Harper years, we thrived in the face of adversity and put our members' issues front and centre in the media.
- We helped defeat the Harper government.
- We made scientific integrity an election issue.
- We influenced Prime Minister Trudeau's election platform and got results from the new government's first budget, with reinvestments in science and the CRA, and modest reductions in outsourcing.
- We've become a trusted voice on professionalism in the public service.
- We're in the news on every issue that matters to public service professionals.
- We've led successful mobilization campaigns.
- We're being strategic and smart at the negotiation table. We put ourselves in a position to finish this round of bargaining under a Liberal government, not a Conservative one. We've been called "trailblazers" for putting scientific integrity on the bargaining table.

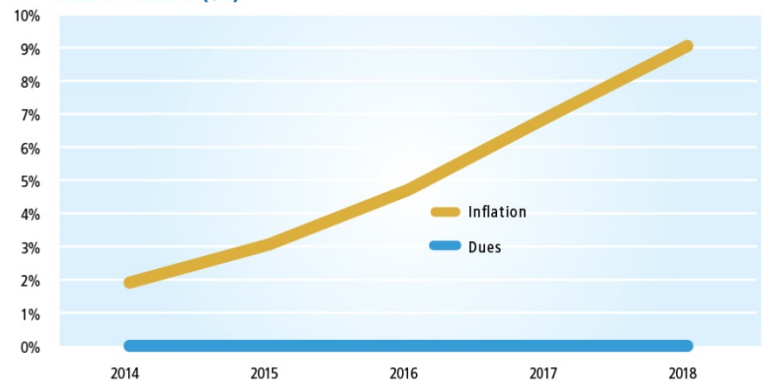
#### (6) We've got much more to do

- We're an ambitious organization and we need to invest in areas that have long been ignored.
- We're building our digital and technological foundation with the investments we've made in Informatics.
- Now we need to make the investments that we've long needed in strategic communications.
- We need to improve our internal communications, mobilization and engagement with members.
- We need to have a cross-Canada presence in the media.
- Our highly successful government relations efforts need sustainable funding and investment. That's how we can train our members for lobbying, organize lobbying events, track our progress and replace the salaries of members who volunteer for these activities.
- And we need to replenish our funds for the challenges that lie ahead. We paid for our

election efforts from our reserves. That kind of work needs its own funding. We need to make the investment today so that by the next round of negotiations, we will be the strongest we've ever been.

#### (7) This dues increase is essential

#### Cumulative Inflation vs. Dues Increases since 2014 (%)



Our dues have not kept up with inflation, let alone with the growing demands on a union of our size, leading to operating budget deficits which have been paid for by tapping into our reserves. We are also facing the resolution of the Olymel case - a law suit against the union because of the actions of a number of our members fifteen years ago. The lawsuit could cost us a maximum of \$3.3 million this year. Due to real estate market conditions outside of our control, we currently don't have a tenant in our building, which could mean a cash-flow deficit of \$1.67 million. A new tenant would require leasehold improvements that could also mean more costs in the first year of their tenancy. Without this dues increase, our reserves will be depleted by the end of 2017. Our employers will know that we will not have the resources to fight for a good deal. We will be forced to review some of our most successful initiatives and campaigns.

#### (8) This dues increase is fair

It's fair in comparison to other unions. It's fair in terms of the growing influence we'll win for you. And it's fair in comparison to the growing cost of doing business.

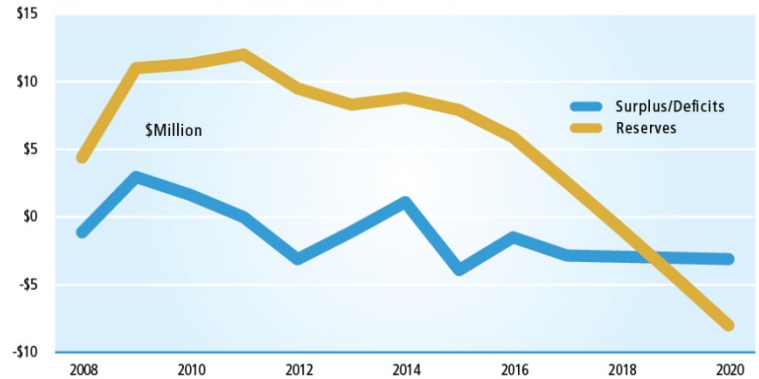
**(9) This dues increase is sustainable**

With this dues increase, you're ensuring the Institute's long-term financial sustainability – and our ability to represent members to the highest standards possible.

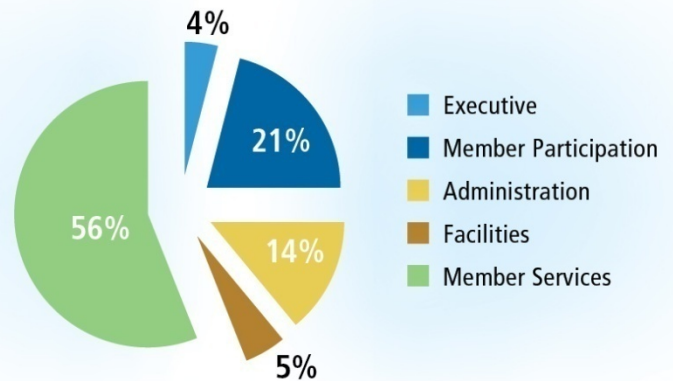
**(10) We have a unique opportunity to influence government**

The federal government is facing a demographic crunch, slow economic growth and competing interests vying for its attention. There will be a tough battle ahead for professionals and professionalism in the public service, including to preserve defined benefit pensions. Will we have a strong voice at the table? We can't do the great work we've been doing and do all the other things that we now know need to be done by continuing to draw down on our reserves. This is our best chance to Program for Success.

**No Dues Increase - Impact on PISPC Reserves (2008-2020)**



**How Dues Are Invested (2016)**



## PIPSC – Financial Statements as at December 31, 2015 - Variance Report

### Instructions

The following variance report is based on the internal financial statements of the Institute as of December 31st, 2015. The Balance Sheet explains increases and decreases to our finances. The Income Statement section explains the difference between budgeted and actual spending in 2015. The numbers on the left refer to the line number of these financial statements for ease of reference.

### Balance Sheet

1. **Cash:** an increase of \$806,000 mostly as a result of cashing long-term investments in order to meet our financial obligations.

6-7. **Long-Term Investments:** a decrease of \$731,000 in order to meet the Institute's financial obligations. When we have a deficit in our budget, we have to pay for it by selling off our investments and spending our savings.

10. **Capital Assets:** an increase of \$884,000 due to investments in leasehold improvements in the NCR office and conference centre, and software and computer equipment as part of the IT modernization approved by the Board of Directors.

12-13. The **accounts payable** and **accrued liabilities:** an increase of approximately \$3.6 million, the majority from the accrued expense of \$3.3 million for the Olymel case. The Olymel case is a law suit against the union because of the actions of a number of our members fifteen years ago. We expect that lawsuit to come to a resolution this year. Our maximum liability would be approximately \$3.3 million. Accounting rules require us to report this maximum liability in our 2015 financial statements.

17. **Bargaining Fund:** a decrease of \$192,000, mostly due to increased expenses for **Negotiations**. The fund is calculated at \$2 per month per member and fluctuates according to actual negotiation expenses in the current year. **Negotiation** expenses were \$177,000 above the budget for 2015.

18. **Strike Fund:** an increase of \$344,000 due to imputed interest on the fund.

### Statement of Revenue and Expenses

#### Revenues

1. **Dues:** \$581,000 under the budget from un-collected dues from the employer.

2. **Investment Income:** \$122,000 above the budget due to better market performance.

#### Cost of Service to Members (Lines 4 to 29)

4, 6-10. **Salaries and other staff related expenses:** salaries were on budget with a variance of only \$13,000 and all other staff-related expenses (**overtime, education, travel, recruitment**) were under-budget, for a total savings of \$220,000.

5. **Fringe Benefits:** \$750,000 over budget mainly due to severance expenses related to board-approved staffing reorganization in 2015. These expenses are non-recurrent and savings from this reorganization are expected in 2016 onward.

11. **External Legal Fees:** \$3.3 million over budget as the Olymel liability is now accrued as an expense, having met all Generally Accepted Accounting Principal requirements. The Olymel case is a law suit against the union because of the actions of a number of our members fifteen years ago. We expect that lawsuit to come to a resolution this year. Our maximum liability would be approximately \$3.3 million. Accounting rules require us to we report this maximum liability in our 2015 financial statements.

13. **Audit & Consultant Fees:** \$150,000 over budget due to increased demands on our auditors, member engagement, federal election efforts and IT modernization.

14. **External Translation:** \$34,000 under budget despite the growing demands on our internal translation team. Having adopted new processes that increased internal capacity, our team was able to translate more materials in-house.

15. **Office & Printing expenses:** \$54,000 over budget due to higher demand caused mostly by the federal election related activities.

17. **Member and Public Relations:** \$145,000 under budget as a result of limiting our spending on the Third-Party Registrant during the Federal Elections and being cost conscious in our activities. This line includes Better Together initiatives. A number of mobilization activities have been accounted through other budget lines.

19. **Member Benefits and Promo Items:** \$35,000 under budget due to the better management of inventories. This line consists of all promotional items that are purchased for the e-Store for the members' benefit in their various mobilization events.

21. **National Office Rent & Operating costs:** \$256,000 under budget due to a one-time property tax recovery for previous years. This credit is not expected to reoccur in the future.

26. **Computer Support expenses:** \$234,000 over budget due to under-budgeting on this line item. The actual cost was in fact in line with our 2014 actual cost. This under-budgeting has been rectified in the 2016 budget.

#### **Cost of Member Participation (lines 30 to 50)**

30. **Negotiations:** \$177,000 over budget due to increased bargaining activities. The amount was drawn from the **Bargaining Fund** explained earlier in the report.

32. **Members' Training** expenses: \$107,000 under budget due to lower participation from stewards.

33. The **Regional, Branch & Sub-Group Executive Meetings:** \$82,000 under budget due to fewer in-person meetings held by constituent bodies.

34. The **Group Executives** expenses: \$108,900 under budget since no Group surpassed the total number of meetings allowed by PIPSC Policy on Institute Group.

35. The **Constituent Bodies Allowances:** \$75,000 over budget as a result of an AGM 2014 resolution which modified the formula for constituent body allowance allocation. The annual budget now reflects the implementation of the new calculations as approved by AGM 2014.

39. **Steward Councils:** \$208,000 under budget due to lower attendance by stewards in all regions.

40. **Member mobilization:** \$108,000 over budget. This is a new line that did not originally exist in budget 2015. In previous years, mobilization costs were accounted for under a number of a different lines. They are now consolidated in a new and separate line item.

41. The **President and Vice-Presidents** expenditures: \$109,000 under budget due to more effective use of technological solutions to reduce costs in training, travel, accommodation, hospitality and equipment for the Elected Officials.