



University of Victoria  
Faculty Association

# TREASURER'S REPORT

FACULTY ASSOCIATION OGM  
10 DECEMBER 2019

# OUTLINE

- **Update since April 2019 AGM**
- **FA Budget Process**
- **Budget Basics**
- **Financial Overview**
- **2020/21 Preliminary Budget**
- **Questions**
- **OGM Motions**

# UPDATE

- **First full year with increased mil rate. Audited surplus of \$287,000 in 2018/19**
- **Bargaining has wrapped up**
  - New contract expires June 30, 2022

# FA BUDGET PROCESS

- **Treasurer prepares budget**
  - in consultation with staff and Finance and Investment Committee
- **Executive Committee recommends approval to Council**
- **Council recommends approval to Membership**
- **Preliminary Budget approved at OGM**
- **EC-approves revisions, which are presented to Council, who approves sending the Final Budget to AGM**
- **Final Budget approved at the April AGM**



# MIL RATE INCREASE HAS DELIVERED SURPLUS IN ITS FIRST YEAR

- Add to Defence Fund to reach target of \$800,000 (roughly 1 year's spending) in 2-3 years; target was approved with budget, as per new Bylaws
- Review or reduce mil rate once target reserve level reached
- Since we started 2018/19 with deficit, will keep 3 months of operating expenses in operating account and put rest of surplus in reserve.

# BUDGET BASICS

## **Some expenses are unpredictable**

- Duty of Fair Representation means we must pursue valid grievances
- Depending on actions of administration and other unions on campus additional legal costs may arise

## **However, revenues are fairly predictable**

## **Budget tries to live within our means**

## **Principles unchanged:**

- Frugal/prudent office and financial management
- Sufficient funding for core functions
- Build adequate reserves (\$800,000)

# 3 SOURCES OF REVENUES COLLECTED FROM MEMBERS

Revenues from membership dues are composed of 3 components:

- the mil rate of 8 applied to members' gross salary
- the mil rate of 1.5 to pay for CAUT membership
- flat fee of \$3.61 (in 2018/19) and \$3.68 in (2019/20) to pay for CUFA BC membership on each paycheque

# FINANCIAL OVERVIEW

- **Project budget surpluses in 2019/20 and 2020/21 even if all contingencies expended**
- **Budget surplus in 2018/19**
- **Reserve funds continue to be invested in GICs**  
(Guaranteed Investment Certificates; CDIC insured, fixed rate, no withdrawal penalties)



# COMPONENTS OF MEMBERSHIP FEES

- CAUT Membership
- CAUT Defence Fund
- CUFA BC Membership

# CUFA BC DUES

## CUFA-BC Per Member Dues Rates

Fiscal Year (July 1 – June 30)

Per Member Per Payroll

2018-2019

\$3.61 – Old CUFA-BC Dues Rate

2019-2020

\$3.68 – New CUFA-BC Dues Rate

# CAUT DEFENCE FUND AND CAUT DUES

- Defence Fund membership dues are roughly \$5.50 per member per month (CAUT charges us for 825 members which may vary slightly from the actual number of members for various reasons).
- CAUT dues are also a function of the number of members. In this case we are currently charged for 840 people in various ranks/functions. Total fees per month are \$12,206.08 currently.
- The flat fee that you pay each paycheque and revenues due to the 1.5 mil rate roughly offset CAUT dues and CUFA BC dues.
- Membership counts are updated to CAUT semi-annually and to CAUT Defence Fund once in February.

# **BUDGET 2019/20 UPDATE: UNEXPECTED HIGHER EXPENSES**

**We experienced two areas of higher expenses than anticipated in the months of our 2019/20 budget year so far.**

- HR related consulting (about \$10,000)
- Legal fees associated with threat of strike of Sessional Instructors (\$15,000)

**Good news: No bargaining costs as we came to an agreement in June 2019.**

	Audited 2018/19	Budget 2019/20	Preliminary Budget 20/21
<b>Revenues (FA dues, interest)</b>	<b>1,082,957</b>	<b>1,100,299</b>	<b>1,128,580</b>
Membership fees	266,778	273,600	274,651
Legal services for members	84,192	107,660	93,400
Association services	10,759	14,556	14,500
Communications	1,201	6,400	3,200
Education and training	14,580	12,200	14,100
Governance and committees	52,324	48,400	38,300
Office, research	48,011	42,995	41,574
Special commitments	2,200	7,000	2,000
Wages and benefits	300,027	345,600	356,926
Amortization (not in budget)	8,574		
<b>Net Surplus</b>	<b>287,037</b>	<b>241,888</b>	<b>289,930</b>
Contingency	0	138,000	84,500
<b>Net Surplus including contingencies</b>	<b>287,037</b>	<b>103,888</b>	<b>205,430</b>

# PROJECTED/ACTUAL VS. SURPLUSES BASED ON MIL RATE OF 2

	18/19 audited	Budgeted 19/20	Preliminary budget 20/21
Net Surplus before contingencies	287,037	241,888	289,930
Net surplus with retention of estimated revenues from mil rate of 2	226,261	229,919	235,621

# ASSOCIATION DEFENCE FUND

- Started at \$223,116 on July 1, 2018
- Ended with \$224,454 on June 30, 2019
- We propose to put the net surplus (minus 3 months of operating costs) in our Defence Fund.

# FA SCHOLARSHIP FUND

- The FA has a well-endowed Scholarship & Bursary Fund – producing approximately \$35,000 in awards annually.
- It was past practice to also donate money from the FA revenues to an additional annual FA Scholarship, but we stopped this practice as part of trimming our annual budget.
- The short budget of 2018, and both 2018/19 and 2019/20 budgets, made no donation to the FA Scholarship. In order to continue to not make this annual donation, we need a motion to remove this item from the budget (Motion 3 in this report).



# Questions?

# MOTION 4.b.iii.

## Appointment of the Auditor for the 2019-20 Fiscal Year

*THAT Wiseman & Mills be appointed as the Auditor of the University of Victoria Faculty Association for the 2019-2020 fiscal year.*

# MOTION 4.b.iv.

## Annual Scholarship Fund Donation

*THAT the Faculty Association Scholarship donation (budget line item L.a.) be removed from the Association's annual budget.*

# MOTION 4.b.v.

## July 1, 2019 – June 30, 2020 Preliminary Budget

*THAT the 2020-2021 Preliminary Budget, as presented in the 10 December 2019 Ordinary General Meeting Treasurers Report, is accepted.*

# MOTION 4.b.vi.

## Defence Fund & Operational Fund Transfers

*THAT the Association retain \$200,000 from the current surplus as the Association's Operating Fund, with \$100,000 of that amount placed into a cashable GIC.*

*AND,*

*THAT the full amount of the remaining surplus (after the \$200,000 retainer) be transferred to the Association's Defence Fund as a cashable GIC.*