



## **Responses to statements contained in “Vote NO to the CAPE Dues Increase Right Now”**

The CAPE National Executive Committee (NEC), upon the recommendation of the CAPE Finance Committee, is proposing an increase of \$15 per month in the amount of dues paid by CAPE members. While it goes without saying that a decision to raise dues is never greeted with enthusiasm, the NEC has been entirely above board in explaining its reasons for making this move.

We quite understand that some members will choose to actively oppose the increase, and we can see the need for discussion. However, it would be preferable to engage in open debate without massaging the figures.

Here then are a few responses to some of the issues raised in a tract that was distributed to a number of members last week. Members who would like to pursue the debate and who are in a position to do so are urged to attend the Special General Meeting that will be held on June 19 in Ottawa. You will then be able to vote on the basis of facts.

### ***The dues increase will preserve member services***

CAPE always makes certain to provide its members with a full range of services. As of this writing, 3,291 CAPE members in the EC group have received notices that their positions are among those affected by the budget cuts. This means that one out of every four members is affected. Many of these members will need the support of their union to help them make the best possible decision for their individual situation and to ensure that their rights are not violated. CAPE's budget must reflect this reality, particularly in light of the fact that the planned public service cuts are only just beginning. More members may be affected in the months ahead.

Moreover, whenever the President and/or any of the Labour Relations Officers are absent on vacation or on other types of authorized leave, the responsibilities of CAPE's various team members are adjusted to ensure that services are provided to all members in a timely fashion.

### ***The proposed dues increase is transparent***

We considered proposing a monthly dues increase of \$10 per month, but we ultimately calculated that the amount of the increase needed to be on the order of



\$15 per month. This was based on the assumption that we would be facing a shortfall requiring an increase of this magnitude. We believe that the voluntary and involuntary departures resulting from the budget cuts could cost CAPE 8% of its membership; revenue from the collection of dues will therefore be reduced accordingly, and the monthly \$15 increase will offset that loss.

### ***Options for additional cost savings***

We have examined the options for saving costs. The CAPE Finance Committee identified \$500,000 in savings on projected expenditures, lowering the expected deficit from \$2 million to \$1.5 million.

We gave very serious consideration to moving out of our offices at 100 Queen Street once our lease came up for renewal. A special committee was established to examine CAPE's office accommodations and consider various alternatives; a firm specializing in this field provided assistance to the committee at no charge. Given the current rental market conditions in Ottawa, however, it was determined that the best option for us financially was to remain in our current location. This will save us an estimated \$300,000 in moving costs, and our rent will be lower starting in 2013. More importantly, the decision to stay put will ensure that there are no disruptions in services to members.

### ***There is in fact some degree of urgency***

It was suggested that CAPE cash in its short-term investments to help cover the loss of revenue over the coming months. It should be pointed out that our auditors have advised us to keep a reserve on hand equivalent to one year of dues – an amount we do not entirely have at this time. Dipping into our investments will undermine our financial situation and could lead to problems in our financial statements. In addition, it is essential for us to maintain a reserve fund to make sure that we are not vulnerable to government actions concerning the work of our members.

The National Executive Committee is therefore recommending that you approve this proposed increase in membership dues.