



**Professional
Employees
Association**

CONVENTION 2011

2011 Draft Minutes

For Presentation to the 2013 Constitutional Convention

Minutes
of the
9th CONSTITUTIONAL CONVENTION
of the
PROFESSIONAL EMPLOYEES ASSOCIATION
held at the
Hotel Grand Pacific
Victoria, B.C.

April 9, 2011

TABLE OF CONTENTS

CALL TO ORDER	1
CREDENTIALS REPORT	1
DELEGATES	2
STAFF	3
CONVENTION COMMITTEES	4
CONVENTION RULES OF ORDER	5
INVESTMENT REPORT	6
ALLOCATION OF RESOLUTIONS	6
REPORT OF THE WAYS & MEANS COMMITTEE	6
SECRETARY-TREASURER'S REPORT	6
FINANCIAL STATEMENTS	6
APPOINTMENT OF AUDITORS	6
REPORT OF THE RESOLUTIONS COMMITTEE	7
PRESIDENT'S REPORT	7
EXECUTIVE DIRECTOR'S REPORT	7
ELECTION OF TABLE OFFICERS	8
UNFINISHED BUSINESS	8
NEW BUSINESS	8
REPORT OF THE RESOLUTIONS COMMITTEE (cont'd)	8
APPROVAL OF THE 8 th CONSTITUTIONAL CONVENTION MINUTES	10
ADJOURNMENT	10

MINUTES
of the
9th CONSTITUTIONAL CONVENTION
of the
PROFESSIONAL EMPLOYEES ASSOCIATION
held at the
Hotel Grand Pacific
April 9, 2011

CALL TO ORDER

President Frank Kohlberger called the 9th Constitutional Convention of the Professional Employees Association to order at 9:00 a.m. on Saturday, April 9, 2011.

The President welcomed the delegates to the PEA's ninth constitutional convention.

CREDENTIALS REPORT

The President called on Tom Gore, Chairperson of the Credentials Committee, to give a report.

The Chairperson reported that there were 65 delegates and Executive members registered. He also reported that there were 8 staff in attendance.

The Chairperson reported that the following 9 delegates were unable to attend as planned:

Laura Kuypers of the Health Science Professionals Chapter; **Vivian Coubarakis** of the Community Health Services & Support Chapter; **Kerry Clark**, **Scott Scholefield** and **Ken Chalmers** of the Government Licensed Professionals Chapter; **Rod Holloway** of the Legal Services Society; and **Sarah Riecken**, **Sarwan Dillon**, and **Erik Fleischer** of the University of Victoria Chapter.

The following alternates were registered:

Kalea Buckler for **Vivian Coubarakis**, of the Community Health Services & Support Chapter; **Lynda Murdoch** for **Scott Scholefield** of the Government Licensed Professionals Chapter; and **Lance Grant** for **Sarah Riecken**, and new delegate **Heather Regan** of the University of Victoria Chapter.

M/S/C that these delegates be seated.

M/S/C that the Credentials Committee stand down, with thanks.

DELEGATES

The following delegates were registered.

Association Executive

Table Officers

President	Frank Kohlberger
First Vice-President	Shel Harris
Second Vice-President	Tom Gore
Secretary-Treasurer	John Foxgord

Chapter Representatives

Government Licensed Professionals	Bruce Barnewall Kathy Danchuk Richard Voyer
--	---

Lawyer Chapters	Michael Rhodes
------------------------	----------------

Education Chapters	Sonny Wilson
---------------------------	--------------

UVIC Administrative & Academic Professional Staff	Jonathan Foweraker
--	--------------------

Community Health Services & Support Staff:	Maryann Bandoian Liz Magee-Davis Michele Greenaway
---	--

Family Maintenance Enforcement Program Lawyers:	Veronica Beier Brent Hird
--	------------------------------

Government Licensed Professionals:	Dave Baird Rosemary Barnewall Julie Castonguay Ken Chalmers Jessy Chaplin Brian Chow James David Richard Dominy Ted Fuller Mark Hayter Steven Heppner Andrea Inwards Harry Jennings Ronald LaTorre
---	---

Government Licensed Professionals (cont'd):

Mike Madill
Warren McCormick
Heather Narynski
Robert Norwell
Gerald Reichenback
Zaheen Rhemtulla
Enrique Sanchez
Martin Sills
Jason Yates
Tigerson Young

Health Science Professionals:

Amanda Bartlett
Joanne Montgomery

Legal Services Society Lawyers:

Judith Kenacan

Okanagan Regional Librarians:

Georgia McKay
Fern Teleglow

Prince George School District Professionals:

Sarah Dowling

St. Margaret's School:

Gregor Campbell
Natasha Carville
Nan Lefebure

**University of Victoria Administrative &
Academic Professional Staff:**

Emma Carter
Chris Coey
Susan Dempsey
John Fagan
Catherine Franz
Jason George
Cliff Haman
Sheryl Karras
Leslie Kenny
Bert Klatt
My Lipton
Melana Mar
Jill Tate

STAFF

Executive Director
Labour Relations Officer
Labour Relations Officer
Labour Relations Officer (Temporary)
Financial Officer
Communications Officer

Scott McCannell
Rhiannon Bray
Al Gallupe
Tony Bute
Teresa Humphries
Brett Harper

Executive Assistant
Administrative Assistant (Temporary)

Toshie Arakawa
Joanne Petersen

CONVENTION COMMITTEES

Resolutions Committee:

Shel Harris, *Chairperson*
Lynn McCaughey
Rosemary Barnewall
Amanda Bartlett
Scott McCannell, *Secretary*

Ways & Means Committee:

John Foxgord, *Chairperson*
Jonathan Foweraker
Leslie Kenny
Brian Chow
Natasha Carville, *Alternate*
Scott McCannell, *Secretary*

Credentials Committee:

Tom Gore, *Chairperson*
Michael Rhodes
Melana Mar
Julie Castonguay
Heather Narynski, *Alternate*
Toshie Arakawa, *Secretary*

Sergeant-at-Arms Committee:

John Fagan
Brent Hird
Bert Klatt
Gerald Reichenback
Richard Dominy, *Alternate*
Al Gallupe, *Secretary*

Table Officers Nominating Committee

Shel Harris, *Chairperson*
Linda Lucier
Mark Hayter
Fern Teleglow
Scott McCannell, *Secretary*

GUEST

The following guest was introduced: Steven Beasley, Parliamentarian.

CONVENTION RULES OF ORDER

The Executive Director read the Rules of Order:

1. A member of the Association may bring any matter before a convention for consideration by means of a resolution. The resolution must be signed by the member and at least one other member before it can be considered.
2. A resolution, except a resolution to amend the constitution, can be considered from the convention floor only if at least two-thirds of the delegates present, and voting, vote to accept the resolution for consideration.
3. Convention reports cannot be amended from the convention floor but a motion to refer the report back to the committee for reconsideration is in order. A motion to refer is not debatable. When a referral motion is properly seconded, it must be put to a vote immediately. A delegate cannot move referral after speaking on the issue.
4. If the recommendation of a committee is defeated, the matter is automatically referred back to the committee.
5. Once presented, a motion is the property of the convention. It may be withdrawn only by a majority vote of the delegates present and voting.
6. A motion to reconsider can only be made by a voter in the majority. Such a motion requires a majority to pass.
7. A delegate wishing to speak on a motion on the floor must be at a microphone and be recognized by the chair of the convention.
8. If a point of order is raised while a delegate is speaking, the delegate shall, at the request of the chair, stand down until the question of order has been decided.
9. If two or more delegates rise to speak at the same time the chair of the convention will determine the order of speakers.
10. Except when a delegate is speaking, a delegate can request that a motion be re-read for information.
11. No delegate can interrupt a delegate who has the floor except to raise a point of order.
12. A delegate may not speak more than once on an issue until all others who wish to speak have had an opportunity to do so.
13. A delegate who refuses to stand down when requested by the chair to do so shall be subject to suspension for the remainder of the session.
14. Speeches are limited to three minutes.
15. Except as set out above the convention will be governed by Roberts Rules of Order.

M/S/C to accept the Rules of Order.

INVESTMENT REPORT

The President introduced Paul Siluch, PEA Investment Advisor, who reported on the investment portfolio's performance in 2010 and the first quarter of 2011.

ALLOCATION OF RESOLUTIONS

The President introduced Shel Harris, Chairperson of the Resolutions Committee, who referred the Secretary-Treasurer's Report and the 2009 & 2010 Audited Financial Statements to the Ways & Means Committee.

REPORT OF THE WAYS & MEANS COMMITTEE

The President called on John Foxgord, Chairperson of the Ways & Means Committee to give his report.

The Chair introduced the members of the committee and PEA auditor Chris Cowland of the accounting firm Cowland Paterson & Co.

SECRETARY-TREASURER'S REPORT

(full report printed at the end of minutes)

In his report to delegates, Secretary-Treasurer John Foxgord reviewed the 2009 and 2010 audited financial statements, highlighting the decrease in dues revenue, the increase in operating expenditures, and the gains and losses in investment assets. He noted that many of the expense categories showed little change from 2008, however, there were variances in the 2009 budget in areas of Membership Services, Executive and Constitution, Staff Salaries and Benefits and *The Professional*. The increases in operating expenses reported for 2010 were offset by several decreases in expenses, and variances were seen in the areas of Membership Services, Occupancy Expenses, Staff Salary Benefits and *The Professional*. Operating deficits, after amortization, of \$11,463 and \$116,244 were experienced in 2009 and 2010 respectively. He concluded his report by thanking PEA's financial officer, investment advisor and auditor, and PEA members and staff on the Finance & Investment and Ways & Means Committees.

M/S/C to accept the Secretary-Treasurer's Report.

FINANCIAL STATEMENTS

M/S/C to accept the 2009 & 2010 Audited Financial Statements.

APPOINTMENT OF AUDITORS

M/S/C that the firm Cowland Paterson & Co. be reappointed as Association auditors for the 2011 & 2012 fiscal years.

REPORT OF THE RESOLUTIONS COMMITTEE

The President called on Shel Harris, Chairperson of the Resolutions Committee, who introduced the members of the committee.

Shel reported that no resolutions were submitted prior to the February 23, 2011 deadline established under the PEA constitution. Delegates were reminded that resolutions can be brought forward from the convention floor provided that 2/3 of the members vote to admit the resolution.

The Chairperson of the Resolutions Committee called on the President to present his report.

PRESIDENT'S REPORT

(full report printed at the end of minutes)

President Frank Kohlberger reported on the shared commitment PEA members have in making a difference in the everyday lives of British Columbians and striving for the best working conditions. He noted the challenges faced by the Association, including budget cuts and job losses in a number of the chapters. He also reported on the actions to educate the public on the impact of cuts and promote the value of professionals through alliances with organizations such as the Coalition for Legal Services and the PEA's Professionals for BC campaign. Frank reported that eight chapter agreements were ratified. He stated that the Association will be focused on diligent, strategic and thorough preparations for bargaining and will be calling on members' support to achieve the goals at the bargaining table. Frank concluded his report by acknowledging the efforts of the staff and membership.

M/S/C to accept the President's Report.

The Chairperson of the Resolutions Committee called on the Executive Director to present his report.

EXECUTIVE DIRECTOR'S REPORT

(full report printed at the end of minutes)

Executive Director Scott McCannell opened his report by acknowledging the importance of strategic planning and preparations to achieve collective bargaining objectives. Workers in B.C. and elsewhere are currently facing challenges such as the high unemployment rates, wage freezes and threats to union rights. He reported that PEA will focus on addressing members' interests and needs and will continue the opportunity for informed dialogue. He closes his remarks by thanking volunteers, members, local representatives, executives and staff for their efforts and contributions to the priorities of the union.

M/S/C to accept the Executive Director's report.

ELECTION OF TABLE OFFICERS

The President turned the gavel over to Scott McCannell, Executive Director, who outlined the procedures for the election. S. McCannell called on the Chairperson of the Table Officer Nominating Committee to give his report.

Shel Harris, Chair of the Table Officer Nominating Committee reported on the nominees for the table officer positions.

President

Nominations were declared open for the position of President, for a two-year term. Frank Kohlberger was nominated and no further nominations were made. After agreeing that he would stand for the position of President, Frank Kohlberger was declared elected by acclamation.

First Vice-President

Nominations were declared open for the position of First Vice-President, for a two-year term. Sonny Wilson was nominated and no further nominations were made. After agreeing that he would stand for the position of First Vice-President, Sonny Wilson was declared elected by acclamation.

Second Vice-President

Nominations were declared open for the position of Second Vice-President, for a two-year term. Tom Gore was nominated and agreed to stand for the election. After agreeing that he would stand for the position of Second Vice-President, Tom Gore was declared elected by acclamation.

Secretary-Treasurer

Nominations were declared open for the position of Secretary-Treasurer, for a two-year term. Jonathan Foweraker was nominated and no further nominations were made. After agreeing that he would stand for the position of Secretary-Treasurer, Jonathan Foweraker was declared elected by acclamation.

UNFINISHED BUSINESS

None.

NEW BUSINESS

Resolutions from the Floor

Seven resolutions were received from the floor.

The delegates voted to allow the following resolutions on the floor for debate.

The Chairperson of the Resolutions Committee read the following resolutions to the delegates and made recommendations on behalf of the committee. The delegates either adopted, referred or defeated the resolutions as follows:

RESOLUTION #1

BE IT RESOLVED that the PEA in collaboration with its chapters, in a manner consistent with the PEA Communications Policy, respond on behalf of its members to select articles in newspapers and other forms of media which provide inaccuracies associated with PEA and chapter members, with the objective of providing clarification of facts (such as true compensation of its members), and demonstrating the contribution and value that PEA members afford society.

M/S/C Concurrence

RESOLUTION #2

BE IT RESOLVED that the PEA Executive provide members with an option (on the PEA website, for example) to decline a mailed copy of *The Professional*.

M/S/C Concurrence

RESOLUTION #3

BE IT RESOLVED that the PEA implement an effective method by which to facilitate and encourage inter-member communication, on PEA issues (such as an electronic discussion forum), between PEA members, within 6 months of end of 2011 convention.

The committee amended the resolution as follows:

BE IT RESOLVED that the PEA investigate effective methods by which to facilitate and encourage inter-member communication on PEA issues (such as an electronic discussion forum), between PEA members, and report back to the Executive within three (3) months of end of 2011 convention with a cost benefit analysis and possible implementation strategies for various options including inter and intra chapter discussions.

M/S/C Concurrence

RESOLUTION #4

THEREFORE BE IT RESOLVED that the PEA develop a policy of being precluded in the future from running a deficit of operating expenditures over operating revenue in more than two consecutive years.

M/S/C Non-Concurrence

Two amendments to resolutions were received from the floor.

The delegates voted against allowing the resolution on the floor for debate.

APPROVAL OF THE 8th CONSTITUTIONAL CONVENTION MINUTES

M/S/C that the minutes of the 8th Constitutional Convention be adopted.

M/S/C that the Resolutions Committee stand down, with thanks.

ADJOURNMENT

The 9th Constitutional Convention of the Professional Employees Association adjourned at 3:07 p.m., Saturday, April 9, 2011.

President's Report

At this, our ninth Constitutional Convention, we, the PEA, continue to pursue excellence in representing our members, who as professionals are passionate about their jobs and making a difference in the everyday lives of British Columbians. The PEA, as most of us know it, is a collection of employees from across British Columbia who share a common vision — that professionals enjoy the absolute best in working conditions while doing the jobs they love. I have been privileged to work closely with the eleven other Association Executive members who are all deeply committed to our vision and the equitable treatment of all members, no matter what chapter they are in. As in past years, the environment we are operating in presents both challenges and opportunities ahead.

This has been another year where we have felt the impact of budget cuts and layoffs in a number of our chapters. Following massive layoffs in 2009, job losses continued at the Legal Services Society (LSS), as in late March, five regional legal aid offices shut their doors and the LawLINE and the Community Advocate Support Line (CASL) were also shut down. This leaves only five lawyers at the LSS down from 32 in April of 2009. With the closure of these regional legal aid offices, the LawLINE, and CASL, accessing justice will become much harder for those requiring legal aid. Cutting PEA positions was also an issue in the Prince George School District, Saint Margaret's School, Okanagan Regional Library and in the Public Service where, in May, another 42 positions were eliminated in the Ministry of Forests and Range. The PEA is establishing alliances with other organizations such as the Coalition for Legal Services and various groups opposing the decimation of a professional public service to ensure that the public understands the impact of these cuts. Fortunately our members in the Government Licensed Professional's chapter have significant employment security protection. We have also continued to

promote the value of professionals in broader society through our Professionals for BC campaign and will continue to get our message out as to how important the work of our membership is.

The PEA also promotes our values and interests in the broader community. Donations of \$2000 were made to five organizations as part of our Giving Back 2010 program. This new PEA program invited all members to vote for their choice from among 30 potential organizations. Recipients were British Columbia SPCA, Greater Victoria Coalition to End Homelessness, Patient Support Services of BC, Salvation Army and Victoria Women's Transition House. We also support our members and their families with 15 scholarships and bursaries that are made available annually.

The last year and the start of this year have been very busy on the bargaining front for all but one of our chapters. At the time of this report, eight settlements were ratified. Most of our members continue to be forced to bargain under a restrictive Government bargaining mandate that has meant two-year deals with no wage increases for our public sector members. Our Family Maintenance and Enforcement Program lawyers, who are not covered under the Government wage freeze voted unanimously in support of a strike mandate and ultimately were able to secure collective agreement wage increases and improvements without taking job action.

The Executive is supportive of enhanced efforts to engage our membership in the lead up to 2012 bargaining, as we are likely to have eight or more chapters bargaining again. The year 2011 will be a critical year for bargaining preparations. There is no question that we are concerned about the impact of the current wage freeze on the well being of members and that the PEA will continue to pursue every opportunity for fair and reasonable collective agreements.

The Executive has continued to refine a Strategic Communications Plan for the PEA that will be revisited and actioned out with new staff. We made a decision to close the Surrey Office in December of 2010 and believe this will have a positive impact on operations in the future. We also made significant efforts to pursue the purchase of a building for the PEA in 2010, but were not able to find an investment that we believed was appropriate in terms of stewarding our assets. Our new PEA office is leased through to the end of March 2013 and this will allow us an appropriate window to reconsider a strategy in this regard.

We have seen turnover on both the executive of the PEA and on the staff. I would like to thank Kathy Kendall for her service to the PEA as president prior to her stepping down in March as a result of the LSS layoffs.

On the staff side, Executive Director Jodi Jensen left the PEA in January of this year. I would like to recognize and thank Jodi for more than 12 years of dedicated service to our association and its members. She was part of significant positive change at the PEA, including a new governance structure, establishing a delegated convention, growth through the certification of new bargaining units and a quantum leap forward in our membership communications that have achieved national recognition. Jodi has worked tirelessly with members, including elected leaders, local reps and committee volunteers, to foster an inclusive, transparent and collaborative organizational culture to support the achievement of our goals. For those of you who have worked directly with Jodi, you will know that she has been tremendously successful in building relationships and providing leadership.

The Association Executive announced the appointment of Scott McCannell to the position of Executive Director effective January 10. Scott steps into the staff leadership role from his previous Labour

Relations Officer (LRO) position. The Executive is looking forward to continuing to work with Scott to improve our association.

The Executive Director appointment is one of a number of changes at the PEA. Labour Relations Officer Frank Greenlay left the organization effective February 4 rather than relocate to Victoria, following the closure of the Lower Mainland office. Long-term Administrative Assistant Joanne Petersen also left the organization in December after overseeing the Surrey office closure, and Kate Hildebrandt resigned her Communications Officer position the same month. Barinder Rhasode, Labour Relations Officer, left the PEA in early 2010 and Rhiannon Bray was subsequently appointed as Labour Relations Officer. On January 4, the PEA welcomed Toshie Arakawa on a term Administrative Assistant appointment, as Marianna Azouri subsequently commenced a personal leave. I want to assure members that the Executive is confident that current efforts to fully staff our organization will enable us to continue and enhance the service levels our members have come to expect. I would like to thank staff that left the PEA for their efforts and service over the years.

While it is difficult to know what the year ahead will bring us, with somewhat turbulent global and provincial events and a relatively modest economic recovery taking place, I believe it will be an exciting and busy year. You can look forward to changes and improvements in PEA services, dialogue processes and communications. Our association will be very focused on diligent, strategic and thorough preparations for bargaining and the convention workshops are very much intended to aid us in that process. Bargaining is the prime opportunity to engage members of the PEA. Some chapters have already started preparing for bargaining and their bargaining teams will be calling on your support to achieve your goals at the bargaining table.

In closing, I would like to acknowledge our staff and the volunteers who make up the Association and chapter executives, our various committees and our Local Representatives. A special thanks to Tony Bute who accepted a term Labour Relations appointment this spring to help us through a critical period. I also know that all of the current staff at the PEA, Teresa Humphries, Rhiannon Bray, Toshie Arakawa, Mariana Azouri and Scott McCannell have made significant "above and beyond" contributions of their time and energy this winter and spring in the face of a staff compliment reduced by 50%. I want to say welcome aboard to new labour Relations Officer, Al Gallupe, who will be a valuable addition to staff. I hope that we can continue to show patience and appreciation for staff efforts during a challenging period and I would like to thank our membership for their understanding to date.

Finally, I thank all of you for attending this convention and taking the time to get involved in shaping the future of our association. You make the difference in terms of our organization growing stronger and continuing to seize opportunities and respond effectively to challenges. I hope you will benefit from our dialogue at Convention and over the course of the coming months as we continue focus on engaging our members in a better future.

Respectfully submitted,

Frank L. Kohlberger, R.P.F., BSF, Dipl. For.
President

Executive Director's Report

This year, like 2010, continues to be a time of change and renewal for the PEA in its 37th year. While there are some significant challenges facing the PEA, there are also tremendous opportunities to leverage the skills and knowledge of new and existing staff, chapter and PEA executive members and the membership at large in developing new ideas that contribute to improved member service and bettering our workplaces.

A Quick Look Back

In a very busy bargaining year, collective bargaining and bargaining preparation took place in all but one of the PEA chapters in 2010. Settlements were ratified for Government Licensed Professionals, University of Victoria, Legal Services Society, St. Margaret's School, the Oil and Gas Commission (part of the GLP Chapter) and Community Health Services and Support Staff chapters. Ratification votes also recently concluded for Health Science Professionals and Family Maintenance Enforcement Program chapters. Bargaining is ongoing for the Law Society Lawyers chapter and it is expected that compensation issues will be referred to a third party in order to settle the Prince George School District agreement.

Over the last year the PEA experienced significant staff turnover, with five staff members leaving for a variety of reasons through to the end of January 2011. Most notably, former executive director Jodi Jensen left the PEA after more than twelve years of dedicated service. She had served for several years as Senior Labour Relations Officer prior to being appointed as Executive Director. Jodi serviced almost all chapters at one time or another, and was instrumental in initiating many positive changes in the PEA's operations.

Another significant change was the closure of the PEA's Surrey office in December of 2010. We also moved to a new Victoria office in February of this year. The new office at 505-1207 Douglas Street is a more efficient and flexible space, and operating one office will result in ongoing cost savings.

The PEA received very positive feedback in response to the May Education Conference, where attendees learned about membership engagement and reframing organizational thinking. Also on the good news front, the PEA received a second consecutive award for Best Cyberunion from the Canadian Association of Labour Media, as a result of our enhanced web presence and communications strategy.

As your new Executive Director, I am interested in our history, our current challenges and addressing the needs of the future. I intend to continue working with the PEA Executive, staff and membership to map out the best path forward for our organization in addressing those needs. The PEA is a unique union, reflecting the interests of professionals. This manifests in collaborative decision making, autonomy for chapters and a pragmatic and reasonable approach to labour relations and collective bargaining. The PEA recognizes and supports our members' professionalism and professional obligations, and our collective agreements reflect this in unique arrangements regarding professional ethics, on-going educational requirements and work patterns.

I also want to focus on supporting and enhancing the PEA's unique model for membership service whereby PEA members have direct access to professional representation by staff labour relations experts. In many unions, members cannot access servicing staff except through their local steward network. While the PEA's service delivery model fits with our professional members' interests and needs, we will continue to pursue opportunities to improve our approaches and member satisfaction.

The PEA's focus has been and will continue to be addressing our members' needs and while the PEA is not affiliated with other unions or umbrella labour organizations, we communicate, share information, and honour the legal rights and strategies of other unions. The PEA has the lowest dues rate of any public sector union and exercises prudent financial management of our assets.

2011 and Beyond

The context for moving forward in 2011 is that we will be operating in continually changing and more than likely challenging times. Broadly speaking, the BC economy has started to improve, but unemployment continues to hover at 8% and foreseeable labour market demand for skilled

professionals is not likely to be as “hot” as it was earlier this decade. Wage settlements across Canada are generally keeping up with increases in the Consumer Price Index, with BC’s public sector being the exception as a result of the Provincial Government’s current wage freeze. The recent provincial budget projects moderate economic growth of 2.0 to 2.7% over the next two years, with a deficit until 2013/14. There also seem to be increasing workplace demands on many professionals, relating in some cases to budget pressures and downsizing.

As for 2011 priorities, we will be looking to maximize member engagement in preparation for a strategic approach to collective bargaining, which will involve at least eight of our twelve chapters. The vast majority of PEA members bargain under the provincial Government’s PSEC mandate. Members can expect more information and data prior to bargaining agendas being established so that there is opportunity for informed dialogue in determining bargaining priorities and interests.

The PEA will also be bargaining with the CEP, which represents our unionized staff, as our collective agreement expires at the end of this calendar year.

The filling of staff vacancies continues as we are currently in the process of hiring a communications officer, a temporary administrative assistant and a Labour Relations Officer (LRO). I am very pleased that Labour Relations Officer, Al Gallupe, joined our staff in March. We have been operating in “triage mode” over the last few months given a significantly reduced staff compliment and we are looking forward to being able to improve member services as all vacant staff positions are filled.

The new and improved PEA member database is scheduled to be operational at the end of March and we will be developing our network infrastructure to enable efficient data access and knowledge transfer for PEA staff.

I believe that our work and volunteer efforts really do make a difference for the PEA membership and I am grateful for the dedication and passion of members, local representatives, executives and staff. Whether it is the PEA and chapter executives providing leadership and direction, local representatives ensuring our collective agreements are followed, or bargaining committees working diligently at the table, your efforts do matter and are at the heart of the PEA’s past and future success. So, thank you activists, and thanks as well to all convention delegates for taking the time out of busy lives to engage in thoughtful debate that will shape the operations and priorities of the PEA.

I also want to acknowledge the extra efforts of the PEA’s staff team who have worked tirelessly under circumstances of a reduced staff compliment, a busy bargaining calendar and two office moves in the space of three months. Toshie Arakawa (recently appointed as Executive Assistant), Marianna Azouri (Administrative Assistant – on leave), Tony Bute (LRO part-time/temporary), Rhiannon Bray (LRO) and Teresa Humphries (Financial Officer) have done an amazing job of taking on added responsibilities and working extremely hard for an extended period. It is an honour for me to have such a fine group of colleagues. I am enthusiastic about the opportunity to work with current and new staff over the coming months and the opportunity to meet more of our members as we move forward.

Respectfully submitted,

Scott McCannell
Executive Director

Secretary-Treasurer's Report

This report covers the fiscal years 2009 and 2010. First, sources of revenue from dues and investments are examined, and then an overview of operating expenses is presented.

The Professional Employees Association's revenue comes from members' dues and investment income. Dues totaled \$1,692,977 in 2009, an increase of \$111,253 from 2008, while our budget anticipated dues of \$1,594,779. In 2010, actual dues totaled \$1,637,460 a decrease of \$55,517 from 2009, while our budget anticipated dues of \$1,664,274. The budget for 2009 projected bargained salary increases, whereas the budget for 2010 projected erosion of dues from anticipated downsizing.

Over the past two years, the Association has been eroded by approximately 140 members; this has been a significant factor in decreasing revenues from dues. GLP, SMS and LSS chapters experienced the largest membership losses, whereas the UVic chapter experienced the greatest membership gains.

The PEA's investment policy calls for a minimum of 60 percent of our portfolio to be held in bonds, with no more than 40 percent to be held in equities. At present, the policy restricts the PEA from holding shares in companies whose major activity is the manufacture of guns or weapons of war, tobacco products, or those companies that use exploitive labor practices, engage in human rights abuses, or contribute to carbon emissions. Policy also mandates that our reserves always be sufficient to support members of the PEA's largest bargaining unit through a two month dispute, as well as costs associated with a grievance going through the courts to the Supreme Court of Canada. Investment performance is evaluated quarterly and to ensure that performance matches or surpasses benchmarks measured over four year rolling periods.

On December 31, 2009 the PEA held an investment portfolio consisting of \$4,907,838 in equities, cash and cash equivalents, \$3,215,347 in bonds for a total of \$8,123,185. Our equities are managed by three professional fund managers for which the PEA was charged an average of 0.83 percent of the market value of the portfolio. Our entire portfolio returned 7.71 percent for 2009, less than our benchmark which yielded 10.69 percent. Investment income for 2009 totaled \$582,245, after expenses; that investment income, added to dues revenue, resulted in total revenue of \$2,275,222 for 2009.

On December 31, 2010 the PEA held an investment portfolio consisting of \$5,206,088 in equities, cash, and cash equivalents, \$3,400,926 in bonds for a total of \$8,607,014. Approximately \$1,737,900 of cash equivalents was liquidated from bonds and equities for the purpose of funding an imminent real estate investment which in the end did not materialize. We are currently exploring the options for moving this amount back to active portions of our portfolio. Our equity fund managers charged an average of 0.63 percent of the market value of the portfolio. Our entire portfolio returned 5.95 percent for 2010, less than our benchmark which yielded 10.36 percent. If we do not include the real estate funds in the analysis, then the portfolio returned 8.63 percent. Investment revenue for 2010 totaled \$483,830 after expenses; that investment income, added to dues revenue, resulted in total revenue of \$2,121,290 for 2010.

Investment reserves of \$157,100 were held in 2009 to fund retirement leave costs for PEA staff, and anticipated bargaining expenses in 2010. For 2010, these reserves decreased to \$43,462; this is now primarily composed of retirement leave obligations.

Our operating expenses for 2009 totaled \$1,695,789, an increase of \$240,279 over 2008. Many of our expense categories showed little change from 2008; however, there were several exceptions. Executive and constitution showed an increase of \$37,954; the Membership Services and Administration category showed an increase of \$85,715; Negotiations showed an increase of \$52,358 attributed in part to pre-bargaining training sessions; and Staff salaries and benefits showed an increase of \$28,197. Our annual budget is based on variety of estimates and forecasts to anticipate revenues and expenses. Several expense categories saw large variances with respect to the 2009 budget: Membership Services was budgeted for \$150,859 versus expenses of \$189,785, attributed to legal fees for several arbitrations and Local Reps training; Executive and Constitution was budgeted at \$120,900 versus expenses of \$228,681, attributed to Strategic Planning and additional Staff Relations meetings; Staff Salaries and Benefits was budgeted at \$729,130 versus expenses of \$810,340, attributed to a payout to a departing employee, PEA/CEP negotiations, and recruitment expenses; The Professional was budgeted at \$15,000 versus actual expenses of \$24,375 due to increased postage costs. The audited statements put expenses for The Professional at \$49,251, but the audit rolled in Promotional and Advertising expenses of \$24,876; and Special Projects and Promotions was budgeted at \$100,000 versus expenses of \$44,769 due to Promotional and Advertising being expensed under The Professional.

Our operating expenses for 2010 totaled \$1,741,287, an increase of \$45,506 over 2009. Many of our expense categories showed little change from 2009, with some exceptions: Negotiations showed an increase of \$62,017 due to heavy bargaining activities; Occupancy Expenses showed an increase of \$44,790; and Staff Salaries and Benefits showed an increase of \$106,601. These increases were offset by several decreases, notably, a \$64,947 decrease in Executive and Constitution, and a decrease of \$101,634 in Membership Services and Administration. Several expense categories saw large variances with respect to the 2010 budget: Membership Services was budgeted at \$213,611 versus expenses of \$86,713 – such a drop is not uncommon during heavy bargaining years; Occupancy Expenses were budgeted at \$134,845 versus expenses of \$159,477, due to due-diligence expenses related to the potential Dockside building purchase, and expenses related to the Surrey office closure; Staff Salaries and Benefits was budgeted at \$793,677 versus expenses of \$916,941, due to four staff payouts and recruitment expenses; The Professional was budgeted at \$21,766 versus actual expenses of \$20,762. The audited statements put expenses for The Professional at \$73,206, but the audit rolled in Promotional and Advertising expenses of \$52,444; and Special Projects and Promotions was budgeted at \$103,905 versus expenses of \$6,550 due to Promotional and Advertising being expensed under The Professional.

Over the past two years, our expenses exceeded what we collected in dues; we have experienced two operating deficits. Operating deficits, after amortization, of \$11,463 and \$116,244 were experienced in 2009 and 2010, respectively. In 2008, the Association allocated \$100,000 to internally restricted funds from the operating surplus to future negotiations in preparation for a busy bargaining year in 2010. These restricted funds were allocated towards the 2010 expenditures.

We are very fortunate to have Teresa Humphries working for the Association. In addition to providing us with financial services, Teresa continues to enhance processes which will improve efficiencies and simplify our reporting and audits. Teresa provides the Association Executive with a very clear and accurate representation of our financial well-being. Thanks also to our portfolio manager Paul Siluch, of Raymond James, for navigating us through the risks and opportunities in the investment markets, and also to our auditor, Chris Cowland, of Cowland Paterson & Co., for

keeping us on track with our accounting. Thanks to the recent members of the PEA Finance & Investment Committee, Tom Gore, Shel Harris, and Bruce Barnewall, along with ex officio members Frank Kohlberger, Jodi Jensen, Scott McCannell and finally our Convention Ways & Means Committee members, Natasha Carville, Jonathan Foweraker, Leslie Kenny, and Scott McCannell.

Respectfully submitted,

John Foxgord
Secretary-Treasurer