

Board of Directors' Meeting #3/00

February 19th, 2000

Westin Hotel

Ottawa, Ontario

Present:

- Fazal Bhimji, President*
- R. Thurgur, Vice-President Technical*
- R. Nye, Vice-President Labour Relations*
- J. St-Gelais, Managing Director*
- R. White, Pacific Regional Director*
- G. Myles, Western Regional Director*
- K. Wallace, Central Regional Director (arrived at 0940)*
- B. Girard, Ontario Regional Director*
- L. Behme, A/Metro Toronto Regional Director*
- C. Lilwall, Headquarters Regional Director*
- P. Drapeau, Quebec Regional Director*
- A. Bateman, Maritime Regional Director*
- D. Baker, Newfoundland Regional Director*
- P. Barnacle, Legal Counsel*

Observer(s): *J. Pottinger, Member, Merger/Affiliation Committee*

The call convened at 0915 hours EST, February 19th, 2000.

The President reviewed the rules associated with Acting Regional Directors and Observers. Acting Directors are permitted full participation in the meetings however they do not carry a vote. Observers are welcome at meetings but must receive permission to participate.

The President advised that due to the nature of the discussions, the entire meeting would be considered in Closed Session and requested that Directors respect the confidentiality of all discussion and material circulated at the meeting.

CLOSED SESSION

MERGER NEGOTIATIONS

The Executive reviewed and prepared a draft outline of basic items the Association should ensure were included in any proposed merger agreement and distributed it to the Board for review. The President explained the Executive utilized the merger agreement between Retail Wholesale Canada (RWC) and the Canadian Auto Workers (CAW) Union as their model and anticipated the Board would provide input and amendment to supplement the draft. The RWC merger agreement was distributed with the outline for the Board's review.

Merger Negotiating Team - The President reported that the Merger/Affiliation Committee had proposed the following composition for the Merger Negotiating Team:

3 Members of the Merger Committee
 *1 Board Member
 1 Executive Member (President)
 Legal Counsel as Resource

*The Executive recommended that the Board Member position not be a current member of the Board who is also a member of the Merger/Affiliation Committee

The President advised that the National Executive concurred with the recommendation and named five members of the Committee that had expressed an interest in the appointment. Central Director Kevin Wallace stated he did not believe the Team required five members plus a resource and suggested it be reduced to three members, including the President as a non-voting member. Maritime Director Art Bateman, who is also a member of the Committee, responded that the Committee felt that given the amount of work invested in the initiative, it was beneficial to have three members on the Team.

Quebec Director Pierre Drapeau stated that a five member Merger Negotiating Team was too large and should be reduced to a "workable" size and added the Convention Resolution which established the Committee and set the mandate was "vague". Central Director Kevin Wallace withdrew his objection to the proposed size of the Merger Negotiating Team.

Ontario Director Ben Girard stated that the Board had "ultimate" power outside of Convention providing it can justify its decisions. He recognized the intent of Resolution No. 65 was clearly to keep the Board out of the process to the extent possible, however, his members did not agree that Committee members who have since been elected to Director positions be on the Merger Negotiation Team.

In response to a query from the President over the composition of the Team, Quebec Director Pierre Drapeau expressed concern over the inclusion of an Executive on the Team due to the existing problem of resources.

Maritime Director Art Bateman stated that since the President had been involved with the Committee since its inception and it is the most important initiative that has ever faced the Association, the Committee believed his presence on the Merger Negotiating Team was essential. Vice-President Labour Relations Richard Nye concurred with the statement.

Mr. Bateman further stated that the Committee had taken into consideration the fact that several of the members were since elected as Regional Directors, including himself, but they did not have a problem with the potential of a dual role since the process was not meant to exclude the Board.

RESOLUTION NO. 1 ***Be it resolved that the CATCA Board of Directors accept the Merger Committee's recommendation on the composition of the Merger Negotiating Team.***

Moved by R. Nye, Seconded by R. Thurgur

CARRIED

The President advised that based on the adopted resolution, the composition of the Merger Negotiating Team would be five members, including three (3) Merger appointed from the Merger/Affiliation Committee, one (1) appointed by the Board and one (1) Executive Member. It was the consensus of the Board that it was the responsibility of each group to appoint their members. Based on a recommendation from the Executive, the Board agreed the President be appointed as the Executive Member of the Team.

The Board conducted a secret ballot and appointed Quebec Director Pierre Drapeau to the Board position on the Team. Five people from the Merger/Affiliation Committee expressed interest in being appointed to the Merger Negotiating Team. The appointments will be made by the Committee.

Minimum Acceptable Position - The Board began discussions on the minimum position they would take to any proposed merger agreement. In response to a query from Quebec Director Pierre Drapeau, CATCA Legal Counsel Peter Barnacle confirmed that the last sentence of Convention Resolution No. 65 was ambiguous. It states: "*Any such agreement shall be subject to the approval of the Board of Directors and ratification of the membership...*" and could be interpreted that approval from the Board was not required prior to ratification of an agreement.

He advised however, that if the sentence were interpreted as per the policies associated with collective bargaining, which would be reasonable to do so, the Board is expected to take a position on an agreement prior to it being issued to the membership for ratification. Vice-President Labour Relations Richard Nye stated that consideration must be given to the relationship between the Board and the Merger/Affiliation Committee in order to make that judgement.

Mr. Barnacle further advised that should the Board agree that its approval of any agreement is required prior to ratification, then it is crucial that a minimum position for any agreement be established.

Maritime Director Art Bateman advised there was a consensus among the Merger/Affiliation Committee that any proposed agreement would be issued to the membership for ratification regardless of the Board's position on it. Headquarters Director Chris Lilwall agreed with the interpretation.

Ontario Director Ben Girard stated that the wording of the resolution specified that an agreement must satisfy two criteria - approval of the Board and ratification by the membership. Quebec Director Pierre Drapeau concurred with Mr. Girard's interpretation.

The President stated it was quite appropriate for the Board to make a recommendation on an agreement, but then the membership must decide. He further stated it was his interpretation that an agreement be issued to the membership regardless of the Board's position. Western Director Greg Myles advised the preamble for the referendum process states there may be no recommendation by the Board.

Acting Metro Director Linda Behme advised that the question issued in the last referendum stated that the intention was to bring the agreement to the membership for approval and that it was possible there would be "*no recommendation*" by the Board.

It was the consensus of the Board that the intent of Convention Resolution No. 65 was that any proposed agreement be issued to the membership for ratification, regardless of the Board's position and with or without a recommendation.

RESOLUTION NO. 2 ***Be it resolved that the CATCA Board of Directors shall make a recommendation and forward to the membership for ratification any Merger Committee agreement in accordance with Resolution No. 65 of Convention 1999.***

Moved by R. Nye, Seconded by K. Wallace

CARRIED

The Board continued their review of the RWC agreement and the outline as distributed by the Executive.

The meeting recessed for lunch at 1215 hours and reconvened at 1340 hours.

MERGER NEGOTIATIONS (CONT'D)

Minimum Acceptable Position - The President advised the Board that two time periods must be considered in the event of a merger - transition and post-transition. The Association would have the ability of retaining its bargaining certificate during the transition period, however, some unions - such as CAW - may expect the certificate to be transferred at the end of the transition period.

The Board thoroughly reviewed issues such as dues levels, training, staff protection, withdrawal provisions and strike fund redirection. It was the consensus of both the Executive and that Board that staff protection was a paramount issue that would be dealt with as a priority item when negotiating a merger agreement. Jaimie Pottinger, a member of the Merger/Affiliation Committee, advised that both the CAW and NATCA had indicated that staff protection was a priority for them as well.

Ontario Director Ben Girard stated that it was imperative that any agreement be presented in bilingual format, to which the Board agreed. Acting Metro Toronto Director Linda Behme queried the issue of Association name and whether it would remain intact.

The meeting recessed for a coffee break from 1440 to 1455 hours.

Minimum Acceptable Position (Cont'd) - The Board continued their discussion of merger agreement issues. CATCA Legal Counsel Peter Barnacle reported there were two elements to incorporation - firstly, the Association's ability to remain incorporated following a merger which would be subject to the constitution of the union joined; and, secondly, should the Association disincorporate, consideration must be given to recent developments in corporate law. Incorporation protects members but exposes assets, while disincorporating may protect assets but expose members to certain liabilities.

Jaimie Pottinger stated that the Merger Negotiating Team members should be treated the same as a Board Member when on Association business and be permitted individual accommodations. The President advised that the Merger/Affiliation Committee was established by Convention and specifically excluded Board Members, therefore it could not be treated as a Board Committee.

Central Director Kevin Wallace challenged the President's decision. Quebec Director Pierre Drapeau concurred that the members should be provided separate accommodation in order to do their work. The President stated that Convention had set a \$100,000 budget for the Committee, of which approximately \$58,000 had been spent to date. He also stated that shared accommodations would likely be provided by the CAW for their discussions.

RESOLUTION NO. 3 ***Be it resolved that members of the Merger Negotiating Team be permitted individual accommodations, where possible.***

Moved by A. Bateman, Seconded by P. Drapeau

CARRIED

CATCA 2001

Venue - The Managing Director briefed the Board on the site inspection conducted in Montreal of potential CATCA 2001 venues. The inspection was conducted with Convention Director Guy Ruel. She advised they held pre-interviews based on dates and selected five hotels to inspect. However, following the first inspection, two of the hotels withdrew, citing that Montreal would be hosting many events in the Spring of 2001 and they were no longer able to secure the required dates.

She further advised that the three hotels remaining, the accommodation prices were outrageous, ranging from \$168 to \$189 compared to a low of \$105 at CATCA '99. Following a series of proposals and counter proposals, the Delta Centre Ville met all of the pre-determined requirements (e.g. meeting room space etc.) with a confirmed rate of \$155 s/d. The Candidates' Suites remained high, however, she advised that she would propose options to the candidates since the cost comes from their "own pocket". They also agreed to provide a Hospitality Suite on a floor that would permit the Organizing Committee to utilize their own volunteers, food and beverages.

Both the Managing Director and the Convention Director concurred the Delta Centre Ville offered the best deal and satisfied venue requirements and thereby recommended it to the Board as the next Convention venue. She stated, however, that holding the Convention in Montreal would represent additional costs of approximately \$50,000 for accommodation and indicated that the 2000-2001 budget would be increased accordingly.

The Board accepted the recommendation and adopted the following resolution. Quebec Director Pierre Drapeau agreed to notify Convention Director Guy Ruel.

RESOLUTION NO. 4 ***Be it resolved that the Delta Centre-ville in Montreal, Quebec be selected as the CATCA 2001 venue.***

Moved by B. Girard, Seconded by R. Nye

CARRIED UNANIMOUSLY

SPRING BOARD MEETING

Location - Central Director Kevin Wallace advised that he had planned to recommend that the Spring Board Meeting be held in Ottawa to save costs, however, he noted that the hotel rates were excessive. The Managing Director confirmed that it was becoming increasingly difficult to secure hotel accommodations in Ottawa and when possible, the rates were outrageous.

Ontario Director Ben Girard expressed concern about meeting costs, stating that it did not matter in what city the meeting was held provided it was the most affordable. He further stated that the savings on travel would generate substantial savings. The Managing Director advised that in locations such as Toronto or Winnipeg, the travel costs would be offset by the cheaper accommodation rates. In response to a query from Central Director Kevin Wallace, the Managing Director advised that she could do an accurate cost comparison to determine the most affordable meeting venue.

The President advised however, that in the absence of an invitation, Board meetings are normally held in Ottawa. It was the consensus of the Board to hold the Spring Board Meeting in Ottawa.

VICE-PRESIDENT TECHNICAL POSITION

The Board reviewed a recommendation from Ontario Director Ben Girard to explore the feasibility of making the Vice-President Technical position full time in order to increase communications with the National Office. Mr. Girard explained that the intent was to make the position full time for a trial basis, at an estimated cost of approximately \$10,000, to determine if it would alleviate the problems associated with the workload at the National Executive level. He expressed concern that members' were not being responded to on a timely basis and other business was being neglected due to workload.

The recommendation would mean that the Vice-President Technical would go on LWOP from Nav Canada and work on a full time basis for the Association. However, there would be no relocation. In response to a query from Central Director Kevin Wallace, Mr. Girard advised that the initiative was technologically feasible as emails could be redirected to the Vice-President Technical's place of residence.

Quebec Director Pierre Drapeau advised that he required more thorough information in order to make such a "major" decision and recommended the matter be tabled to the Spring Board Meeting.

The President advised that in order to realize any savings, the decision would have to be taken immediately. He noted that although previous Conventions had addressed the same issue and declined to adopt it, the situation had changed because of the LWOP problems with the employer. Mr. Drapeau advised the problem may be more to do with structure and priorities and would not necessarily be resolved by such an initiative.

Central Director Kevin Wallace stated that the National Executive has the authority to manage the resources at their disposal, however, it was the Board's responsibility to assist in the management where it deems to be required.

In response to a query from Mr. Wallace, the President advised that the Association would pay the salary and the benefits. He further advised that the additional expenses could instead be put towards part time staff to satisfy the resource problem. Quebec Director Pierre Drapeau expressed concern that the \$10,000 was a minimum figure and expected the actual costs would be much more. The President agreed with Mr. Drapeau's points and felt that additional information was required prior to taking a decision. He suggested the Board give the Executive the discretion to thoroughly review the matter and report to the Board.

In response to a query from Pacific Director Rick White, the President confirmed that it was the discretion of the Executive to bring the Vice-President Technical into Ottawa as required. Furthermore, the Vice-President Technical position normally coordinates National Executive and other meetings around the time spent in Ottawa.

RESOLUTION NO. 5 ***Be it resolved that the National Executive explore the possibility, feasibility and advantages/disadvantages of making the Vice-President Technical position full time for a six (6) month trial period.***

This decision to be reviewed six (6) months after the decision was taken. The review shall include a report from the Vice-President Technical on his activities, including a full cost analysis.

Moved by B. Girard, Seconded by R. White

CARRIED

BRANCH ADDRESS LISTING

The Managing Director advised the Board there were page-collating errors in the Branch Address listing that was issued to Branches and Facilities due to problems with the photocopiers at the National Office. It was the consensus of the Board that future copies of the listing be sent to the Board via email only.

LEAVE WITHOUT PAY FOR ASSOCIATION BUSINESS (LWOP)

The President updated the Board on the Leave without Pay issue with Nav Canada. He advised that as a result of numerous discussions between CATCA and Nav Canada, it was agreed that members, while on Leave for Association business, will be on Leave Without Pay (LWOP) and will not be paid by the employer. Branches may utilize their Branch Rebates to remunerate their members for time used on CATCA business, however, it is the members' responsibility to declare the monies as income for Income Tax purposes.

DUES WHILE ON DISABILITY INSURANCE (DI)

Quebec Director Pierre Drapeau recommended the Association create another type of membership in order to further reduce the dues paid by member on Disability Insurance (DI). He explained that in some cases, such members are in dire financial and/or health situations and alleviating the burden of paying 65% dues would be beneficial.

RESOLUTION NO. 6 *Be it resolved that CATCA create another type of membership where members on Disability Insurance (DI) benefits only (R&R excluded) pay the same dues as Associate Members.*

Moved by P. Drapeau, Seconded by R. Thurgur

CATCA Legal Counsel Peter Barnacle advised that in accordance with Association By-laws, a new category of membership could not be established. Vice-President Technical Rob Thurgur agreed with providing additional relief in such circumstances but reminded the Board that these members were still receiving full services from the Association and felt the issue should continue to be dealt with on a case-by-case basis.

RESOLUTION NO. 6 *Be it resolved that Section III, Para. 3.1 (c) of the CATCA Policy Manual be amended to read as follows:*
(Replacement)

Members on DI - *Active Members on DI who are not participating in the Retraining and Reassignment (R&R) Program shall have their dues reduced to the Associate Member level of dues, for the duration of the DI period.*

DEFEATED

As a result of the failed resolution to reduce dues for members who are on DI, Quebec Director Drapeau put forth a resolution to reduce the dues of a member in his Region, currently on DI, to the Association Member level. He stated that he did not want to have to bring each and every case to the Board for their consideration.

RESOLUTION NO. 7 *Be it resolved that a member, as suggested by the Quebec Regional Director, be given dispensation to pay annual dues to the Association in the amount of \$50.00 per annum until such time as relieved of membership or Disability Insurance (DI).*

Moved by P. Drapeau, Seconded by R. Nye

NO VOTE TAKEN

Maritime Director Art Bateman requested the Board to revisit the previous resolution as put forth by Mr. Drapeau.

RESOLUTION NO. 8 *Be it resolved that Resolution No. 6 be reconsidered.*

Moved by A. Bateman, Seconded by F. Bhimji

CARRIED

RESOLUTION NO. 6
(Reconsidered)

Be it resolved that Section III, Para. 3.1 (c) of the CATCA Policy Manual be amended to read as follows:

Members on DI - Active Members on DI who are not participating in the Retraining and Reassignment (R&R) Program shall have their dues reduced to the equivalent of dues paid by Associate Members as set by the National Convention or by Referendum, for the duration of the DI period effective March 1, 2000.

CARRIED

CELLULAR PHONES

In response to a query from Ontario Regional Director Ben Girard, the President clarified that the minutes of the [1999 Fall Board Meeting](#) may have left the reader believing that he agreed to the purchase of hardware, which was not the case. Mr. Bhimji reiterated that the intent was to follow policy whereby Regional Directors are entitled to one phone line and one fax line. Therefore, the President agreed that Directors could instead allocate their cellular phone usage to their Regional budget in lieu of one (1) of these lines, to a maximum of the same monthly cost. He further added that many companies offer packages, which include a free cellular phone so there was no requirement for the Association to purchase the hardware. He stated that he trusted the matter was clarified for the Board.

The meeting adjourned at 1820 hours EST, February 19th, 2000.

J. St-Gelais
 Managing Director

c.c. Branches and Facilities
 Board of Directors
 Lecours + Morin
 Chairman, Audit Committee