

Report of the Finance Committee to the 75th CWA Convention

CWA

**Communications Workers of America
June 8-10, 2015
Detroit, Michigan**

June 8, 2015

Dear Sisters and Brothers:

Your Finance Committee met in Washington D.C. on May 4 and 5, 2015, to review and recommend suggestions on the 2015-2016 CWA Operating Budget. Every supporting document requested was made available to us. The Committee also reviewed the Consolidated Financial Statements for the period ended May 31, 2014, prepared by the Certified Public Accounting firm of Calibre CPA Group. The Auditors conducted their audit in accordance with generally accepted accounting principles. In the Accountant's opinion, the financial statements fairly present, in all material respects, the financial position of the Communications Workers of America, AFL-CIO, CLC as of May 31, 2014.

The Finance Committee carefully reviewed expenses paid out during the 9 months of the 2014-2015 fiscal year and would like to acknowledge the efforts of the Districts, Sectors and Divisions that were able to stay within their Administrative budgets. The committee also reviewed the paid expenses within those Administrative Units which were more than 1% over their budget allocations. The Committee then met with, or received communications from, representatives of CWA District 3, IUE-CWA, NABET, Telecommunications and Technologies, and Public Health and Education Workers and was satisfied with each of the explanations. It was clear that expenses that contributed to the overages were the results of contract negotiations and grievance and arbitration costs. It is imperative that we continue to find ways to efficiently bargain contracts in the most effective and productive ways possible. We would like to recognize those Administrative Units that were able to keep their expenses within their allocations despite those challenges. The Committee also recognizes the continued efforts that the National has taken to try and help solidify our financial position through cost containment while maintaining necessary service to our membership.

The leasing of vacant space within the CWA National Headquarters building in Washington, DC, as well as the prior refinancing of existing building loans, continues to result in \$2 million dollars of building income that will contribute towards a balanced budget for 2015-2016. The real estate broker is continuing to aggressively market our National Headquarters building to lease the remaining 2% of vacant space throughout the building as well as on floors currently occupied by CWA employees. That being said, a new lease was signed just within the last few months to rent out the entire 8th floor of the building. We have also been able to continue making suggested improvements to the building, and we will continue to do so, which will allow us to generate future revenue by achieving maximum occupancy.

Improvements were also made within the Finance and Membership Department this year. The accounting software was updated to a newer version; thus, allowing for the ability to streamline checkbooks within the system and provide the capability to email direct deposit advices, saving on labor and postage. The old IBM GERS system, used for online payments of credit cards and out of pocket expenses has been replaced with a product called Concur. This tool is an online paperless system. All full time and part time expenses will be paid through this tool, including part time payroll. This will eliminate duplicate

inputting as well as save on paper and storage costs. A new budget tool was also purchased, BI 360, which will allow for budget reports to be pushed out to the Districts with ease and will provide a more usable excel product for the Districts to manage their expenses more efficiently.

The Finance Committee makes the following recommendations to further work with our budgetary challenges:

- Although steps taken by the Executive Board have improved the Union's financial position, we need to continue to closely monitor spending to ensure that our income forecasts match our cash flow and that our expenses do not exceed our income.
- Each Administrative Unit must continue to keep their expenses within their generated due's income and budget allocations with further recognition of the need for all Units to contribute to the ongoing programs and administration of the National Union.
- All Locals must be in compliance with the CWA Constitution which requires timely remittance of dues payments. This Committee would like to recognize and acknowledge the decrease in the number of delinquent Locals and the effort that they have put forth to bring their dues current. However, there continues to be Locals with delinquencies that are non-employer related. The Committee recommends that the Secretary-Treasurer take the steps necessary to ensure these Locals fulfill their obligation.
- In this time of anti-union sentiment, as witnessed by the Harris vs Quinn decision, and the current pending Texas bill SB 1968 (which would prohibit collection of union dues for public workers) it is now more important than ever that each Administrative Unit and Local continue to aggressively pursue organizing, both internally and externally, and that, as stated in the CWA Constitution Article XIII - Locals, Section 9 (t) ; *To maintain an active organizing program and budget monies to support the Local's efforts as well as assisting the Union in reaching a goal of 10% of resources to be spent on growth.*
- The Committee requests that the CWA Executive Board begin work on preparing a contingency plan that would address the numerous anti-union scenarios. We also recommend that Locals do the same.
- Last year in the Committee report we acknowledged the growing costs associated with negotiating collective bargaining agreements. We recommended that the CWA leadership, at all levels, review our process and develop ways to minimize our expenses without diminishing our ability to achieve good agreements. We want to see that these efforts are being considered for upcoming bargaining sessions and want to encourage the continuation of these efforts.
- Any Administrative Unit, whose expenses exceed more than one percent of their budget allocation, must provide a reasonable explanation for the cause

of the overage to the Finance Committee and if necessary, should be prepared to present that explanation to the Committee or the Convention Delegates.

Although we have made effective strides to achieve and maintain a balanced budget for the 2015-2016 fiscal year, the existing financial challenges that we face are not eliminated. Labor is continuously being attacked with denial of both agency shop and the rights to organize. Passage of the Trans Pacific Partnership/Fast Track will have a significant impact to our membership, particularly for call center workers. We must therefore continue to put forth all of our efforts into movement building as well as prepare ourselves in every way to face ongoing challenges. We applaud the foresight of the 2013 Convention Delegates to support and approve the funding of the CWA Growth Fund which has allowed us to not only continue a defensive strategy, but also develop an offensive game plan that will help position our Union to face the increasing threats that continually confront us. The Finance Committee supports the CWA Officers and Executive Board members' work to design roadmaps that can help get all of us to that point.

The 2015-2016 Finance Committee would like to thank President Larry Cohen, Secretary-Treasurer Annie Hill, Assistant to the Secretary-Treasurer Teri Pluta, and their staff for their time and efforts in aiding the Committee in the review, development and preparation of this year's report.

The Committee also wishes to thank representatives in all CWA Districts, National Units, and Headquarters for their ongoing efforts to achieve the financial targets outlined in the 2015-2016 Budget.

In Solidarity,

Lynn Johnson, Chair, President, CWA Local 9333
Jodie Moore, Secretary-Treasurer CWA Local 2204
Frank Tallarine, Secretary-Treasurer CWA Local 1106
Robert Santucci, President, CWA Local 3806

**REPORT OF THE
FINANCE COMMITTEE to the 75th CWA Convention
JUNE 8-10, 2015**

Explanation of CWA Funds

There are six Funds, all of which were examined and reported on by Independent Auditors for the period ending May 31, 2014. A copy of the report has been reviewed by the Executive Board and Committee and was sent to Local Presidents.

The Funds are as follows:

1. General Fund
2. Defense Fund
3. Members' Relief Fund
4. Strategic Industry Fund
5. Building Fund
6. Pension Fund

General Fund

The General Fund is the Fund from which the International operates. All the income money which comes to CWA is handled through the General Fund. The status of this Fund is reported monthly to the Executive Board.

The General Fund contains what the Auditors have identified as "Unallocated Receipts." Dues received by CWA are labeled in this manner until the Secretary-Treasurer's Office can channel or allocate it. As an example: A dues check from an employer is received in the Secretary-Treasurer's office; it is immediately deposited in the General Fund as unallocated money. Upon processing the report that comes with the employer's check, checks are issued for the amount for the Locals. Also, at this time, we transfer the proper amount to the Members' Relief Fund or the Strategic Industry Fund. The International's portion remains in the General Fund for immediate availability. The Local amount is returned to the Locals.

Defense Fund

The Defense Fund was established by the 1952 Convention and began to operate in September of 1952. Income to the Defense Fund is derived from membership dues and equivalent payers in the amount of \$.50 each month. Income is deposited in the Defense Fund account as dues reports are processed.

During the 2013 CWA Convention, delegates approved for existing monies currently in the Defense Fund to be distributed into the five existing Strategic Industry Fund silos (Telecom, Media, Manufacturing, Passenger Service, and Public/Health Care) and two new silos (one for Public Workers without the right to strike and one for AFA). Existing funds were apportioned to the seven silos based on membership.

Locals whose membership pays into the MRF/SIF no longer contribute \$0.50 per member.

Locals whose membership does not pay into the MRF/SIF continue to contribute \$0.50 per member per month. These monies are directed into their respective silo.

The Defense Fund investments were moved to the Robert Lilja Members' Relief Fund October 31, 2013 as also approved by the Delegates to the 2013 CWA Convention. The Defense Fund checking account has been closed.

Robert Lilja Members' Relief Fund

The Robert Lilja Members' Relief Fund (RLMRF) was established by 1990 Convention action. The purpose of the fund serves as relief for strikers, locked-out members, victims of collective bargaining strategies and other approved mobilization actions. The opening balance of the RLMRF on April 1, 2014 was \$459,417,000. Total investment earnings during the 2013 calendar year were \$28,167,000. According to the rules, one-half of these earnings or \$14,083,500 was moved to the Growth Fund. In calendar year 2014 the total return for the MRF was \$20,690,000 a 4.6% increase, one half of these earnings or \$10,345,000 was moved to the Growth Fund as well. Earnings on RLMRF investments from January 1, 2015 to March 31, 2015 were \$6,995,378 or 1.5% increase. This resulted in a balance of \$465,370,349 in the MRF on March 31, 2015.

Income to the Robert Lilja Members' Relief Fund is derived from membership dues and equivalent payers in an amount equal to .15% per month of minimum dues (1/4 hour) of those eligible to strike. Income is deposited into the Members' Relief Fund account as dues reports are processed. Income and Expenditures from the Fund are reviewed by the Defense Fund Oversight Committee according to the rules established by Convention action.

Effective September 1, 2006, all RLMRF contributions are credited to the Strategic Industry Fund unless the RLMRF fund balance falls below the established floor created by 2006 Convention action. The RLMRF floor is \$377,484,108. If the RLMRF fund falls below the established floor, all contributions will revert back to the RLMRF until it reaches the established floor. When the RLMRF reserves reach \$500,000,000, the floor will be raised to \$400,000,000.

Strategic Industry Fund

The Strategic Industry Fund (SIF) was established by 2006 Convention action to finance major large scale campaigns to increase CWA bargaining power.

The SIF is a restricted Fund, requiring a majority vote of the Executive Board and approval of the Defense Fund Oversight Committee before expenditures are made. The market value of the fund as of March 31, 2015 was \$49,353,723.

Growth Fund

At the 74th CWA Convention held in April 2013, the delegates approved the Defense Fund Oversight Committee's recommendation to establish a new Growth Fund. This new fund will allow CWA to search for better ways to change the course of movement for the company

and the nation. Beginning and going forward with the Annual Investment Earnings from the 2012 calendar year, one half of annual investment earnings from the RLMRF will be invested in building CWA's ability to fight for economic justice for members through this new Fund. Total investment earnings during the 2013 calendar year were \$28,167,000 which means \$14,083,500 was moved into the Growth Fund. In calendar year 2014 the total return for the RLMRF was \$20,690,000 a 4.6% increase. One half of these earnings or \$10,345,000 was moved to the Growth Fund as well. The market value of the Growth Fund as of March 31, 2015 was \$20,806,999.

The Defense Fund Oversight Committee responsibilities were expanded to include participation with the Executive Board in the approval and evaluation of requests submitted to this new Fund.

Building Fund

By Executive Board action in January 2006, the Building Fund was established for the purpose of recording the assets, liabilities, expenses, and income associated with the headquarters building property. As of March 31, 2015, the unrestricted net assets were \$47,052,230.

CWA Plan for Employees Pensions and Death Benefits Fund

This Fund provides for CWA employees' retirement benefits. A periodic actuarial review is made of the CWA Pension and Death Benefit Trust Fund where our contribution is adjusted to meet CWA obligations. Like several other pension plans, the Plan's investments suffered many losses as a result of the overall decline in the economy and the markets in 2008. Contributions to the plan have been necessary and will be monitored again this year.

The CWA Pension Fund was established in 1951 as a separate trust. It is a defined benefit pension plan substantially covering all employees other than PPMWS employees. On January 1, 2006 the IUE Pension Plan was merged with the CWA Plan for Employees Pensions and Death Benefits.

On March 31, 2015, the Market Value of the Plan was \$201,398,621.

Financial State of the Union

This Committee realizes that with ever increasing financial burdens and with causes needing the Union's attention, along with a continued uncertain economy, we must be continuously vigilant of cost overruns. This year each administrative unit must operate not only within their authorized budget, but also within the dues income they generate as well as contributing to the ongoing programs and expenses of the overall Union.

Salaries – Elected Officials

Each year is the Committee's responsibility to recommend salary changes for our elected officials. The Committee recommends a salary increase that is commensurate with the negotiated agreements held with the CWA employee unions.

Staff Complement

The Committee has funded only those Staff positions that are now filled or have received approval to be filled at the time of this report. Requests to fill all Staff positions must be made to the Budget Committee and authorized by the Executive Board.

The 2015 – 2016 Budget

The Committee reviews and considers the Report of the Budget Committee as adopted by the Executive Board of the Union. After thorough and detailed deliberations, this Finance Committee approves the following budget for the 2015-2016 fiscal year.

In calculating the projected income, this budget was built on an estimate of what our dues revenue will be for this fiscal year based on a projected 1% decline in membership and a .005% increase in per capita dues. Income of \$2 million from the National Headquarters Building was also included.

You will find that again in the 2015-2016 CWA Operating Budget, both the full AFA-CWA projected income (\$20,092,002) and budgeted expenses (\$20,092,002) are included in their entirety rather than only in portions. We agree that this method better reflects the AFA-CWA finances. Additionally, the AFA-CWA Board of Directors approved a contribution of \$3.00 per member per month on top of expenses towards the cost of the CWA National Program fees. This contribution, projected as \$1,249,092, is included as income towards the 2015-2016 CWA Operating Budget. The Finance Committee appreciates the commitment approved and given by the AFA-CWA Board of Directors and their International Officers.

The calculated estimate of overall income of the Union (including the AFA budgeted portion) for the 2015-2016 CWA Operating Budget used is \$112,376,288.

As in the past, we recommend the Executive Board use this budget as a positive guide and make every effort to operate within the actual income of the Union during the period represented by this budget.

Our approved budget follows as:

Exhibit A (Communications Workers of America – Operating Budget) and
Exhibit B (Administrative Units Budget)

A more detailed explanation of each item in the budget may be found on pages 11-13.

Communications Workers of America - Operating Budget

2015-2016

		<u>2014-2015</u>	<u>2015-2016</u>
Income			
	Dues - Members and Agency Fee Payers	85,410,457	87,535,194
	HQ Building	2,000,000	2,000,000
	AFA Budget Projected Income	21,701,381	20,092,002
	AFA National Program Contribution	1,249,092	1,249,092
	Other Income	<u>1,500,000</u>	<u>1,500,000</u>
	Total Income	111,860,930	112,376,288
Expenses			
National Programs			
029	Organizing Fund	4,925,000	4,925,000
030	Community Action	150,000	150,000
031	Legal Admin Unit Litigation & Misc.	600,000	600,000
032	Convention	250,000	250,000
034	Committees, Conferences, MLI & Ex Board Mtgs	440,000	440,000
038	Taxes	180,000	780,000
039	Affiliation Dues - AFL-CIO & Other	3,721,355	3,588,406
040	Contingency	2,077,023	1,562,046
043	Information Systems	750,000	850,000
045	Communications (CWA News & PR)	1,400,000	1,400,000
145	Digital Media Operations	175,000	175,000
046	Professional Services	570,000	570,000
047	International	30,000	30,000
048	Education	170,000	170,000
061A	Retiree Benefits (Health Care, Insurance)	7,308,944	7,000,000
061B	Insurance - Other (Workers Comp., etc)	950,000	997,500
064	Staff Moves	150,000	150,000
066	Apprenticeship & Training	<u>100,000</u>	<u>100,000</u>
	Total General Budget	23,947,322	23,737,952
Administrative Units			
A1	Salaries - Officer & Staff	24,230,325	24,048,551
A2	Salaries - Full Time/Other	9,577,720	9,753,692
A3	Employee Benefits (Non-Pension)	8,452,011	8,581,497
A4	Employee Taxes	3,076,532	3,133,029
A5	Employee Pension	1,736,451	3,453,083
	AFA Budgeted Expenses	21,701,381	20,092,002
B1	Office Occupancy	6,162,148	6,275,779
B2	Staff Expenses	4,020,464	4,066,580
B3	Administrative Operations	4,859,192	4,798,864
B4	Legal	4,097,383	4,435,260
	Total Administrative Units	87,913,607	88,638,336
	Total Budgeted Expenses	<u>111,860,930</u>	<u>112,376,288</u>
	Total Income	111,860,930	112,376,288
	Surplus/(Deficit)	-	-

Administrative Units Budget 2015-2016

	Updated					Updated				Total Admin Unit Expenses	
	A-1	A-2	A-3	A-4	A-5	B-1	B-2	B-3	B-4		
District & National Units	Salaries: O&S	Salaries: Other	FT & Emp Benefits: 25%	Emp Taxes: 9.1%	Emp. Pension: 10%	Office Occupancy	Staff Expenses	Administrative Operations	Legal	Total Office Admin. Expenses	
District 1	3,468,436	795,558	1,089,826	396,697	435,931	1,100,978	518,280	798,409	1,995,525	4,413,192	10,599,640
District 2-13	1,703,798	439,910	551,006	200,566	220,402	349,339	255,960	203,381	488,405	1,297,085	4,412,768
District 3	2,319,470	588,091	716,189	270,057	286,475	266,589	368,220	324,253	304,835	1,263,897	5,444,179
District 4	1,698,686	389,959	536,027	195,114	214,411	269,597	240,160	263,612	10,000	783,369	3,817,566
District 6	1,759,633	487,623	574,045	208,952	230,662	399,385	281,420	266,161	753,010	1,699,976	4,960,891
District 7	1,732,219	485,877	562,682	204,816	225,073	181,921	264,420	220,406	245,645	912,392	4,123,059
District 9	1,536,146	485,776	514,950	187,442	205,980	554,093	229,340	285,245	118,135	1,186,813	4,117,106
T&T	702,622	166,686	219,970	80,069	88,210	159,575	100,260	71,149	1,225	332,209	1,589,765
Public Wkrs	281,513	63,413	87,500	31,850	35,000	63,798	51,920	22,998	-	138,716	637,993
PPMWS-CWA	327,984	63,413	98,948	36,017	58,798	43,908	68,380	17,743	76,000	206,031	791,191
IJE-CWA	3,276,251	398,787	934,085	340,007	373,634	51,909	641,260	249,573	99,010	1,041,752	6,364,515
TNG-CWA	1,108,281	236,523	315,420	114,813	126,168	161,005	226,750	173,550	261,085	822,390	2,723,595
NABET-CWA	740,002	101,000	227,322	82,745	90,929	129,777	162,360	119,399	82,385	493,921	1,735,920
Total	20,655,040	4,702,617	6,427,970	2,349,146	2,591,672	3,731,874	3,408,730	3,015,879	4,435,260	14,591,743	51,318,188
Headquarters	3,393,511	5,051,075	2,153,527	783,884	861,411	2,543,905	657,850	1,782,985	-	4,984,740	17,228,147
Grand Total	24,048,551	9,753,692	8,581,497	3,133,029	3,453,083	6,275,779	4,066,580	4,798,864	4,435,260	19,576,483	68,546,334

Explanation Of National Programs
Exhibit A

Organizing (029)

We must continue our internal and external organizing efforts in order for CWA to remain an effective organization. The salaries of permanent Organizing Coordinators are included in Line item A1 of their Administrative unit. All organizer expenses are charged to the Organizing account.

Community Action (030)

This allocation allows CWA to respond to a small percentage of the meaningful requests we receive from community and civic organizations, programs and activities dedicated to the welfare of all citizens.

CWA upholds membership and serves on executive boards of a number of organizations. Fees associated with these activities are included in this budget allocation.

Legal Administration Unit Litigation and Miscellaneous (031)

Our legal costs continue to be a significant part of our budget. A portion of these expenses are budgeted to the Administrative unit section. This allocation is for the remainder of our legal expenses.

Convention (032)

This allocation includes funding for the biennial convention, including auditorium and meeting room rental and setup, printing of verbatim reports and other convention materials, postage, wages and expenses of convention committees.

Committees, Conferences & Executive Board Meetings (034)

Permissible expenses are associated with meetings of the Union's Executive Board including travel expenses of Executive Board members and others required to be in attendance. If required, the cost of the meeting room is also included. The budget allocation further includes a provision for committee meetings and conference expenses. Expenses for the Minority Leadership Institute in the amount of \$40,000 have been moved out of the Education Budget line into this line. The allocation does not cover expenses of these attendees for committee meetings and conference expenses unless authorized by the President of the Union.

Taxes (038)

This allocation covers non-related payroll taxes, such as the costs of District building and personal property taxes.

Affiliation Dues (039)

This allocation is for affiliation dues paid to organizations such as the AFL-CIO Departments, Union Network International, IAPTA, International Metal Workers, International Federation of Journalists, and others.

Contingency (040)

The purpose of this account is to provide for unexpected and unknown costs or those expenses that cannot be budgeted to appropriate accounts at the time the budget is prepared.

Information Systems (043)

This budget item reflects the costs of office automation, internal communication networks, training, and updating of equipment in the Headquarters and District offices.

Communications (045)

This account includes the funding of the CWA News, which is mandated by Article XXVI of the CWA Constitution. The allocation includes the cost of printing and postage and is also used for the Union's publicity and public relations program which brings the story of the Communications Workers of America to the public through the mass media of radio, TV, newspaper and social media.

Digital Media Operations (145)

This allocation will pay for ongoing recurring expenses related to our digital media operations, such as hosting fees for our online communications systems, Salsa email, advocacy, Mobile Commons text messaging, and the purchase and renewal of domain names.

Professional Services (046)

This budget item allocation reflects expenses for audit fees and miscellaneous professional services such as accountants, actuaries and consultants, including those hired to support bargaining and contract negotiations.

International (047)

CWA is involved in the free world trade union movement. This budget allocation funds activities with our labor colleagues from a number of countries.

Education (048)

This budget account allocation is for the expense of week-long leadership conferences and the development and delivery of training programs.

Retiree Benefits (061A)

The allocation to this account is for the general insurance policies of the Union, which include group healthcare, pharmaceutical, vision, dental, and life insurance for retirees. Employee healthcare expense is reflected in the Administrative Unit budgets – Line A3.

Insurance – Other (061B)

The allocation to this account is for insurance coverage other than employee healthcare and automobile.

Staff Moves (064)

This allocation is for the costs associated with relocating Staff.

Apprenticeship & Training (066)

This budget allocation is for existing apprenticeship, training activities and new programs which may be implemented in this budget year.

Total National Programs - Total of Budget accounts 029 through 066.

Total Administrative Units - Total of A1 through B4.

Total Budgeted Expenses - Total of National Programs and Administrative Units.

Explanation Of Administrative Unit Budget
Exhibit B

Budget Line A1-A5 & B1-B4 Formula Applications

To determine these allocations, the budget is based on the average per capita paid per person through March 2015, plus building income, AFA contribution and any additional revenue received.

A1 Salaries – Officers and Staff

Reflects annual salary cost for administrative unit officers, staff and professional employees. The following chart indicates the officer’s salaries:

POSITION	SALARY
PRESIDENT	\$194,630
SECRETARY-TREASURER	\$174,277
DISTRICT VICE PRESIDENTS, TNG-CWA VICE PRESIDENT, NABET-CWA VICE PRESIDENT, IUE-CWA VICE PRESIDENT, T&T VICE PRESIDENT AND PUBLIC WORKERS VICE PRESIDENT	\$151,982
AFA-CWA VICE PRESIDENT	\$133,486
PPMWS EXECUTIVE OFFICER	\$125,154

A2 Salaries Full Time and Other

Reflects annual salary cost for administrative unit full-time clerical employees and supervisors.

A3/A5 Employee Benefits

This allocation reflects 35% of administrative unit salaries for employee medical, dental, vision, life insurance, and 401(k) match, plus sufficient funds to meet the pension plan fund commitment.

A4 Employee Taxes

Each administrative unit is allocated 9.1% of administrative unit salaries for employee tax expense.

B1 Office Occupancy

Each administrative unit allocation includes known increases that could be determined. Figures include projected common area maintenance and rent increases projected at 2% for the 2015-2016 budget year.

B2 Staff Expenses

Reflects funds allocated for Staff travel, auto, and communication expenses.

B3 Administrative Operations

This line includes expenses for the following items: part-time salaries and expenses, supplies and printing, postage and freight, rental and maintenance of equipment, contract services, electronic communications, and any other operating expenses.

+B4 Legal

This includes each administrative unit's allocation for expenses such as retained counsel, arbitration, charges and litigation.

Concluding Remarks

It is clear that difficult challenges lie on the road ahead. As we deal with decreasing memberships, sub-par wages, and anti-union legislation we have to continue to develop innovative ways to ensure that our Union continues to meet the financial obligations necessary for survival. With the foresight of our Executive Officers, Local Executive Boards, and our members working together cooperatively to contain costs and grow our Union, we will without a doubt be able to combat the growing challenges that lie ahead.