DUES INCREASE MOTION- ADDITIONAL INFORMATION

The Reason for the Dues Increase Motion

To conform with the provisions of CFUW Bylaws, a motion on the increase or decrease in the dues paid by CFUW members must be received by the membership 120 days prior to the AGM, otherwise no such motion may be discussed on the floor of the AGM by CFUW delegates. Consequently a motion with the amount left blank was circulated along with certain background information.

Following publication of this dues increase motion on February 24, 2017, questions were received from Club Presidents and individuals. Several of the questions were similar, and for this reason, respondents were acknowledged and informed that a general response capturing all the questions would be prepared and circulated to the membership. These responses relate to the years 2016/17 and 2017/18.

GWI Foreign Currency Account and Payment for 2017

On January 9, 2017, the amount of 65’487.50 CHF (Swiss Francs) was paid to GWI for membership dues. This equates to $88,071.45 Canadian (CDN).

This payment constitutes 50% of the total amount owed to GWI at the per capita rate of the current rate of 15.5 CHF based on 8,450 members.

CFUW opened a foreign currency account in 2015 in order to buy and hold Swiss francs when the exchange rate was down. Below is a table of the dates of purchase, the amount in CHF and CDN and the exchange rate. The average rate of purchase was 1.34.

<table>
<thead>
<tr>
<th>DATE</th>
<th>CANADIAN $</th>
<th>SWISS FRANCS</th>
<th>RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-Mar-16</td>
<td>$50,000</td>
<td>36509.68</td>
<td>1.3695</td>
</tr>
<tr>
<td>21-Apr-16</td>
<td>$25,000</td>
<td>18711.17</td>
<td>1.3361</td>
</tr>
<tr>
<td>20-Apr-16</td>
<td>$25,000</td>
<td>19001.29</td>
<td>1.3157</td>
</tr>
<tr>
<td>27-Apr-16</td>
<td>$25,000</td>
<td>18910</td>
<td>1.322</td>
</tr>
<tr>
<td>25-Oct-16</td>
<td>$25,000</td>
<td>18181.82</td>
<td>1.375</td>
</tr>
<tr>
<td>6-Dec-16</td>
<td>$26,600</td>
<td>20000</td>
<td>1.33</td>
</tr>
<tr>
<td>Total:</td>
<td>$150,000</td>
<td>131313.96</td>
<td>1.341383 average rate</td>
</tr>
</tbody>
</table>
Timelines for Collection of CFUW Dues from Clubs

Below is an example of how the timelines work in the collection of membership dues from Clubs:

- September, 2016: Clubs start up their new club year and collect dues for local use and submission to national office for GWI, National, and Regional Councils.
- January 31, 2017: Clubs report to national office the number of members they have as of December 31, 2016
- May 1, 2017: Clubs pay to national office their dues based on the number of members they have.
- National office uses the number of members and the amount of dues collected to prepare the 2017-2018 budget
- The budget is approved at the AGM. The budget is effective from May to April.
- If a dues increase motion were to pass, the new rate would be payable by the Clubs to national by May 1, 2019.

Clubs would have to start collecting the increased dues during the club year 2018-2019.

GWI and CFUW Fiscal Years

The fiscal year for GWI is January to December. The fiscal year for CFUW is May to April.

Chronology of Events Related to GWI Dues

At the GWI Triennial held in August, 2016, dues increases for GWI members were approved. The dues increase payable by CFUW (at the Canadian preferred rate) were approved at 9 CHF for 2017; 5 CHF for 2018 and 5 CHF for 2019.

On December 21, 2016, in her President’s Letter, Geeta Desai, GWI President, stated that there had been a decision to do away with the dues increase. She asked that members pay their dues (without increase) on time – the entire amount in January 2017 or at least half in January and the rest in March 2017.

On January 16, 2017, the GWI President wrote to GWI members that the dues increase was not cancelled but deferred.

In the same letter, it was announced that there would be an Ad Hoc Committee of GWI members convened to discuss the dues increase issue. No time frame was given.
GWI Dues Increases 2016/2017 to 2017/2018

The current per capita rate for the 2016-2017 GWI dues is 15.5 CHF or approximately $21 CDN. In its 2016-2017 budget, CFUW set aside $179,797 to pay the dues at the current per capita rate.

The dues increase for 2016-2017 is 9 CHF or approximately $12 CDN. (Calculation: 9 CHF x 1.33 exchange rate = $11.90). It should be noted that this calculation varies depending on the rate of exchange. The $12 increase for 2016-2017 for 8,400 members amounts to approximately $100,800. This additional amount has not been provided for in the 2016-2017 budget. It has been deferred by GWI; the final decision about implementation of the dues increases has not been made by GWI, but CFUW must carry this $100,800 over to the 2017-2018 budget. The cumulative dues of $21 we have been paying to date plus the $12 increase for 2016/2017 is therefore 24.5 CHF or approximately $33 CDN.

The dues increase for 2017-2018 is 5 CHF or approximately $7 CDN. (Calculation: 5 CHF x 1.33 exchange rate = $6.65). It should be noted that again this calculation varies depending on the rate of exchange.

The cumulative dues increase is therefore 29.5 CHF or approximately $40 ($33 CDN from 2016/17 + $7 CDN = $40). The total amount required to pay the dues in 2017-2018 would be: 8400 members x $40 = $336,000. In the following year the deferred $12 for 2016/17 would not be included.

**It should be noted that the dues increase motion currently under consideration does not deal with the GWI dues increases for 2018-2019.**

It was discussed by the previous GWI President that there would be a dues increase in 2019 for the next Triennial but there has been no mention of it by the current GWI President.

CFUW Dues Table 2016/2017- 2017/2018

<table>
<thead>
<tr>
<th>2016/2017 CFUW Dues</th>
<th>GWI Portion - base</th>
<th>GWI Increase</th>
<th>CFUW Portion</th>
<th>CFUW Increase</th>
<th>Total CFUW Dues</th>
</tr>
</thead>
<tbody>
<tr>
<td>$21</td>
<td>$12*</td>
<td>$49</td>
<td>$70</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*The increase of $12 for 2017 has not been collected from Clubs; therefore the dues for 2016/2017 are still $70. However as noted above, the $12 increase will have to be collected in 2017/18.
The $12 that was in arrears from 2016/2017 is a one-time arrears payment and not applicable in future years.

** The $2 is the cost of CFUW doing business due to inflation.

### GWI Dues Increase Table- Total Dollars Owed 2016-2018

<table>
<thead>
<tr>
<th>Year</th>
<th>GWI rate CHF</th>
<th>Cumulative per capita rate CHF</th>
<th>GWI Rate CDN</th>
<th>Cum per capita CDN cost</th>
<th># members</th>
<th>Dollars owed in each of 2 years. Column 5X6 Rate=1.33</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016/2017 current</td>
<td>15.5</td>
<td>15.5</td>
<td>$21</td>
<td>$21</td>
<td>8400</td>
<td>($33X 8400)</td>
</tr>
<tr>
<td>2016/2017 increase</td>
<td>9</td>
<td>24.5</td>
<td>$12</td>
<td>$33</td>
<td>8400</td>
<td>$277,200</td>
</tr>
<tr>
<td>2017-2018</td>
<td>5</td>
<td>29.5</td>
<td>$7</td>
<td>$40</td>
<td>8400</td>
<td>($40X8400) 336,000</td>
</tr>
</tbody>
</table>

NOTE: In the above table, column 5 flows from column 4 so that Column 4 records the yearly payments due and those yearly amounts are added cumulatively from column 4 into column 5.
Both columns start with the base of $21 dollars for 2016/17. In the same year an increase of $12 gets added on to give a cumulative amount of 33 dollars. The next year, 2017/18, $7 gets added in column 4 to give a cumulative amount in column 5 of $40

**CFUW Membership Dues and the Proportion/Percentage of It Constituted by GWI Dues**

In 2015-2016 GWI dues were $21 or 30% of the total $70 CFUW membership due.

In 2016-2017 the amount charged by GWI was $21 plus a $12 increase. However the $12 increase is not being paid during this year and so the GWI percentage remains at 30%.

In 2017-2018, the base amount charged by GWI is $33 (21+12). There is also an increase of $7. The total CFUW membership due, for that year only, (ignoring the deferred payment from 2016/17) would be $89 (GWI: 21+12+7) and CFUW (49). The GWI amount of $40 is **44.9% of the total CFUW membership due of $89.**

However the numbers for 2017-2018 are skewed by also having to pay the **deferred** due increase of $12 unpaid in 2016-2017

Consequently, for **2017-2018**, the GWI membership fee jumps to $52, (21+12+7+12*deferred). This means that in total we would have to pay dues of 52+49=$101. GWI’s portion for that year only would be **51.5 % of the $101 membership fee.** This would have to be provided for in a budget.

**The Proposed Dues Increase and GWI**

It should be underlined that the motion to approve a national dues increase has been left blank intentionally. It was sent out on February 24, 2017 to comply with the requirements of the 120 days notification as specified in CFUW Articles and Bylaws. The background provided to the motion provides information by the Finance Committee on what would have to be collected in order to cover the GWI dues increases up to the fiscal year 2017-2018.

**The Proposed Dues Increase and CFUW**

The proposed dues increase that relates to CFUW only (and not GWI) is $2.00. It should be noted that this proposed increase is for 2017/2018. If a dues increase is required for 2018/2019, it would be determined at a later date.

The proposed increase of $2 for CFUW is an increase of 2.8% to cover costs of CFUW doing business due to inflation.
It should be noted that CFUW finance reports are available on the Member Resource website in the Financial documents section under Governance - [www.cfuw.org](http://www.cfuw.org); username: viewonly; password: cfuw4321.

Below is a table of CFUW dues increases since 2005/2006:

<table>
<thead>
<tr>
<th>Year</th>
<th>CFUW Dues amount</th>
<th>Dues increase</th>
<th>GWI Portion of CFUW Dues</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005/2006</td>
<td>$45</td>
<td>$8</td>
<td>$14.45</td>
</tr>
<tr>
<td>2006/2007</td>
<td>$50</td>
<td>$5</td>
<td>$12.60</td>
</tr>
<tr>
<td>2007/2008</td>
<td>$55</td>
<td>$5</td>
<td>$12.60</td>
</tr>
<tr>
<td>2008/2009</td>
<td>$60</td>
<td>$5</td>
<td>$12.65</td>
</tr>
<tr>
<td>2013/2014</td>
<td>$70</td>
<td>$10</td>
<td>$15.48*</td>
</tr>
<tr>
<td>2015/2016</td>
<td>$70</td>
<td>$0</td>
<td>$21*</td>
</tr>
</tbody>
</table>

*amount varies depending on exchange rate

The GWI Portion of the dues includes the membership dues, expenses of the CFUW President and VP, International Relations, to attend the GWI Triennial Conference, support for CFUW members serving on the GWI Board of Officers and as GWI Committee Chairs and the Dr. A. Vibert Douglas International Fellowship of $8,000, awarded every two years.

**CFUW Reserve Fund**

CFUW has two types of Reserve Funds: the Restricted Reserve Fund and the Unrestricted Reserve Fund. The Restricted Reserve Fund is to deal with unexpected costs that may arise in the future such as the shutting down of the organization and emergencies such as a fire. The Unrestricted Fund contains designated funds for projects that the organization is planning to undertake in the future.

As of April 30, 2016, there was $202,000 in the Restricted Reserve Fund and $102,134 in the Unrestricted Reserve Fund. Using the Unrestricted Reserve Fund for such large amounts is risky, and it could be used up quickly. Currently $57,000 Of the Unrestricted Reserve Fund has been committed leaving $45,134 uncommitted.

In response to a question of whether or not CFUW would have to access the Unrestricted Reserve Fund to pay the 2017-2017 dues increase, the answer is that we hope not, however, it will depend on when the dues increases come into effect. As mentioned, GWI is setting up an Ad Hoc Committee to review the dues increases. It is not clear when the Committee will report its recommendations to the GWI Board and what recommendations will be accepted by the GWI Board.
Possible Reduction in CFUW Dues

A question has been posed as to whether or not the dues might be decreased in the event that the motion to remove article 4 from the CFUW constitution to no longer belong to GWI is adopted. It must be remembered that it is the Clubs who make this decision and a motion to this effect could be considered at the AGM.

Required Vote for Dues Motion

The CFUW Articles and Bylaws state the following:

*Annual per capita dues shall be set by a special motion passed at an annual general meeting.*

*Special motion means a motion passed by a majority of not less than two-thirds (2/3) of the votes cast on that motion.*