

**Notes of the Mount Royal Faculty Association  
Meeting date: October 25, 2013**

**Call to order:** A General Meeting of the MRFA was held in Mount Royal University, Calgary on October 25, 2013. The meeting convened at 10:07am, President Gerry Cross presiding.

**Members in attendance:**

See attached Attendance Sheets

**Agenda:** Approved

**Approval of minutes:**

Motion was made by Gerry Cross to approve the minutes of the September 25, 2013. **Motion carried.**

Kit Dobson is making arrangements for Len Findlay to come to campus in late January. Len is the long time chair of CAUT's Academic Freedom and Tenure Committee. We are hoping to have him attend the January General Meeting as we had Jim Turk attend the September meeting.

Discussion:

Q: What is the purpose? Is this to inform APPC decisions coming to GFC or to give us a broader understanding of the issue?

A: Our objective is to have Academic Freedom in the Collective Agreement; so, we are doing this to build support for that among the faculty members.

Q: Will the APPC policy on academic freedom come back to GFC for a vote?

A: The committee has not met yet so we do not know where they will go with that.

- It would be useful for GFC Councillors to attend these meetings so they are aware of the broader implications and history around academic freedom

**Officer's Reports**

President's Report

1. Changes to the Local Authorities Pension Plan

Defined Benefit pension plans are threatened because they are not fully funded. there is a huge unfunded liability for governments based on the difference between those partaking in LAPPS and those who are not. There is the public services pension plan which civil servants belong to and there is LAPP for public employees whose employers are not the government. The LAPP plan was doing quite well till the 2008 economic downturn and investments were lost. Other reasons for the unfunded liability are that people are living longer and there are earlier retirements. Right now 30% of all contributions are paying off the unfunded liability that has accrued since 2008. So only 70% of what we are paying is going into investments which will support our pensions. The pension is 2% per year of service based on the highest five years of earnings. This 2% includes CPP which is why the contribution rates are lower.

	2012	2013	2014
Members' Rate up to YMPE	8.91%	9.43%	10.39%
Members' Rate over YMPE	12.74%	13.47%	14.84%
Employers' Rate up to YMPE	9.91%	10.43%	11.39%
Employers' Rate over YMPE	13.74%	14.47%	15.84%

YMPE is the Year's Maximum Pensionable Earnings, determined annually by the Canada Pension Plan. It is \$51,100 for 2013.

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There are, also, subsidies in the plan which are effecting the unfunded liability. These plans were created when people did not live as long and now there are less members contributing to the plan in proportion to the number of employees collecting. LAPP is 50 years old now. When they were created there were subsidies built into them.

- o There is a commuted value in which you could leave the plan before 55 and take out your contributions. They figure out the pension earned at that point and figure out the commuted value which is then paid out. The interest rate they use in these calculations is favourable to those who leave the plan. Last year this totalled \$700 million.
- o Early retirement only reduced pension by 3% a year. This unreduced 85 factor pension is also a subsidy. The maximum pension is 75% those at the 85 factor tend to get 50% pension unreduced. Really this should be reduced because it works out to them getting more money than someone who retires at 65 with 25 years of service.

The Minister of Finance asked that the board of trustees for these plans make suggestions for these funds. LAPP submitted some proposed changes and the public service pension plan did not. The Minister decided what the changes would be and they will be effective Jan 1, 2016.

- o There will be a reduction in benefits and in contribution rates, but these changes will not be retroactive.
- o The unreduced 85 factor pension will be eliminated. This is not retroactive so it does not apply to years of service before 2016
- o You could contribute for more than 35 years and get more than a 70% pension
- o There may be a hard cap on contribution rates. Initially this will be the current contribution rates and this cap will be part of the legislation. It could be reduced in the future and it could result in benefits being reduced.
  - Over the past few years the contribution rates have continually gone up.
  - Essentially this means that benefits are reduced because the rates cannot increase
- o The plan is currently administered by the Minister of Finance. They want to change this to a joint administration by employers and employee groups.
  - With LAPP this will be difficult due to diversity among the groups.

#### Analysis

Contribution cap could lead to benefits being reduced. This combined with the targeted and lower COLA increase means that some of the financial risk is shifted to pensioners. Contribution rates, with the current actuarial assumptions, will decrease between 3 - 3.5% and this would be split. If they are decreased by 3% then employees and employers would each pay 1.5% less. This additional money could be invested in an RRSP by employees.

They did not deal with the subsidy for people leaving the plan and so did not shift any of the risk to these people. ACIFA is going to make a response to this and likely recommend that this subsidy be removed

#### Discussion:

Q: Does this mean there would be a 6% reduction if you retire based on the 85 factor?

A: It depends. It varies from 4.5-5.7% per year depending on how many years before 65 you retire. It is a lower reduction if you retire earlier. At 55 this would be 4.5% per year which totals 45%. If you retire at 64 then your pension is reduced by 5.7%. These actuarials are redone every three years based on inflation, projections on market returns and also lifespan.

Q: The changes to COLA is concerning.

A: If you extend this out for 20 years the difference is going to be pretty significant. And it

could be 0% if market returns are low: there could be no cola adjustments.

Q: How will it work not being retroactive before 2016?

A: For example, consider someone retiring Jan, 2021, 5 years after the changes came into effect. If that person had 35 years of service then they have 30 years of service before the changes and 5 years after. Their cola will work based on the 30 years of service they will get the 0.06% cola and the 5 years after 2016 they may get the targeted cola increase. This is the same for how the retroactivity will work for the 85 factor

Q: Is this information available in more detail somewhere? This effects those thinking of retiring in the next while.

A: We will post the information with the [materials](#) for this meeting. The general answer to the question is that because these are not retroactive there is no reason to retire earlier than you were planning to before.

Q: Is it fair to say that not making this retroactive makes people more passive who are closer to retirement and will more negatively impact those who are not close to retirement?

A: It may have this effect but that is not likely the reason. People close to retirement have been paying into the plan under the assumptions of the plan as it was and therefore should have those benefits. Natural justice requires that changes made such as this cannot be made retroactive.

Q: It is retroactive in a sense since our benefits can be reduced in the future?

A: Yes, but that is based on any pension earned after the 2016

Q: Will there be a lot of retirements prior to 2016 that will cause issues?

A: If the changes were retroactive this may be the case. The 85 factor is not retroactive either. If you earn it before 2016 you would have the 85 factor and could not lose it. If you earn part of the 85 after 2016, however many years are after 2016 would be reduced by whatever rate the actuarials are.

Q: It seems that Alberta is making bad investments and should be held accountable. Other provinces are being very creative with how to manage cola and getting people out of the workforce and getting younger people in. It seems people recently hired are having to pay for these mistakes.

A: Gerry will look into this

Q: These are proposed changes and they are looking for feedback. When does this feedback window close and when do we know if these changes are going forward.

A: Responses have to be submitted this fall. ACIFA is drafting a response that is being circulated and we would respond to or revise the draft response

Q: Are we considered shareholders in this pension plan so we can attend meetings and speak to the investments and also have a say in whether they get any kind of bonuses?

A: Currently ACIFA has a seat on the board of trustees so we do have a voice through the ACIFA representative

Q: What prevents them from making future changes that continue to make it worse?

A: This is one of the concerns: that it could get progressively worse regarding the COLA or the contribution cap could cause benefits to continually be reduced. Even if they meet the target of 50% COLA, if inflation went to 5% a year then you are losing 2.5% of your pension every year. If this is compounded over 20 years then there is nothing left. If you do not get the 50% cola then it makes it that much worse.

Q: This is something we should really be concerned about. This really effects people who are just starting to make contributions to the plan. We need to keep in mind that this is part of a bigger privatization agenda. It is not about pensions or investments: it is the

government removing its responsibility for these things. The government does not want to fund the public plans and is forcing people to invest in private plans. We need to push against these changes. In academia we have made significant transfers of our wages: we get lower salaries with the return of better pensions. We should really do something to make our concern about this clear.

A: Members of LAPP have prepared a [website](#) for this. There is a form letter you can send to protest the changes. This will be linked under the [meeting materials](#)

Q: Could members choose to opt out?

A: Opting out could be made optional

Q: Could we recommend or ask that someone on the Executive Board do some models taking an imaginary faculty member, at any point in the career, and go through scenarios of what could happen. People should be able to see the long range effect. This would give us some hard data. This group is going to be highly effected.

- A spreadsheet could be built with parameters.
- Shiraz and Gerry will work on this

Comment: If no changes were made, over the next 35 years, people who contribute will have to contribute a lot more to fund the guaranteed cola increases and not fund their own future. Obviously we would like to keep the good pension plan but it is understandable that they have to shift some of these risks.

Q: There is an incentive built into this for those who have been in the plan for 10-15 years to get out of the plan. This contributes to the government's plan to get out of this. We need to demonstrate all the ways this disadvantages us.

A: Good point

Q: These changes will likely go through right?

A: Politicians can always be influenced by the voters. If there is enough opposition they may consider changes. They are not influenced by the citizens enough because the citizens are not active enough in trying to influence them.

## 2. Child Care Committee

There was a motion to redo the survey last fall. A committee was struck and redeveloped the survey. This was completed last February but it was not administered due to all the budget cuts. The survey is intended to assess future demand for child care and also to get a sense of how the membership would feel about certain initiatives the association could consider pursuing to support members with child care needs.

## 3. Dues and Services Chart

Sometimes there are concerns from members about why we have to pay so much on association dues. The chart, available [online](#), demonstrates what our members pay in dues and the services they receive in return compared to other Associations at comparable institutions. If you compare us to some other associations they are paying more and they get a lot less.

- o Some have more staff: the MRFA does not have a full time executive director. We have a full time President and half of that is paid by the Board. The system we have only works because we have an involved association. Some Associations have a hard time getting people to attend and to run for positions so they hire an executive director. The benefit of this is that there is continuity in the Executive director but the problem with this is that the Executive Director is disconnected from the membership. Memorial and Brock recently removed their ED positions for this reason.
- o MRU and GMU are the only ones that do not have a financial exigency article. Such an article stipulates that if the University is in serious financial difficulty then they are required to open the books and a joint committee is struck. The interest in creating this article is to get the threshold for this as low as possible.

- MRU is the only University in the list that does not have an Academic Freedom Article in its Collective Agreement

#### Vice President's Report

The negotiating committee is going to all departments this term. Most departments have made arrangements for this. We are gathering information about your concerns. If you do not see this happen in your next couple department meetings you can encourage your chair to respond to our request.

The Committee is going to be bargaining for the IP articles this fall. We hope to have something to bring back to the membership on this in January.

Thanks to Jennifer Pettit for scheduling 33 different department meetings.

#### **Committee Reports**

##### Communications Committee

###### 1. MRU Governance Chart

Last year the Communication Committee decided to put together a governance chart at MRU. It provides a broad view of governance at Mount Royal from the faculty perspective. Each section of the chart is linked to its respective committee charter or website. This chart is available [online](#).

###### 2. Facebook

We communicate with you in a number of ways. The Monday email is very useful way to keep up to date. We have a Facebook page where we communicate with our members and which provide you with an opportunity to discuss things amongst faculty from across the university. Currently there are 100 members on this page and we encourage you all to request membership. It is a private group open to MRFA members only. Finally, our Department Communicators are in every department. They provide a point of contact questions pertaining to the MRFA. If you do not know who your communicator is the list is available [online](#).

#### **New Business**

##### Advocacy for Post Secondary Education

###### 1. MRU Coalition

The MRFA Executive is working to establish an MRU coalition consisting of the Mount Royal Faculty Association, the Students' Association of Mount Royal University, and the Mount Royal Staff Association. The coalition would have an externally visible presence and seek a mandate from its member organizations to educate the citizens of Alberta about the value of post-secondary education and what needs to be done to properly support it. Through the coalition, we would share information, seek common initiatives, and identify ways in which we could support each other's advocacy efforts. We would endeavour to work with senior administration and the Board of Governors, wherever possible. Once the coalition was established, we would try to expand it to the other post-secondary institutions in Calgary. Gerry Cross and David Ohreen are the MRFA representatives on the MRU coalition

###### 2. Goals

These are being presented for discussion and approval and will inform the work of the advocacy Committee and the MRU Coalition. There are five proposed advocacy goals followed by supporting arguments and rationale for the goals. These will each be moved as an Executive Board motion. There will be discussion and there can be motions to amend. We will vote on whether or not to adopt the goal.

Motion THAT the MRFA advocate for the additional funding that was promised for the third and fourth years of Mount Royal University's degree programs

Executive Board Motion

Discussion:

- In the rationale are those the only new degrees?
  - No but this funding was specific to these degrees. These were planned based on the funding we were promised. The economic situation forced

the government to make cuts. There was then a bulge of students going through the program.

- We have the physical capacity for over 10,000 students but are only funded for 7,500
- We are advocating with respect to the provincial government?
  - Yes, but this is involved in our strategies.
  - Politicians listen to voters. So, we are also advocating to the parents of high school students who cannot get into university because they only got an 80% average

Motion to amend insert after Promised “by the provincial government”

Moved: Michael Truscello

Seconded: Roberta Lexier

Vote

Passed Unanimously

Motion Restated: Motion THAT the MRFA advocate for the additional funding that was promised by the provincial government for the third and fourth years of Mount Royal University’s degree programs

- Would it be more effective if we stated when they promised this funding?
  - We could insert a date
  - We should keep in mind that the purpose of this discussion is not to craft language. It is just that the Association needs the support of the membership. We are trying to decide if we support these goals.
  - We will not make this change then

Vote on Motion

Carried Unanimously

Motion THAT the MRFA advocate for the continuation of the provincial government’s 2013-2014 initiative to freeze tuition and add the amount of a cost of living tuition increase to operating grants for \_\_\_ years.

Executive Board Motion

Discussion:

- The government did that this year. Had tuition increases been tied to Alberta’s inflation, it would have worked out to 2.5% increase to tuition this year. The government decided not to do this; instead, they increased the operating grant by the equivalent amount.
- In Newfoundland and Labrador where PSE is a priority tuition fees have been frozen since 2003-2004.
  - Including tuition and all compulsory fees, tuition in Alberta is \$7,093 per year and \$2,873 in Newfoundland and Labrador.
  - If Alberta were a country we would have the 5<sup>th</sup> highest tuition and fees in the world
- By making this change, increasing operating grants by inflation and holding tuition constant, we would start moving back toward the funding levels we had previously. This alters the balance of what students pay through tuition and what the government pays through grants
- Suggestions for number of years?
  - What did the Executive think for this number?
    - Gerry wrote a previous version of this goal and put 10 as the goal
    - It could also be 5 years
    - Governments budget on a three year cycle. They change it every year but it is based on a three year model. The government will not contemplate further than a three year cycle. It may be good to approach it this way.
  - This is a principle we are defending so it is not necessary to limit it.
    - Then why do we need a time frame?
    - We do not need to have a time frame
    - We should have it that this is a goal whenever the government is

considering operating grants

Motion to Amend: "Motion THAT the MRFA advocate for the continuation of the provincial government's 2013-2014 initiative to freeze tuition and [continue to] add the amount of a cost of living tuition increase to operating grants."

Moved: Jeremy Berry

Seconded: Scott Murray

Vote

Carried Unanimously

Vote on Motion

Carried Unanimously

Motion THAT the MRFA advocate for per capita FLE funding from the provincial government sufficient to ensure that no qualified Alberta applicant is turned away.

Executive Board Motion

Discussion:

- We do not have the number of turnaways for fall 2013
- Last year there were 2,846 applicants not admitted to MRU. Of those 1,617 did not get a seat in any Alberta institution. This does not include those "turnaways" who went to cont-ed. This makes the number lower than it is.
- We have the capacity at MRU to accommodate these students

Vote

Carried

Motion THAT the MRFA advocate for increased government revenues so that the volatility and instability of funding for post-secondary education can be eliminated.

Executive Board Motion

Discussion:

- There are arguments here that this is the root problem. The instability of government revenues results in them having to make cuts and they cut PSE.
- The government should be taxing the money generated by non renewable resources and investing and saving the profits from the resource. When the price of gas went down in 2008-09 the consequence should have been that the government saved less.
- This is too far away from what we are trying to do here. Does it dilute our message? Is it too far out of the realm in terms of what the MRFA can be doing?
  - If we say that we need increased funding for PSE the question always comes back "how are you going to pay for that?" What we need to avoid is stating that something else should be cut.
  - We should not be pitting social services against each other.
  - The actual answer is increasing revenues.
  - Often you need to cost your demands in advocacy. You need to have a viable proposal to pay for it.
- This is not getting at the biggest issue here. The government does not recognize the critical contribution of PSE to the future success of the province.
  - They do see the value but they are so constrained in revenue that they have to cut somewhere. They can only cut healthcare so much and recently had the costs of a flood. The problem is there is insufficient revenue.
- We criticize the government about these things. In all spheres there is a desire for services but not a desire to pay for them. The government cannot raise taxes because people will not vote for them if they do.
  - We also need to convince the public of Alberta that we need to fund public services and education is one of those services.
  - We need to ask the public to push the government to increase taxes. That taxes are good in that they pay for the services we need and if we want good services we need to pay for them.

Called the question  
Moved: Scott Murray  
Seconded: Marc Schroeder  
Vote  
Carried  
Vote on Motion  
1 opposed and 3 abstentions  
Carried

Motion THAT the MRFA advocate for the quality of education; for example. by explaining the impacts of increased class sizes

Executive Board Motion  
Discussion:

- This is not fully formulated but it is just a principle and goal of something that the MRFA will work toward and advocate for

Vote  
Carried Unanimously

### 3. Strategies

The MRFA is supposed to be non partisan. Most of these goals are non partisan and the main emphasis is to advocate with the public more so than with the parties. But, to the extent that we have adopted an MLA as a strategy, we would do this with all MLAs in Calgary. The question is whether we criticize the platforms or actions of a particular party: in particular the ruling party. The Advocacy Committee and Executive Board have gone back and forth on this regarding the points under the third bullet of point three.

We need to decide which of the following statements will guide our strategies:

- be non-partisan in the sense of saying what is required for the future of the province, but don't criticize party policy or individual politicians
- be non-partisan in the sense of saying what is required for the future of the province

Discussion:

- The intention is to be able to say what the government is doing and what the other parties are saying. In 2016 we would take each of the party platforms and present the positions on PSE.
  - We would not advocate on behalf of any of the parties. But to say that each of the parties has a different position on PSE and we should know about that.
  - It is not useful necessarily to criticize or advocate for a particular party but it is important to make the public more aware of the party politics.
  - It is important that we be assertive and specific and make people accountable.
  - It is good to maintain a positive approach too, but when it comes to criticizing we need to take a stand and be vocal about it.
- One of the things trying to be addressed here is that if we are critical of the province not doing what it said we may be contributing to an electoral victory that would be even worse for PSE. We should be allowed to say according to platforms that some are not preferred alternatives for the public sector at the moment. The first bullet prevents us from doing this.
  - The shorter version is less restrictive

Second version adopted and carried 2 abstentions

- Students come up in part one and four. We need to think of these strategies as an association not as individuals. It has to be done in a formal way. If we are doing this as a body with representative advocates then the students association needs to do this too and decide to do this.
  - This is the intent. Gerry has discussed this with the SAMRU and they are supportive of it through the MRU coalition

Membership vote on incorporating in its strategies the statement that it shall "be non-partisan in the sense of saying what is required for the future of the province, but don't criticize party policy or individual politicians"



1 in favour

Motion THAT the MRFA incorporate in its strategies the statement that it shall “be non-partisan in the sense of saying what is required for the future of the province”

51 in favour

**Adjournment:** The meeting was adjourned at 12:00pm.

\_\_\_\_\_  
Communications Officer  
Mount Royal Faculty Association

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Date of approval