

MAUT Fall General Meeting, November 17, 2016

Report of the Vice-President, Finance

Ken Hastings

MAUT Financial Snapshot

The MAUT financial picture continues on a sound and stable footing as it has for the past several years.

As in every year, the vast bulk of our annual revenues (roughly \$700,000 in fiscal year 2016) comes from the fees collected from our members. Another small amount (\$40,000) comes from the McGill administration to finance teaching releases/research assistance for members of the MAUT Executive. On the spending side, the single largest item is the dues we pass on to the CAUT and the FQPPU (roughly \$277,000 in FY2016). The other large annual expenditure item is on salaries and benefits for the MAUT staff – roughly \$215,000 in FY2016). Over the past 5 years we posted an annual operating surplus ranging up to \$96,000 (in FY2015 and again in FY2016).

The existence of annual surpluses leads to the accumulation of financial assets. As of August 31 2016 MAUT had roughly \$713,000 in accumulated assets. Given our past experience, it seems that this level of accumulated assets is an appropriate one for our association and it is therefore possible to envisage reducing the rate of accumulation by lowering the membership dues mil rate, or increasing membership services, or both. Discussions at the Finance Committee (see below) and at MAUT Council have addressed these issues.

At its November 9 2016 meeting MAUT Council indicated support for a proposal that a third MAUT staff member be hired, with primary responsibility as a Membership Engagement Officer. The work of this additional staff person would improve the connections between MAUT and its members, and would also have an important goal of increasing membership. It is estimated that an increase of 100-150 in the total number of members (the current number is about 950), which seems realistic, would make the new position revenue neutral.

Discussions about possible reduction of the membership dues mil rate have taken place at Council meetings this term, and are continuing. Reports to Council from the Finance Committee (see below) indicate that it is financially feasible to both hire a third staff member and reduce the mil rate. It is likely that final decisions will be made at a Council meeting in the very near future.

MAUT Finance Committee

The MAUT Finance Committee last met on October 14, 2016. The Committee discussed the organizational and financial issues regarding the possible hiring of a Membership Engagement Officer, and also the financial implications of a possible membership dues mil rate reduction. Several reports were made and circulated to Council before its October 26, 2016 meeting which explored the financial impacts over a three year horizon of various scenarios of mil rate reduction and new staff member salary ranges.

The members of the Finance Committee are: Mo Chaudhury, Ken Hastings (Chair), Terry Hébert, Andrew Kirk, Alenoush Saroyan, Renée Sieber.