

## Presenters

- Peter Gall, QC
- Gall Legge Grant Zwack LLP
- Paddy Bradley
- Executive Director, Greater Victoria Labour Relations Association (GVLRA)
- Kevin Murdoch
- Mayor of Oak Bay
- Board Chair, Greater Victoria Labour Relations Association (GVLRA)


## Agenda

- Municipal Bargaining and GVLRA (5 min.)
- Bargaining and Arbitration and History (how we got here) ( 10 min .)
- Recent Arbitration Decision impacts (15 min.)
- Q \& A (15 min.)


## Who is the GVLRA?

- The Greater Victoria Labour Relations Association
- Formed under BC Labour Relations Act, Division 6
- Public sector employer's bargaining agency
- Best possible collective bargaining results for taxpayers
- Highest labour standards, shared costs, consistent contract interpretation, training, grievances, arbitrations, best practices


## Protective Services Bargaining

- Fire and Police Services Collective Bargaining Act defines collective bargaining
- The Union and Employer cannot test their resolve through strike or lock-out
- At the point of impasse the matter goes to mediation then binding arbitration
- This has lead to significantly higher settlements in protective services


## History of Settlements



## Protective Services for Municipalities...

- Municipal councils own Fire mandate, not Police
- Police and Fire: binding arbitration under the Act impact both
- Next section mostly on Police - but impact is on all protective services
- Change is incremental and cumulative
- Keeping increases similar to CUPE and broader public sector necessary for the long term financial viability of municipalities
- Critical to respect the tremendous work contributed by protectives services


## Interest Arbitration History I

## City of Penticton and IAFF Loc. 1399,

Interest Arbitration, David McPhillips, July 15, 2015

- IAFF sought wage rate increases negotiated or imposed elsewhere in the province. Arguments focused on fire fighting as a dangerous occupation
- The City arguments centered on the local economy and the City's debt (significant and growing). Penticton ranked $29^{\text {th }}$ (last) out of BC largest municipalities in spending sustainability.
- The City sought wage increases in line with those negotiated w/ CUPE \& IBEW.
- The Union sought wage increases in line with other Fire Fighter agreements.
- The Award noted that 98-99\% of Fire Agreements in BC have wage parity and the last 2 Penticton Agreements also had wage parity. The Arbitrator found that while the City's financial situation was difficult it was not as dire as Prince Rupert. The Arbitrator awarded wage parity with other IAFF settlements.


## Interest Arbitration History II

Supreme Court of British Columbia - City of Penticton and IAFF Loc. 1399 (Justice Catherine Bruce, April 29 2016)

Appeal of the McPhillips Interest Arbitration Award
Examined the Fire and Police Services Collective Bargaining Act, in particular section 4(6) the factors an arbitrator must have regard to:

- terms and conditions of employment for employees doing similar work;
- the need to maintain internal consistency and equity amongst employees;
- terms and conditions of employment for other groups of employees who are employed by the employer;
- the need to establish terms and conditions of employment that are fair and reasonable in relation to the qualifications required, the work performed, the responsibility assumed and the nature of the services rendered;
- the interest and welfare of the community served by the employer and the employees as well as any factors affecting the community;
- any terms of reference specified by the minister under section 3;
- any other factor that the arbitrator or arbitration board considers relevant.


## Interest Arbitration History II

Supreme Court of British Columbia - City of Penticton and IAFF Loc. 1399, (Justice Catherine Bruce, April 29 2016)

In considering the factors Justice Bruce noted the accepted general principles:

- There is no weighting assigned to the factors.
- The arbitrators must apply the replication principle, that is what the parties would have likely agreed through collective bargaining.
- Interest arbitration is conservative and the arbitrator should not introduce fundamental changes to the agreement.
- The award should fall within a reasonable range of comparators.


## Interest Arbitration History II

Supreme Court of British Columbia - City of Penticton and IAFF Loc. 1399
(Justice Catherine Bruce, April 29 2016)
The Decision found:

- That arbitrators failed to consider settlements achieved by the employer with other unionized groups
- That local market conditions be awarded the same weight as other factors (but not more)
- That arbitrators are to consider wage rates of other fire fighters and police, though nothing in the Act directs arbitrators to give this factor greater weight
- The arbitrator has the discretion to attach weight based on the particular facts of the case


## Interest Arbitration History II

Supreme Court of British Columbia - City of Penticton and IAFF Loc. 1399 (Justice Catherine Bruce, April 29 2016)

- "Why would the Association ever agree to something less than external wage parity if interest arbitration invariably led to the imposition of wage parity with other fire fighter groups in the Province?"
- "An interest Arbitrator who slavishly follows past arbitration awards without regard to particular facts before him fetters his discretion and acts contrary to the statutory mandate..."
- "It is apparent ...that in many prior interest arbitrations ...the wage increases negotiated by other unionized employees within the same employer's operation have not been accorded significant weight...Arbitrators cannot ignore these factors in favour of blind adherence to past awards."
- The Court gave deference to the Arbitrator's award and dismissed the application.


## Interest Arbitration History III

Vancouver City Police Board and Vancouver Police Union (Wage Grievance)
Interest Arbitration, Stan Lanyon, September 29, 2016

- The Police Union sought wage leadership in Canada, arguing Vancouver and BC lead economic growth and therefore the salaries should also lead.
- The Employer in offering $21 / 2 \%$ increases over 4 years (the Delta settlement) argued that Toronto and other Ontario agreements settled with increases in the rage of $2 \%$ should be the comparators.


## Interest Arbitration History III

Vancouver City Police Board and Vancouver Police Union (Wage Grievance), Interest Arbitration, Stan Lanyon, September 29, 2016

The Award:
"...Vancouver has some of the most difficult areas to police in all of Canada; for example, the Downtown Eastside, whose populations include the homeless, the addicted and those who are mentally ill. In addition, the three major cities of Canada, Toronto, Montreal and Vancouver, are major port cities that have a wide range of policing matters on a scale not experienced by suburban police forces..."

Awarded 3½\%, 2½\%, 2½\%
"The effect of this award is to reinstate the Vancouver Police Officer amongst the higher paid officers in Canada. It puts them, for the first time in a number of years, ahead of Toronto and other Ontario municipalities police salaries. And it reduces the salary gap between Vancouver and the Edmonton and Calgary police officers."

## Interest Arbitration History III

## Vancouver City Police Board and Vancouver Police Union (Wage Grievance)

The Award:

- "...the Vancouver Police should be in the same comparative range as the other larger metropolitan police forces in Canada because they perform the same demanding, complex and dangerous work as do these other police forces in the larger metropolitan areas."
- Vancouver's violent crime severity index was twice that of Toronto, the Downtown Eastside was noted to be one of the most difficult places in Canada to police.
- Vancouver competes as a national comparator, Toronto is the appropriate comparator.


## Interest Arbitration History IV

- All the Police Boards and Police Unions who had not settled agreed to the Vancouver annual increases of $31 / 2 \%, 212 \%, 21 / 2 \%$
- This left:
- Delta with $2 \frac{1}{2} \%, 2 ½ \%, 21 ⁄ 2 \%, 2 ½ \%$
- Nelson with $2 ½ \%, 2 ½ \%, 21 ⁄ 2 \%$ \& a "me too" clause if Central Saanich and Oak Bay negotiated higher increases
- Oak Bay not yet settled


## History V: Oak Bay Police

- Bargaining began October 2017
- Bargaining - Mediation - Interest Arbitration
- Award issued December 4, 2018


## Interest Arbitration History V

GVLRA on behalf of the Oak Bay Police Board and Oak Bay Police Union (Collective Agreement Renewal), (Stan Lanyon, December 4, 2018)

The Employer argued:
Oak Bay is not Vancouver
Oak Bay's economic circumstances are difficult
Civilian admin staff should be compensated in line with CUPE staff
The Union Argued:
Police Work is Police work and should be paid equally
Appropriate comparators Central Saanich \& Port Moody Police Departments Other Police Departments do not distinguish between civilian and sworn staff

## Interest Arbitration Award

## GVLRA on behalf of the Oak Bay Police Board and Oak Bay Police Union (Collective

 Agreement Renewal) Stan Lanyon, December 4, 2018The Award:
Arbitrator Lanyon found that Oak Bay is not Vancouver
The work of Police is the same but frequency and complexity of calls is different

- 4 year agreement: $2 ½ \%, 2 \frac{1}{2} \%, 21 ⁄ 2 \%, 212 \%$
- Increase in Psychological Services benefit
- Ability to use up to 3 days sick leave for family illness
- The appropriate comparator for Oak Bay Police is Delta.


## Oak Bay Award Impact

- Oak Bay Police is one of the smallest departments
- The savings over 4 years approx. $\$ 155,000$
- The cost of the interest arbitration was approximately $\$ 80,000.00$ plus staff time
- Arbitration costs shared with GVLRA
- Other factors:
- Opened the door for using large , middle and smaller sized communities as comparator groups
- Opened the door for bargaining a different rate for civilian union members


## Potential Impact Far Reaching for Fire and Police

Employers do not have to accept pattern wage settlements
Employers will need to determine the differences in:

- Volume and complexity of the work
- Employer's economic circumstances
- Cost of living and housing prices
- Municipalities' financial circumstances
- Other unique factors

Employers should determine who is an appropriate comparator

- There is opportunity to have small, medium and large comparator groups


## Managing Risk

- Risk to relationship
- Financial risk


## Thank You / Questions



