



# **SUSTAINABLE OR SPENT FORCE?**

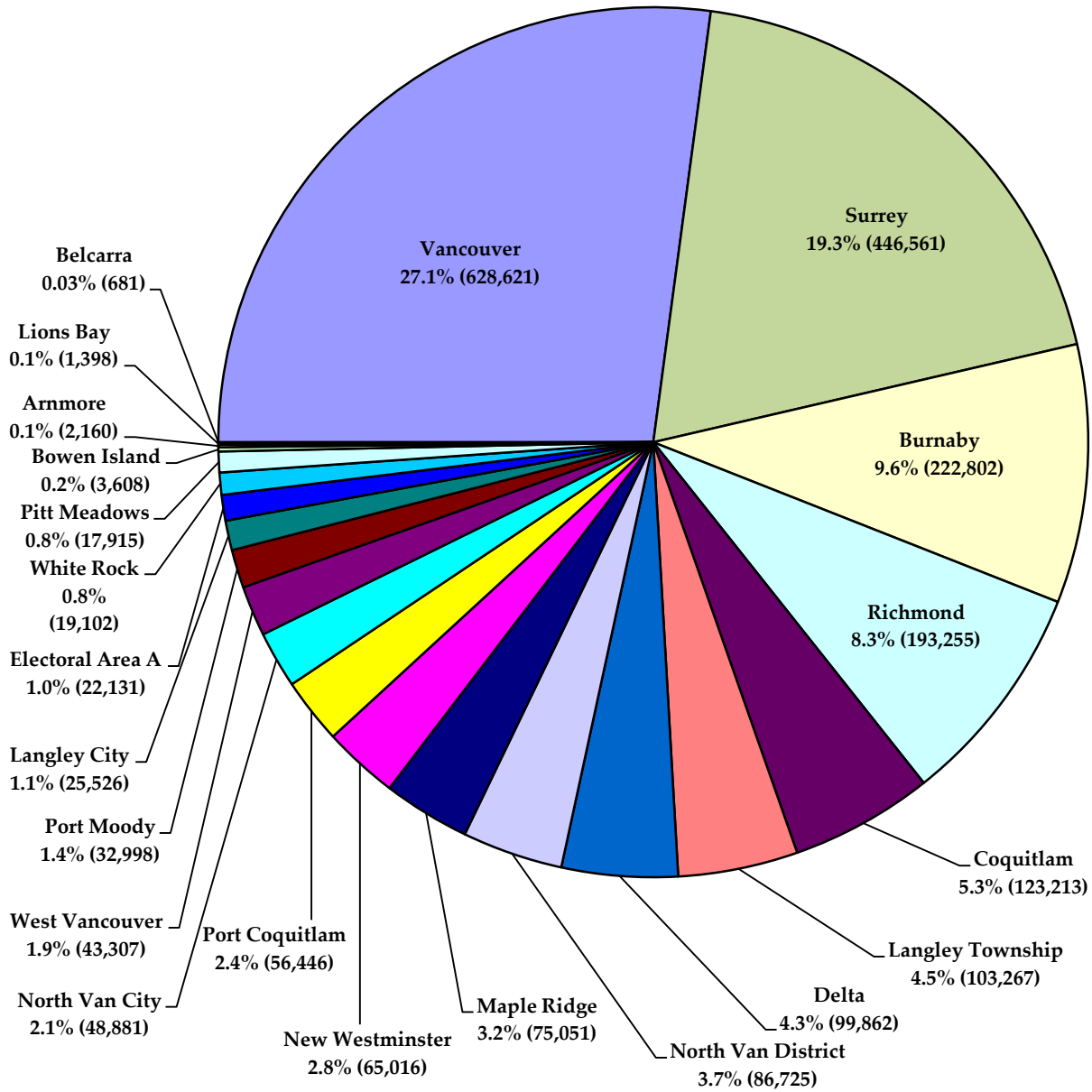
**Review of Metro Vancouver Labour Relations Function**

**James E. Dorsey, Q.C.**

**March 3, 2011**



## Metro Vancouver Population by Municipality – 2009



## TABLE OF CONTENTS

<b>1.0</b>	<b>INTRODUCTION – “NOTABLE EXCEPTION” IS IN CRISIS .....</b>	<b>1</b>
1.1	Labour Relations Specialist Review and Report Commissioned .....	1
<b>2.0</b>	<b>MUNICIPAL AND REGIONAL DISTRICT CONTEXT AND AUTONOMY....</b>	<b>3</b>
<b>3.0</b>	<b>LABOUR NEGOTIATION “FUNCTION” AND REGIONAL BUREAU.....</b>	<b>7</b>
3.1	Participating Member Status and Employee Groups .....	9
3.2	Governance, Meetings, Decision-Making and Confidentiality .....	10
<b>4.0</b>	<b>B.C. REGIONAL MUNICIPAL EMPLOYER NEGOTIATIONS (1964 – 2010)..</b>	<b>15</b>
4.1	B. C. Municipal Multi-Employer Bargaining Outside Metro Vancouver .....	15
4.2	Municipal Labour Relations Bureau (1964 – 1972).....	16
4.3	Labour Relations Committee and Rejection of Accreditation (1972 – 1978).....	17
4.4	Legal Challenges, Reviews and Organizational Change (1978 - 1984).....	20
4.5	Bargaining, Vancouver Notice and More Local Autonomy (1985 – 2000).....	24
4.6	Richmond Withdrawal and Organizational Reviews (2000 – 2004) .....	27
<b>5.0</b>	<b>COMPENSATION POLICIES AND REGIONAL JOB EVALUATION.....</b>	<b>30</b>
<b>6.0</b>	<b>NOTICES OF WITHDRAWAL AFTER 2007 NEGOTIATIONS.....</b>	<b>34</b>
6.1	Mandates Amended to Adopt Richmond Settlements (2003 and 2007) .....	35
6.2	Burnaby and Vancouver Notices of Withdrawal (2008 and 2009).....	37
6.3	More Notices, Autonomy Model Recommended and External Review.....	38
6.4	Mandate 2010 for Fire Fighter Collective Bargaining – 2 Year, Net Zero Cost ..	39
<b>7.0</b>	<b>FIRE FIGHTER AND POLICE OFFICER INTEREST ARBITRATION.....</b>	<b>43</b>
<b>8.0</b>	<b>BARGAINING OUTCOMES AND TAXPAYERS’ BEST INTERESTS .....</b>	<b>51</b>
<b>9.0</b>	<b>DISCUSSION, ISSUE EVALUATION AND RECOMMENDATIONS .....</b>	<b>55</b>
9.1	Overview – Successes, Perceptions and Complaints .....	55
9.2	Context for Recommendations – Realistic Appraisals.....	60
9.3	Recommendations – Ancillary Services .....	62
9.4	Recommendations – Labour Negotiation Function .....	65
9.5	Chief Administrative Officer Strategy Table – A View of the Future .....	67
	<b>Appendix – GVRD Supplementary Letters Patent (1982).....</b>	<b>68</b>

## 1.0 INTRODUCTION – “NOTABLE EXCEPTION” IS IN CRISIS

### GVRD Labour Relations Function Orientation Manual

Attempts by municipalities in major metropolitan areas throughout Canada to develop a coordinated approach to collective bargaining have typically been unsuccessful. Despite numerous attempts over the years, the political and administrative difficulties encountered in attempting to develop and maintain a common wage policy and common approach to significant collective agreement provisions and labour relations issues have generally proven to be too great.

The GVRD Labour Relations function is a notable exception. Over a quarter century old, it now represents a mature and credible organization, one which was originally established on the bases that membership was voluntary and that it represented a commitment by each member to have regard for the interests of fellow members and to promote consensus in decision-making.

### 1.1 Labour Relations Specialist Review and Report Commissioned

This “notable exception” represents fifteen of eighteen municipalities and one regional district with unionized employees in the eastern Fraser Valley and North Shore mountains, with Vancouver as the metropole. Since 1973, this employers’ organization has negotiated collective agreements the members considered fair for employees and taxpayers. To varying degrees, the organization has been an extension of member human resource departments and a service provider to their affiliated employers.

Today, after fallout from the 2007 round of collective bargaining with CUPE locals, seven of the eighteen municipalities, including the four largest, are not willing to subject their collective bargaining and other decisions to binding collective direction, review and approval by neighbouring municipalities. They choose to negotiate autonomously with the unions representing their employees. Despite recent efforts to find a living accommodation, they choose to stay out or move out rather than renovate. They promise to keep in touch.

These political and administrative differences are not new. In 1981, Professor Carrothers conducted an organizational review. He described the relationship between unions and employers in a collective bargaining relationship as “antagonistic cooperation.” He used this phrase to describe the internal reactive relationship both between the Greater Vancouver Regional District and member municipalities and among member municipalities. He wrote: “There is strength in unity. In unity, also, there must be a surrender of a measure of free choice. Political judgment requires the measurement of the strength and the measurement of the degree of free choice.”<sup>1</sup>

---

<sup>1</sup> A.W.R. Carrothers, *Antagonistic Cooperation: A Critical Review of the Processes of Labour-Management Relations in the Greater Vancouver Regional District*, unpublished, May 1981, pp. 11 -12

Today, the political judgment of the four largest municipalities and others is not to surrender their free choice.

In August 2010, the employers' organization commissioned this "independent Labour Relations Specialist" review to make pragmatic recommendations that will enable the employers' organization to meet the future needs of the region and "operate in a manner that is in the best interests of the taxpayers in the Region." The review scope includes governance, committee and department roles and funding. This public report is to include a "comprehensive evaluation of the issues" and recommendations for "potential changes" to meet the region's future needs.

The review process consisted of study of voluminous material; interviews with municipal management, elected officials, current and former employees of the organization and trade union representatives; and independent research.

I benefited greatly from the cooperation and supportive work of the staff of the Greater Vancouver Regional District Labour Relations Department and from the generosity of time and candour by councillors and mayors serving on the Greater Vancouver Regional Labour Relations Bureau, by city managers, chief administrative officers and human resources managers and by trade union leaders.

All interpretations, errors and omissions are mine. No draft of this report was shared.

Many expressed opinions that current trends and tensions in municipal and regional governance shape some of the challenges facing this employers' organization. The report begins with a brief description of the municipal and regional district context.

Many acknowledge they have limited knowledge about the history and events that shaped the structure and culture of this mature employer's organization. The report reviews highlights of the history and events that have shaped the organization and its culture.

There are different legal regimes for impasse resolution in collective bargaining with unions representing inside/outside employees and fire fighters. Because the employers' organization elected to make the current round of collective bargaining with unions representing fire fighters a test of its ability to set a collective bargaining mandate and to maintain disciplined cohesion, some attention is given to dispute resolution and mandate setting with fire fighter unions.

## **2.0 MUNICIPAL AND REGIONAL DISTRICT CONTEXT AND AUTONOMY**

Cities, towns, townships and villages are places of shelter, communal water, access to goods and services and remunerative work. They are living, working and social spaces.

Municipalities provide protective, planning, regulatory, infrastructure, waste removal and other services for their residents, neighbours and visitors. Local service delivery is performed through employees held accountable and given general direction by elected councillors and a mayor.

More and more Canadians make their homes in a city-region composed of a network of urban communities with a hub or core city. We are tied together by commuting routes to work and study, retail catchment areas, the housing market and personal and family social and recreational activities.

Communications and information technology are changing the way we live and work. Our urban communities are increasingly centres of diverse economic activity and innovation. Service activities have increased as manufacturing, facilitated by containerization, has moved offshore.

Growth management, aging infrastructure, social problems, environmental degradation, economic competition and a fiscal squeeze are some of the challenges our municipalities confront.

In a city-region, municipal legacy boundaries seldom correspond to the scope of daily life or economic dependence. Municipal boundaries are often invisible or do not make sense to newcomers and many residents. Why do we have two North Vancoverters and two Langleys? Why do we have so many separate fire and rescue, police, planning, library and other services and so few consolidated service structures? For some, other boundaries, such as Statistics Canada's Census Metropolitan Area, better reflect the daily circulation of people, goods, information and local newspapers.

Vancouver is no longer simply the control and distribution centre for British Columbia's resource economy based on extracting and processing fish, forest and mineral resources. It has become less dependent upon, and connected to, the hinterland. While Vancouver's knowledge and cultural economy has evolved, neighbouring municipalities compete to be a hub for cultural, knowledge, financial, transportation and other services. The metropole-periphery relationship will continue to change.

A regional district is a political forum and vehicle for regional delivery of services (e.g., planning, water, sewerage, solid waste); a political and administrative framework for inter-municipal cooperation; and a structure of local governance for rural areas.

Regional districts address urban fringe issues and perform a range of utility and other services and functions that can collectively be performed more effectively for the residents of a geographic area than by individual municipalities.

To perform its collective roles and functions, a regional district must rely on working principles that include consensus, flexibility and a matching of benefits and costs.

There are important decision-making issues. Are decisions to be made by weighted representational voting based on population; corporate voting based on one director one vote; or always by consensus? There are issues of oversight and accountability.

Neither municipalities nor regional districts are sovereign governments. They have limited control over their own constitution defining who they are, what they do and how they do it. Their existence depends on the provincial government granting a charter or issuing letters patent (a document granting privileges not otherwise possible) or incorporation under the *Local Government Act*.

Municipalities and regional districts must act within the limits of their incorporating authority and provincial and federal legislation granting and limiting their authority. The provincial government or the provincial legislature can make decisions unilaterally that can have huge impacts on municipalities and impose mandates on regional districts.

In areas of concurrent responsibility or activity, the local share can be unilaterally increased or decreased by decisions of the provincial and federal governments. Even in shaping the local environment through control of land use, municipalities can see their authority usurped by provincial government direction favouring its choices for land use, economic development and transportation.

“Metro Vancouver” is the name under which the Greater Vancouver Regional District, the Greater Vancouver Sewage and Drainage District, the Greater Vancouver Water District and the Metro Vancouver Housing Corporation operate. The name or brand Metro Vancouver was adopted in 2007, but the provincial government has not agreed to officially change the name from the Greater Vancouver Regional District.

Metro Vancouver encompasses twenty-one municipalities, one electoral district and one treaty first nation. Metro Vancouver does not include direct representation from the University Endowment Lands, school boards and health authorities in the geographic area. Seventeen first nation reserves in the geographic area are beyond governance by municipalities and the regional district. Abbotsford is an extra-territorial member for parks services only. The resident population of the diverse municipalities is 2.3 million.

Metro Vancouver provides core services of water, sewerage, solid waste, regional parks and greenways and fifty affordable rental housing sites. Planning and regulator responsibilities include regional growth, utilities, air quality and parks. It is a political forum acting “as a facilitator, convenor, partner, advocate and a significant conduit for information and education to the community.”<sup>2</sup>

---

<sup>2</sup> <http://www.metrovancouver.org/about/Pages/default.aspx>

Metro Vancouver lists “labour relations” as a tag-on core service for which it is neither a policy nor political forum.

### Metro Vancouver's Role in Regional Systems

Water	●	Core Services	●	Policy	●	Political Forum
Sewerage	●		●		●	
Solid Waste	●		●		●	
Parks and Greenways *	●		●		●	
Housing **	●		●		●	
Growth Management			●		●	
Air Quality			●		●	
Ecological Health			●		●	
Food			●		●	
Climate Change and Energy			●		●	
Culture			●		●	
Regional Emergency Response			●		●	
Economic Development					●	
<b>Labour Relations</b>	●					

\* These are regional parks and greenways. Does not include the many municipal parks in the region.

\*\* Metro Vancouver Housing Corporation owns and operates more than fifty affordable rental housing sites for a mixed range of incomes.

The subordinate status of cities in our federated system of governance and jurisdictional fragmentation within a city-region makes coordinating activities and policies within a city-region “one of the most critical challenges facing all our major cities.”<sup>3</sup>

Because the style of municipal governance is generally transparent and consultative, decision-making can be slow, ponderous and open to manipulation efforts by interest groups. Change is incremental and seldom achieved in transformative steps.

Formulating and implementing a regional policy or direction is a major challenge.

Municipalities compete for federal and provincial infrastructure funding grants and special events that others will fund. There can be inter-jurisdictional antagonism over

<sup>3</sup> Natalie Brender, Marni Cappe and Anne Golden, *Mission Possible: Successful Canadian Cities*, The Canada Project Final Report Volume III (Ottawa, The Conference Board of Canada, 2007), p.68



property values associated with land use and differing mill rates driven by municipal service choices. A municipality boasting low residential property taxes might rely on services being provided to its residents by another municipality that pays for the services.

Local and regional longer term strategic planning, implementation and ongoing service delivery require stable and predictable funding. Provincial regulations direct municipal taxation and create exemptions and limitations.

Revenue from the mix of revenue sources varies widely among the Metro Vancouver member municipalities: residential, business, industrial and port property taxes; utility charges (mainly water supply and garbage collection); inspection and license fees; parking meter charges; federal and provincial grants and transfers; bylaw fines; user fees; gambling revenue; and others. If possible, municipalities acquire land and establish reserves for future economic downturns and business closures.<sup>4</sup> Revenue sources, reserves and policy decisions about them, such as increasing casino or parking revenue or user fees or development and density, affect annual operating budgets, service levels and service delivery methods.

Wages and benefits paid to employees is the largest cost component of providing administrative, public works, police, fire and rescue, utility, recreation, community, parks, museum, library and other services. For some skills, there is active competition among the municipalities to retain and recruit qualified and talented employees. Agreements made in collective bargaining can facilitate or limit service levels and delivery methods.

In this competitive-collaborative environment, Metro Vancouver municipalities operate under an institutional structure directed by provincial legislation, inherited and blurred geographic boundaries, differing styles of management and service delivery and differing philosophies and strategies for future development. Without authority to deficit budget, they face a growing infrastructure deficit and growing service demands as the federal and provincial governments off-load social and other services and impose revenue generating rules and unplanned changes (e.g. port land assessment).

In this milieu, one commentator's observation is: "The epic desire for more autonomy is the elephant in the room in any meeting that brings together municipal officials and their federal and provincial counterparts. Across the country, autonomy is the mythical goal, entrenched in pessimism."<sup>5</sup> Autonomy, whether a mythical goal or not, is a dominant force in the discussion about the GVRD regional labour relations function and the future of this employers' organization.

---

<sup>4</sup> [http://www.cscd.gov.bc.ca/lgd/infra/municipal\\_stats/municipal\\_stats2008.htm](http://www.cscd.gov.bc.ca/lgd/infra/municipal_stats/municipal_stats2008.htm)

<sup>5</sup> Gaëtan Royer, *Time for Cities* (Port Moody, 2007), p. 66

### 3.0 LABOUR NEGOTIATION “FUNCTION” AND REGIONAL BUREAU

Regional districts are given powers, duties and “functions.” Unless otherwise provided, each is performed by its governing board.

A function given to the GVRD in 1973 is “to undertake and carry on labour negotiations and related ancillary services, including, without limiting the generality of the foregoing, job-evaluation services and fringe benefit plans planning service” for member municipalities and other municipalities and public bodies that choose to retain the district. Participation was extended to the GVRD as an employer in 1982.<sup>6</sup>

There are distinctive characteristics of this “labour negotiations and related ancillary services” function.

- The GVRD is the only regional district among the twenty-seven British Columbia regional districts that has been given this function.
- All GVRD members share in one-quarter of the annual cost of the performance of this function based on a member’s proportion of net taxable assessment to the total of all members. In 2010, one-quarter of the annual cost was \$621,729.
- GVRD members may choose to contract for services for some or all of their employees and become “participating” members of the function. Participating members share in three-quarters of the annual cost of the function on a similar net taxable assessment based cost sharing formula. In 2010, the City of Vancouver, the largest participating member, paid \$1,053,264 or 39.4% of all member payments. The Village of Lions Bay, the smallest participating member, paid \$3,101 (0.1%).
- The GVRD contribution is based on a payroll formula measuring the portion its payroll is of the total payroll of participating members. It was \$186,000 in 2010.
- Each member’s cost is submerged in funds collected through GVRD member levies. The function budget is requisitioned to the GVRD Labour Relations Department. Because the function is housed and supported within Metro Vancouver, there might be some minor unallocated costs provided by Metro Vancouver centralized services.
- The GVRD committee that exercises “the executive and administrative aspects” of the function is called the “Greater Vancouver Regional Labour Relations Bureau.”
- Members of the Bureau are not appointed by the GVRD Board of Directors or its chair, as is the case with other committees. Each “participating” municipality appoints a member from its council. The GVRD Board of Directors appoints one member to represent the regional district as a participating employer member.
- Bureau members and alternate members are appointed for one-year terms commencing the first Monday in December. The appointed members are the directors of the Greater Vancouver Regional Labour Relations Bureau.

---

<sup>6</sup> See Appendix - *Greater Vancouver Regional District Supplementary Letters Patent* granted December 13, 1973 and amended November 22, 1982

- Each director of the Bureau is “entitled to one vote and no member shall be entitled to more than one vote.”
- By convention, each “non-participating” member with employees represented by a union appoints a member from its council to attend and speak, but not vote, at Bureau meetings. They are not directors. In 2010, three non-participating members with employees represented by a trade union appointed a representative spokesperson: City of Port Coquitlam, City of Richmond and City of Surrey. In 2010, five “non-participating” members that do not have employees represented by a trade union did not appoint a representative spokesperson: Village of Arnmere, Village of Belcarra, Bowen Island Municipality, Electoral District A and Tsawwassen First Nation. The five contributed \$6,949 to one-quarter of the cost of the function.
- Member municipalities may discontinue the retainer with respect to certain employees by notice that becomes effective after twenty-four months unless negotiations with unions representing their employees are in progress at that time. If they are, the notice becomes effective at the conclusion of the negotiations. Once notice becomes effective, the municipality is no longer a “participating” member.
- There is no letters patent provision for the GVRD employer to change its status from participating to non-participating member.
- The GVRD may contract to provide services to public bodies (including school, health and library boards, community associations and dyking commissions) on terms approved by the GVRD Board of Directors, not the Bureau. In 2010, the City of Richmond library, the Resort Municipality of Whistler and Emergency Services of Southwest British Columbia Incorporated (E-Comm) were fee-for-service clients.

The dominant practice has been that the GVRD Bureau director is a mayor or councillor from a non-participating member. In the past, the choice was an unsuccessful effort to entice Surrey, always a non-participating member, to become a participating member.

**Metro Vancouver (GVRD) Appointment to the Bureau (1991-2010)**

<b>Year</b>	<b>Municipality</b>	<b>Year</b>	<b>Municipality</b>
1991	Surrey Mayor	2001	White Rock Mayor
1992	Surrey Mayor	2002	White Rock Mayor
1993	Belcarra Mayor	2003	Port Coquitlam Mayor
1994	Surrey Mayor	2004	Port Coquitlam Mayor
1995	Surrey Mayor	2005	Port Coquitlam Mayor
1996	Surrey Mayor	2006	Surrey Councillor
1997	Surrey Mayor	2007	Surrey Councillor
1998	Surrey Mayor	2008	Surrey Councillor
1999	Surrey Mayor	2009	Coquitlam Councillor
2000	Surrey Mayor	2010	Surrey Councillor

### 3.1 Participating Member Status and Employee Groups

With expansion of the GVRD after 1973, several municipalities became participating members of the function when they first became members of the GVRD or later when their employees chose to be represented by a trade union. Several members accepted membership in the Bureau as something that flowed from inclusion in the regional district, not as a distinct commitment to an independent employers' organization.

Surrey did not become a participating member. Port Coquitlam did, but withdrew after a brief period that included a strike. Richmond withdrew in 2002 after being a participating member for 35 years. In the past two years, Burnaby, Vancouver, Delta and West Vancouver have given notice of withdrawal.

#### Dates GVRD Members Became or Withdrew Function Membership

	<b>Metro Vancouver Member</b>	<b>GVRD</b>	<b>Participating</b>	<b>Withdrew</b>	<b>Notice</b>
1	City of Vancouver	1967	1964		2009
2	City of New Westminster	1967	1964		
3	City of Burnaby	1967	1964		2008
4	City of Richmond	1967	1967	2002	
5	City of North Vancouver	1967	1967		
6	District of North Vancouver	1967	1967		
7	Corporation of Delta	1967	1969		2010
8	City of Coquitlam	1967	1974		
9	City of Surrey	1967	Always appoints a Bureau attendee		
10	City of Port Coquitlam	1967	1978	1982	
11	City of Port Moody	1967	1978		
12	District of West Vancouver	1967	1979		2010
13	City of White Rock	1967	1979		
	Metro Vancouver	1967	1983		
14	City of Langley	1988	1988		
15	Township of Langley	1988	1988		
16	District of Maple Ridge	1995	1996		
17	City of Pitt Meadows	1995	1996		
18	Village of Lions Bay	1999	2004		
19	Village of Arnmore	1987			
20	Village of Belcarra	1993			
21	Bowen Island Municipality	1999	These five GVRD members have never appointed Bureau attendees		
22	Tsawwassen First Nation	2009			
23	Electoral District A	1967			
24	City of Abbotsford (parks only)	1995	Not eligible to appoint director		

Operational employees work outside in public works, parks and other services. Clerical, technical and professional employees work inside in planning, regulatory, administrative, library, museum and other services. In most municipalities, these employees are in bargaining units represented by locals of the Canadian Union of Public Employees (CUPE). Most member municipalities employ fire fighters represented by a local of the International Association of Fire Fighters (IAFF). There is an assortment of smaller bargaining units of foremen, utility, recreation, museum and community centre employees represented by locals of CUPE, International Brotherhood of Electrical Workers, Teamsters and other unions.

Police and library boards are not eligible to be members of the labour relations function. Five municipal police board employers employ officers and civilians represented by unions. The employees of seven library boards are represented by locals of CUPE.

In 2009, municipal members and their separate board and commission employers were parties to 72 collective agreements covering 15,538 regular and temporary full-time employees and an unreported number of part-time and auxiliary employees.

**Municipal, Board, Commission and District Full-time Employee Groups - 2009**

<b>Employee Group</b>	<b>Employees</b>	<b>Collective Agreements</b>
Outside and Inside	10,301	41
Fire Fighters	2,579	16
Police	1,899	5
Library	646	9
Transit (West Vancouver)	113	1
Totals	15,538	72

**3.2 Governance, Meetings, Decision-Making and Confidentiality**

The character and identity of the Bureau distinct from the GVRD is obscure in the broader labour relations community and among many of the directors of the Bureau.

The GVRD letters patent, as amended by supplementary letters patent, allocate Bureau responsibilities and accountabilities. There is no other governing document such as articles of association, constitution or bylaws. The scope of Bureau directors’ roles, responsibilities and liabilities is not codified. The Bureau operates under committee terms of reference set by the GVRD in 2006:

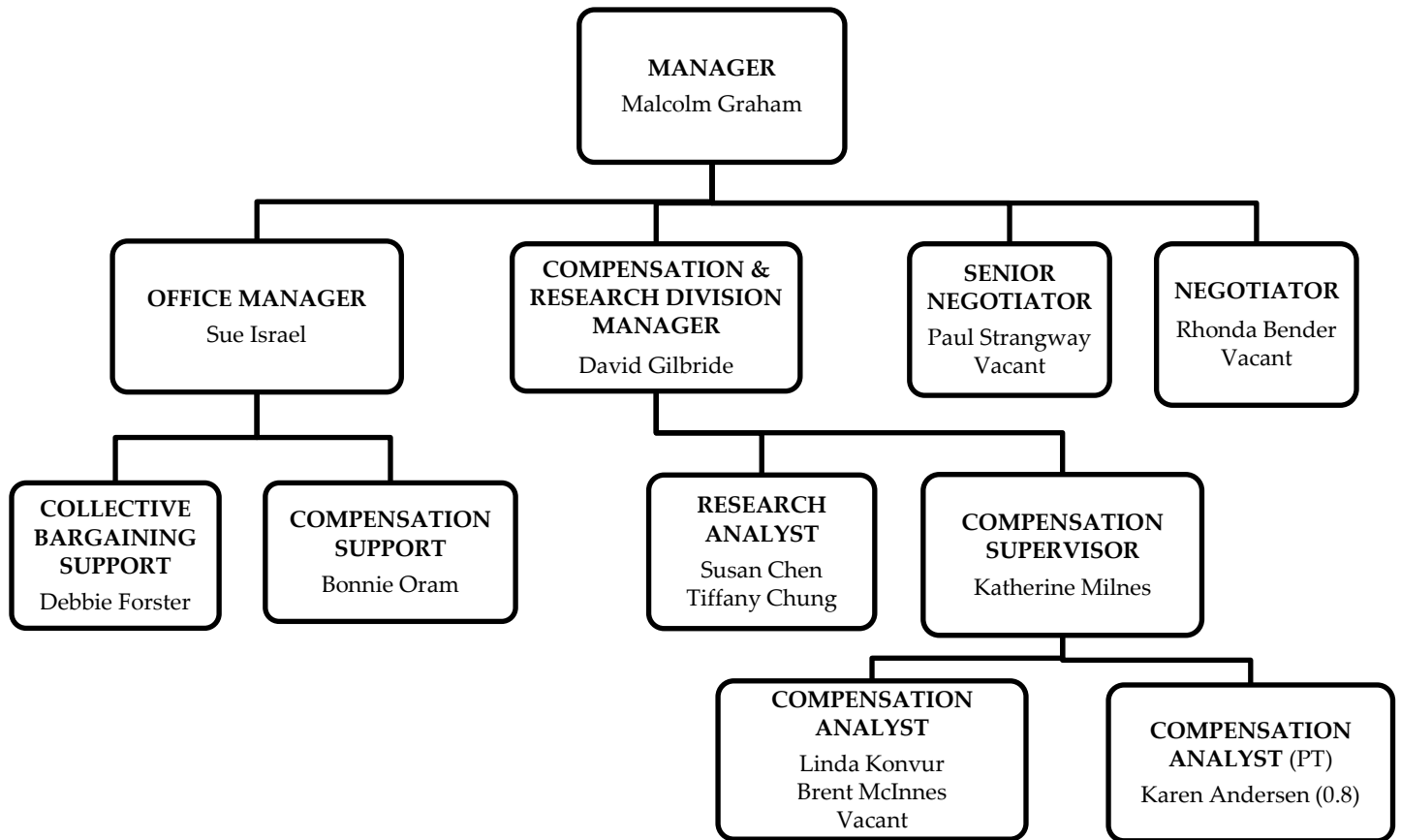
- Develop and administer labour relations policy consistent with the letters patent for the function;
- Establish bargaining mandates;
- Review and approve labour contracts negotiated by or on behalf of municipalities who are members of the labour relations functions;

- Pursue labour relations issues of common interest consistent with the letters patent.<sup>7</sup>

The committee terms of reference set a quorum to conduct business and a schedule of ten regular monthly meetings per year.

The GVRD Manager Labour Relations is the “duty” manager to the committee. The selection and evaluation of the Manager is done by the Bureau’s Executive Director, who is the GVRD Chief Administrative Officer and commissioner of the Greater Vancouver Water District and the Greater Vancouver Sewerage and Drainage District. Bureau directors have no role in evaluating the Manager’s performance or setting salaries and performance standards for department staff. Many directors do not know the staff members or their role and function. The directors have no human resources policies or plan for the function distinct from the GVRD. They do review the Department’s budget, which is referred to the GVRD Directors for final approval.

### GVRD Labour Relations Department Organization – 2011



Governance principles, standards and practices have not been a priority. The directors have not adopted strategic objectives or measures of performance or success for the function or the Bureau. The directors operate as a committee, not an independent

<sup>7</sup> <http://www.metrovancouver.org/boards/Pages/committeemembers.aspx>

governing body with meetings conducted in accordance with the GVRD procedure bylaw.<sup>8</sup>

In 2010, directors representing participating members and spokespersons representing non-participating members were paid \$322 for meeting four hours or less (\$644 for more than four hours) and reimbursed in accordance with the GVRD remuneration bylaw.<sup>9</sup> The payments are made from the GVRD budget. The cost is not included in the Department’s budget.

Many monthly Bureau meetings are held simply to receive information or to ratify a collective agreement. It is common to go to and from a meeting in the same rush hour. With some past chairs, being minutes late meant missing the meeting. Directors and representative spokespersons for non-participating members find many of the meetings do not have purposeful, focused discussion. For many Bureau meetings, director remuneration and expenses (\$5,000 to \$6,000 per meeting) are not cost effective.

**GVRD Labour Relations Bureau Chairs – 1974 to 2010**

<b>Years</b>	<b>Chair</b>	<b>Position</b>	<b>Municipality</b>
1974 – 75	T.W. Constable	Mayor	Burnaby
1976	J.L. Tonn	Mayor	Coquitlam
1977	T.W. Constable	Mayor	Burnaby
1978 – 80	Gill J. Blair	Mayor	Richmond
1981	J.M. Parks	Alderman	Coquitlam
1982 – 87	Gill J. Blair	Mayor	Richmond
1988 – 99	J.E. Loucks	Mayor	City of North Vancouver
2000 – 02	Marlene Grinnel	Mayor	City of Langley
2003 – 07	Stewart Peddemors	Councillor	White Rock
2008	Bob Long	Councillor	Township of Langley
2009 – 11	Karen Rockwell	Councillor	Port Moody

The Bureau promotes decision-making by consensus. However, timely collective decision-making, especially during negotiations, can be challenging. The guiding interpretation of the supplementary letters patent allocating the labour relations function, as confirmed in a 1991 legal opinion, has been that GVRD negotiators must follow the collective bargaining mandate set by the directors. They are not to follow any contrary directions from individual members on whose behalf they are negotiating.

At the same time, the practical operational view is that: “... if the function is to remain a united whole, then in responding to the direction of the Bureau, the Department and its negotiating committees must also remain sensitive to the views of the individual members of the function. This reality goes to strongly reinforce the continued need for

<sup>8</sup> GVRD Bylaw Number 1009, 2005

<sup>9</sup> GVRD Bylaw Number 1057, 2007

the Bureau's long-standing commitment to operating, so far as is possible, by consensus."<sup>10</sup>

Despite commitment to consensus, director ratification of negotiated collective agreements is by secret ballot. On other matters, it is by motion and open vote.

Many report that consensus decision-making is not the current predominant culture of elected municipal councillors and mayors. There are many opinions on whether the current political discourse and decision-making is more or less positional and adversarial than in the past. As in other arenas, Bureau directors lobby for support, judge motivations and look for hidden agendas. There are many opinions on the current dominant influencing factors in decision-making – special interests, media culture, urban party politics, self-admiration, etc.

A pervasive view is that, to varying degrees, the culture among member municipalities is becoming less cohesive and outward centered and more divisive and inward centered. Many attribute this and personalities as the explanation for drift in the past decade from cohesion and collaboration among Bureau members to a heightened emphasis on autonomy and withdrawal.

Consensus decision-making requires trust, an open time commitment and placing the good of the group above the good of individual participants. Adversarial debate and formation of competing factions is to be avoided. Structured debate, majority decision rules and procedural rules of order designed to foster and facilitate majority decision-making do not focus on consensus building. In a consensus model, a full voice in discussion and reasoned collaboration is to be more powerful than a vote.

Consensus decision-making is inclusive collaboration requiring resolution or mitigation of minority objections. Group directions flowing from successive rounds of discussion based on sound information and identification of options must be modified to address minority concerns.

Consent to a consensus decision does not mean it is each participant's preferred choice. Blocking or obstructing maintains the *status quo*. Individual blocking of a consensus decision is to be a rare occurrence. Frequent blocking or obstructing generates widespread disagreement – the opposite of consensus.

There were recurring complaints in the interviews that non-participating municipalities with representative spokespersons attending Bureau meetings benefit from the open discussion about collective bargaining mandates and goals, but choose to be closed about what they are doing at their collective bargaining tables, which can later impact participating members.

---

<sup>10</sup> *Information Report 2*, LRAC meeting, April 3, 1991



It was repeatedly reported in the interviews that there is an absence of confidentiality among Bureau directors, non-participating member representative spokespersons and members of the Chief Administrative Officer/City Manager and Human Resources Advisory Committees. The reported experience is that a speaker's comments at Bureau or committee meetings are later the subject of questions or challenge to the speaker by a local municipal union representative, who heard about the speaker's comments from an attendee at the meeting from another municipality.

There is no universal acceptance that there is a shared degree of fiduciary responsibility to the collective to maintain confidential what is discussed and what others say. As a consequence, discussion is guarded. Openness and candour are stifled.

Collective bargaining is legislatively structured as an adversarial process. Both effective collective bargaining and maintenance of good employer-union relationships require forums in which there is an assured measure of confidentiality. This is expected to be a core understanding with an employers' organization.

## **4.0 B.C. REGIONAL MUNICIPAL EMPLOYER NEGOTIATIONS (1964 – 2010)**

Municipalities are a distinct public sector. Municipal employees have had the right to engage in collective bargaining since the First World War.<sup>11</sup> Multi-employer collective bargaining in the municipal sector in British Columbia began in the 1960s.

### **4.1 B. C. Municipal Multi-Employer Bargaining Outside Metro Vancouver**

In 1967, the Canadian Union of Public Employees decided to negotiate a regional master agreement to consolidate its position in British Columbia as the preferred bargaining agent for municipal employees.

To attain its goal, CUPE chose the thirteen municipalities in the Okanagan-Mainline region. The municipalities agreed to joint bargaining on the basis the goal was parity with local industry. A wage survey was undertaken. CUPE proposed parity with Vancouver. An impasse led to a strike in Vernon and pressure on individual councils. CUPE's approach changed: "CUPE supports the principle of regional bargaining, but our locals enjoy a wide degree of autonomy. Regional bargaining is a tool that can be used in collective bargaining under certain circumstances. It is not a principle."<sup>12</sup> Strikes followed in Kelowna and Kamloops. Two year agreements were achieved. There was no master agreement for the union and no local wage parity for the municipal employers. Regional bargaining did not break new ground for the union or provide protection for the municipalities.

The Okanagan Mainline Municipal Labour Relations Association was incorporated in 1971 and accredited as an exclusive employer bargaining agent. When Kamloops sought to withdraw in 1986, the Labour Relations Board found there was no compelling reason to permit Kamloops to withdraw.<sup>13</sup> It was compelled to remain a member.

The OMMLRA has recently been replaced by the non-accredited, voluntary Southern Interior Municipal Labour Relations Association representing five municipalities and one regional district. Its directors are elected officials.

The Greater Victoria Labour Relations Association was formed in 1976 as "a union of employers designed to level the playing field in the labour relations environment in a cost effective manner."<sup>14</sup> It is the accredited employers' organization for eight municipalities, one regional district, two police boards, one library, one theatre society

---

<sup>11</sup> In 1960, the Supreme Court of Canada definitively decided municipalities are subject to provincial collective bargaining legislation (*International Brotherhood of Electrical Workers, Local 1432 v. The Town of Summerside* [1960] S.C.R. 591)

<sup>12</sup> CUPE Newsletter quoted in C.S.J. McKelvey, *Multi-Employer Bargaining in the Municipal Field – The British Columbia Experience*, New Horizons in Public Employee Bargaining (Public Personnel Association, 1970), p. 10

<sup>13</sup> *City of Kamloops* [1987] B.C.L.R.B. D. No. 214

<sup>14</sup> *Greater Victoria Labour Relations Association Information Package*, January 2009

and one parks and recreation society. It is the employer party to twenty-one collective agreements. Its directors are elected officials.

#### **4.2 Municipal Labour Relations Bureau (1964 - 1972)**

The post-Second World War decade was a period of growth in labour relations and municipal employment in British Columbia as citizens migrated to cities and to the West Coast.

In 1959, Burnaby engaged lawyer Nathan Nemetz to negotiate with CUPE. The next year, New Westminster and Vancouver engaged Mr. Nemetz. When he was appointed a superior court judge in 1963, the three municipalities engaged labour lawyer George Robson.

After a strike by Vancouver outside workers, the three municipalities founded the Municipal Labour Relations Bureau in late 1964. Graham Leslie was hired as a researcher and the Bureau's first employee in January 1965 and appointed Executive Director in August 1966. The Bureau represented nine employers, including boards and commissions in the three municipalities, and negotiated twenty-three collective agreements.

At the time, there was no reliable method of comparing jobs between municipalities. Vancouver rates and benefits were ahead of the private sector. Police and fire fighter benchmark rates were the highest in Canada. The Bureau was arguing for fair comparison with private sector jobs using total costing of wages and benefits.

A Mayors' Liaison Committee met once a year, but left negotiation policy, strategy and tactics to City Managers and Bureau staff. Councils ratified collective agreements, but became more engaged during strikes in 1966 in Vancouver and North Vancouver City and District; in 1968 in New Westminster; and in 1969 in Vancouver, Burnaby and Richmond.

Before 1965, Vancouver set the settlement pattern without input from other municipalities. After the creation of the Bureau, member municipalities had input into settlements. CUPE locals successfully whip-sawed New Westminster through the 1968 strike and established new pacesetter rates for others to follow. The response by both CUPE BC and the Bureau was to begin joint bargaining in 1969.

The municipalities' objectives were to realign wages and benefits on the basis of a fair comparison with the private sector, which was achieved by 1972, and equal pay for comparable jobs between municipalities and Vancouver, which has been ongoing. A 1971 arbitration decision, which restored Vancouver police as the highest paid in Canada, was the backdrop for police and fire fighter negotiations in subsequent decades.

### 4.3 Labour Relations Committee and Rejection of Accreditation (1972 – 1978)

Employers form associations to share and pursue mutual interests. In British Columbia, an association becomes an “employer’s organization” if one of its purposes is to “regulate relations between employers and employees through collective bargaining.” Collective bargaining is a statutory scheme of negotiations with legislation governing the ongoing relation under a collective agreement, which is a statutorily defined agreement with prescribed terms that is periodically renegotiated.

An employers’ organization is a legal entity for the purposes of the *Labour Relations Code* with statutory obligations. If an employers’ organization is accredited as the bargaining agent for its member employers, it “has exclusive authority for the time the employer is named in the accreditation to bargain collectively for the employer and to bind the employer by collective agreement.”<sup>15</sup>

In 1970, a municipal committee concluded accreditation of a municipal employers’ organization would not be acceptable to municipal councils. Instead, to strengthen the role and authority of the collective over individual municipalities, the committee recommended transferring the Municipal Labour Relations Bureau function to the GVRD. When asked, the provincial government refused to amend the GVRD letters patent.

In 1972, a strike at five of seven Bureau members intensely engaged the Mayors’ Liaison Committee and councils. In the aftermath, the mayors wanted to strengthen the Bureau “in order to combat the tendency of unions when under pressure to approach individual Councils in efforts to make favourable settlements with busy and inexperienced aldermen.”<sup>16</sup>

This reaction was later explained: “... the Committee found that it could not constrain the course of events because the members could not bring coherence to the situations in their respective councils, not interpret their councils to the Committee.”<sup>17</sup>

A review of the Bureau following the 1972 strike outlined a division between collective and individual responsibility for labour relations and proposed assigning extensive responsibility to the Bureau. The review proposed adopting a constitution and by-laws for the organization. The goal was “to lodge a greater degree of authority over the [labour relations] function in the collective group of municipalities (as opposed to the then-current situation wherein the entire responsibility was vested in the individual municipalities).”

---

<sup>15</sup> *Labour Relations Code*, R.S.B.C. 1996, c. 244, ss. 1(1), 154, 43(5)

<sup>16</sup> Graham Leslie, *The History of Municipal Labour Relations in the Greater Vancouver Area* (1980), unpublished

<sup>17</sup> A.W.R. Carrothers, *Antagonistic Cooperation: A Critical Review of the Processes of Labour-Management Relations in the Greater Vancouver Regional District*, unpublished, May 1981, pp. 20

Decision-making by majority vote was proposed to counter the overriding problem of Vancouver dominance of the Bureau, which dominance was “not in the interests of a harmonious form of mutual cooperation between members.” A central piece of the report is a critical description of Vancouver’s style of labour relations.<sup>18</sup> Vancouver was unwilling to cooperate. The Vancouver chair of the Executive Committee had refused to call a meeting at which concerns could be discussed.

#### **Crucial Decision-making by Elected Officials – 1972 Report**

In contrast to private employers whose management teams usually possess common goals and objectives when dealing with their unions, municipal Councils will rarely, if ever, possess similar basic philosophies. Furthermore, those holding a minority view rarely exhibit any loyalty to the majority view.

Nevertheless, whether crucial decisions in negotiating agreements are made by individual Councils or by a central body such as the G.V.R.D. Board, they will always – and quite necessarily – be made by elected officials. (MLRB Executive Committee and Director, untitled and unpublished report (1972))

The application to the provincial government to assign a labour relations function to the GVRD was renewed and approved. The original draft included the power to apply for accreditation. This was withdrawn at the request of the provincial government.<sup>19</sup>

Through the GVRD, all municipalities could participate in policy development and be informed of developments. Without a loss of individual municipal autonomy, municipalities could choose to utilize the services offered by the GVRD – collective bargaining, labour relations research and assistance with job evaluation and classification plans.

This organizational structure was a conscious half-measure: exclusive bargaining agency for the GVRD, but voluntary membership and retention of approval or rejection of settlement terms by individual municipal councils.

The structure included ad hoc committees of functional specialists and a committee of personnel directors. The executive role of chief administrative officers/city managers in the Bureau became an advisory committee function.

A Labour Relations Committee of elected officials was appointed annually by the GVRD chair. Its members were to represent their respective councils in making policy and developing negotiating strategy.

Membership expanded as the GVRD expanded. Surrey, White Rock, Port Moody and Port Coquitlam initially choose not to be full participating, voting members. When the

---

<sup>18</sup> Graham Leslie, *The History of Municipal Labour Relations in the Greater Vancouver Area [1965-1980]*, unpublished

<sup>19</sup> R. Christopher Holmes legal opinion to Graham Leslie, March 11, 1976

District of West Vancouver joined as a participating member, it made its participation subject to its municipal manager being its negotiator with unions representing certain employee groups.<sup>20</sup>

In 1975, employees of Surrey represented by a CUPE local struck for ten weeks. The terms of settlement were burdensome for other municipalities when they settled on the same terms without the strike wage savings Surrey had in the first year.

The lesson was: "Unity demands a price in freedom. Diversity demands a price in disparity."<sup>21</sup>

Frustration with the decisions of one affecting the collective, led to serious investigation of becoming an accredited employers' organization and approval of a draft constitution and by-laws. For many, local autonomy in an integrated economic area was regarded as more a mythical abstraction than a reality.

#### **1976 Presentation in Favour of Accreditation**

Loss of local autonomy may be considered by some to be a prime disadvantage when many employers bargain as a single accredited group. The fallacy of this concern is that there is no real autonomy when individual employers are faced with bigger and more costly settlements which are eventually carried to other employers. ...

Under the existing arrangement, any one or more municipalities can break away from the bargaining group at any time, make a separate deal with the Union without regard to the effect of that agreement on the other municipal groups. The Union would be free to deal with any other municipality in a similar manner, unfettered by any reaction from within the group, sign a richer deal and thus the whipsaw is in motion. (Donald A.S. Lanskill, West Vancouver Alderman and President of Council of Forest Industries, March 10, 1976)

In 1976, eleven of the fourteen GVRD municipalities were participating members of the labour relations function. Surrey, White Rock and Lions Bay were not. Several of the eleven participating members favoured accreditation. Port Coquitlam and Delta did not. Others were reluctant to make the irrevocable commitment. The initiative was "shelved indefinitely" when Vancouver rejected the constitution and by-laws.<sup>22</sup>

Instead, the municipalities undertook region-wide collective bargaining with CUPE locals for the 1976-77 collective agreement.

In 1978, municipal staff endorsed a renewed effort at marshalling support for a modified form of accreditation. In response, CUPE mounted a campaign for legislation denying accreditation to municipalities and school boards with the slogan "People we

---

<sup>20</sup> *The Corporation of the District of West Vancouver*, unreported BCLRB Letter Decision No. 182/78

<sup>21</sup> A.W.R. Carrothers, *Antagonistic Cooperation: A Critical Review of the Processes of Labour-Management Relations in the Greater Vancouver Regional District*, unpublished, May 1981, pp. 22

<sup>22</sup> Minutes, Labour Relations Committee, September 29, 1976

elect should deal direct.” Some councillors questioned the loss of local control to the regional district. There was insufficient support despite an amendment to the *Vancouver Charter* to allow its inclusion in an employers’ organization.<sup>23</sup>

**Two Guiding Beliefs for Association and Joint Bargaining in 1976**

Effective co-ordination and joint action by municipal employers is necessary to rationalize the structure of labour negotiations and achieve a better balance of bargaining power.

Joint bargaining by municipal employers need not and should not result in any deterioration in employer-employee relations in individual municipalities. If anything, the rationalization of the bargaining process and the elimination of whipsaw tactics will create an opportunity to develop a better, more stable relationship. (*Report and Recommendation to member Municipalities of the Greater Vancouver Regional District, September 21, 1976*)

In 1979, there was collective bargaining for almost all fifty-nine collective agreements of the eleven members. Recurring problems with expressions of group loyalty and common cause in collective action without structure to support cohesive multi-employer bargaining in time of strife had become chronic. Delta tested the scope of the exclusive bargaining authority in the GVRD letters patent.

**4.4 Legal Challenges, Reviews and Organizational Change (1978 - 1984)**

In December 1978, Delta gave one year notice of withdrawal intending to immediately negotiate alone with CUPE Local 454 representing its inside and outside employees. On the same day, the Labour Relations Board dismissed a complaint by the West Vancouver Municipal Employees’ Association, Local 395 that West Vancouver had failed to bargain in good faith when it refused to sign a negotiated agreement because of questions raised by the GVRD Labour Relations Committee.<sup>24</sup>

**Purpose of Requirement to Give Notice to Withdraw**

The twelve month [withdrawal] notice provision is absolutely essential to the stability and effectiveness of the G.V.R.D.’s labour function. This is particularly so when negotiations for new contracts throughout the region are pending. Over the years the Municipal Labour Relations Bureau, the G.V.R.D. and C.U.P.E. have, with considerable success, attempted to create as much common language and as many common provisions as possible in agreements throughout the region. Any collective agreement concluded between Delta and C.U.P.E would be the floor from which C.U.P.E. would negotiate elsewhere. (Graham Leslie, GVRD Labour Relations Director, Affidavit dated April 2, 1979, ¶ 12)

In January 1979, the GVRD complained to the Labour Relations Board that it had the legal right and responsibility to bargain on behalf of Delta, which was wrongfully engaging in collective bargaining on its own behalf. The Board found the GVRD was an

<sup>23</sup> *Vancouver Charter Amendment Act, 1978, S.B.C. 1978, c. 41, s. 12 (s. 175A of the Vancouver Charter)*

<sup>24</sup> *The Corporation of the District of West Vancouver, BCLRB Letter Decision, December 12, 1978*

employers' organization, but because its mandate came from letters patent under the *Municipal Act*, the superior court was the forum for resolution of the dispute.<sup>25</sup>

The GVRD sued Delta in the Supreme Court of B.C. arguing the notice period had to expire before Delta could act on its own because of the potential for serious disorder that could flow from an abrupt and immediate withdrawal from a multi-party bargaining structure. The dispute was eventually resolved.

Delta employees struck. After the settlement, Delta remained a member of the employers' organization.

A similar dispute over the bargaining authority of a municipality that has given notice of withdrawal is currently before the Labour Relations Board in a complaint by Burnaby Firefighters' Association, Local 323.

There was a thirteen-week strike in the 1981-82 round of collective bargaining. Through mediation all groups ended up at the same table and achieved the same settlement on several contract language issues in a two-year agreement.

Port Coquitlam, which became a participating member in 1978, gave notice and withdrew in 1982. It was never persuaded to rejoin as a participating member.

In May 1981, Professor Carrothers recommended a more formalized organizational structure and fashioned a basis for exercising an informed choice through a hierarchical decision tree that enabled members to decide their line of advantage: go it alone; go it alone under a collective umbrella; or join a voluntary or a compulsory collective.<sup>26</sup>

The decision hierarchy was to decide first on (1) formal accreditation. If not adopted, decide on (2) self-designed and self-imposed accreditation through a new organization with a constitution and by-laws. If accreditation was rejected choose between (3) the present system restructured and realigned or (4) each municipality act alone with the GVRD Labour Relations Department available to provide services on request.

The Labour Relations Committee resolved to restructure. The restructuring included the creation of a research function to maintain a comprehensive database and system that enables fair compensation comparison on a current factual basis. David Gilbride has led this unit since its inception.

Burnaby resolved to withdraw on April 26, 1982, but rescinded the motion on June 28, 1982.

---

<sup>25</sup> *The Corporation of Delta* [1979] B.C.L.R.B.D. No. 31 (QL)

<sup>26</sup> A.W.R. Carrothers, *Antagonistic Cooperation: A Critical review of the Process of Labour-Management in the Greater Vancouver Regional District*, May 1981; Peat Marwick and Partners was commissioned in July 1981 to do a further review - Peat Marwick and Partners, *Greater Vancouver Regional District Labour Relations Department Organizational Evaluation*, September 1981



### **Restructuring Resolution – November 30, 1981**

WHEREAS there is a concern for the efficacy of the present organizational form of the G.V.R.D. Labour Relations function;

AND WHEREAS there is a need for as cohesive a unit as possible with common goals for all of its participants;

AND WHEREAS there is a need to recognize the individual needs of each participant in the function and to maintain as much autonomy as is realistically possible in collective bargaining;

AND WHEREAS there is a need for a balance between optimum unity of action and common fronts and an optimum amount of autonomy for the participants;

AND WHEREAS the time is now for an improvement in organizational form;

THEREFORE BE IT RESOLVED

The Labour Relations Committee recommends the Board of the Greater Vancouver Regional District and its member municipalities that the Supplementary Letters patent of the Greater Vancouver Regional District be amended to provide:

- a. That the Labour Relations Committee be renamed to be called the Greater Vancouver Regional Labour Relations Bureau;
- b. That the Bureau be provided with control over its own budget, subject to the GVRD Board approving the total budget;
- c. That the Bureau Members be appointed by Member Councils for a one-year term, and be known as Directors of the Greater Vancouver Regional Labour Relations Bureau with the right of recall by two-thirds majority;
- d. That the GVRD be a member of the Labour Relations Bureau and be assessed on the basis of the ratio which the GVRD's payroll bears to the total of all of the municipalities participating in the function;
- e. That there be one representative and one alternate from each participating municipality and from the GVRD; both to be appointed at the same time for a term of one year, and the alternate to act only in the absence of the official representative;
- f. That there be no ex officio Directors of the Bureau;
- g. That there be a one-year minimum lock-in membership without benefit to opt out;
- h. That following the mandatory lock-in period there be a provision to opt out upon giving one year's notice, subject to no member opting out until an agreement has been signed on any current negotiations;
- i. That other related Municipal Boards and Commissions be able to contract their negotiations to the Bureau;
- j. That each Member Council maintain a continuing right to individually approve any negotiated settlement proposal.

Amendments to the GVRD letters patent approved by municipal councils were issued by the Lieutenant Governor-in-Council on November 22, 1982. A copy is appended to this report.

The broad goals were to:

- increase involvement and accountability of municipal councils by giving them the right to appoint representatives to the Bureau;
- increase stability by lengthening the notice period to two years “in order to ensure that any council which opts to withdraw must by definition face its electorate before the notice can take effect”<sup>27</sup>;
- permit the Bureau to reallocate funds within the overall appropriation approved by the GVRD Board; and
- permit the GVRD regional district to become a member.

In 1983 negotiations, CUPE locals wanted regional bargaining. The municipalities wanted to negotiate unit-by-unit. A two-tier structure was adopted under a protocol agreement. This structure was repeated in each round until 1997.

When Graham Leslie resigned to become provincial Deputy Minister of Labour in 1984, an internal review committee commissioned an audit of the function. It was to review objectives, activities and effectiveness of the function and identify what could be done to persuade Surrey and Port Coquitlam to join with the other eleven municipalities as fully participating members.

The audit concluded the GVRD labour function and common bargaining approach had benefited municipal members. The “deep-seated” concerns and reservations were that the directors set “overly precise mandates... without sufficient flexibility, within approved policy parameters, to conclude agreement in a timely manner” and that regional bargaining did not “properly recognize the needs of individual municipalities.” “In this respect, certain municipalities are of the opinion that negotiations carried out by individual municipalities would improve the collective bargaining system and thereby the employer-employee relationships within each municipality.”<sup>28</sup> At the same time, there was a review by an internal committee.<sup>29</sup> The position of Executive Director was established and assigned to the GVRD Regional Manager.

Between 1984 and 1986, Bob Wilds and Diane Bell served as Manager of the Labour Relations Department. Mark Leffler was Manager from 1986 to 2004 and, for some of the period, GVRD Human Resources Manager. He was succeeded by the current Manager, Malcolm D. Graham, who had been a long service negotiator with the Department.

---

<sup>27</sup> Graham Leslie letter to GVRD Regional Manager D.L. MacKay, October 12, 1982

<sup>28</sup> C. J. Connaghan and Associates Ltd, *An Audit of the Labour Relations Function of the Greater Vancouver Regional District*, October 1984, p. 10

<sup>29</sup> *Report on Review of Organizational Structure and Management Requirements of the Greater Vancouver Labour Relations Department*, October 1984

#### 4.5 Bargaining, Vancouver Notice and More Local Autonomy (1985 – 2000)

Collective bargaining with CUPE for the 1986-87, 1988-90 and 1991-93 agreements was relatively uneventful.

For the 1994-96 agreement, the Vancouver Regional Municipal Employees' Union struck for months and was eventually displaced by CUPE at Vancouver. The Teamsters Local Union No. 31 displaced the VRMEU representing civilian employees of the Vancouver Police Board and inside employees of the GVRD.

Although settlements were achieved across the region with CUPE without work stoppages, there were strains among the employers over disparate commitments to changing hours of work provisions in order to extend hours of service. Vancouver did not want a strike over the issue, but under the protocol agreement, the Bureau would not allow Vancouver to opt out.

On April 26, 1995, after the collective agreements were settled, Vancouver gave notice of withdrawal from participation in the Bureau. It stated: "The regional approach works well as a defensive mechanism, but is a poor mechanism when an employer is seeking changes."<sup>30</sup> A Bureau task force was established to review Vancouver's concerns. The outcome was change that persuaded Vancouver to rescind its notice.

The new approach was to develop bargaining issues aligned with each employer's strategic direction; redefinition of issues that require approval or consultation with others; flexibility in bargaining structures; and interest based bargaining where it suited the parties involved.

In essence, the participants in the GVRD Labour Relations function have rededicated themselves to the proposition that we should be considering bargaining issues as local and within the control of the individual municipality unless there is a compelling reason to adopt a Regional view. Stated another way, the default is to local autonomy rather than Regional control.<sup>31</sup>

A member survey sought to identify consensus (defined as 70% support) on listed issues as regional (approval required before agreement in collective bargaining), common (consultation required) or local (full autonomy). Half the participating members responded.

There was consensus that major compensation costs, collective agreement term and contracting out provisions were regional. There was a diversity of opinion on what were common and local issues. Vancouver and Richmond identified fewer issues as regional and common.

---

<sup>30</sup> K.F. Dobell, City Manager to GVRD, April 26, 1995

<sup>31</sup> 1995-1996 GVRD Labour Relations Review following the City of Vancouver's Notice to Withdraw from the Function, undated

The Labour Relations Department's preference was for regional consistency with standard collective agreement terms as a platform to make consistent changes and resist union proposals regarded as intrusive changes.

### **Bargaining Structures for Inside and Outside Employees (1960 – 2005)**

1960 - 1969	Individual employers with Vancouver setting the pattern
1969 - 1981	Joint bargaining with no formal local table
1983 - 1996	Two-tier bargaining with regional and formal local tables
1997 – 1999	Individual employers without Vancouver pattern setting
2000 – 2005	Individual employers with unions coordinating regional approach

In negotiations for the 1997-99 collective agreements, the employers and CUPE locals differed over the utility and approach to two-tier regional bargaining. Three year agreements were becoming the norm and Burnaby and its CUPE local settled first. New Westminster and Township of Langley settled on the same terms.

Vancouver outside workers represented by CUPE 1004 struck for eight weeks for more money, but settled for the same amount and a return-to-work bonus, funded out of wages not paid during the strike. Other settlements followed the Burnaby pattern.

In those negotiations, employers achieved agreement changes in local bargaining. This fuelled an appetite for more local bargaining in the next round.

### **Collective Agreement Terms (1965 – 2011)**

Year	Length of Settlement					Municipal Election
	Inside	Outside	Library	Fire	Police	
1965	1 Year	1 Year	1 Year	1 Year	1 Year	<i>Councillor Elections only</i>
1966	2 Year	2 Year	2 Year	1 Year	1 Year	<i>Election Year</i>
1967	(1966-67)	(1966-67)	(1966-67)	1 Year	1 Year	<i>Councillor Elections only</i>
1968	1 Year	1 Year	1 Year	1 Year	1 Year	<i>Election Year</i>
1969	1 Year	1 Year	1 Year	3 Year (1969-71)	2 Year	<i>Councillor Elections only</i>
1970	2 Year	2 Year	2 Year		(1969-70)	<i>Election Year</i>
1971	(1970-71)	(1970-71)	(1970-71)		1 Year	<i>Councillor Elections only</i>
1972	2 Year	2 Year	2 Year	2 Year	2 Year	<i>Election Year</i>
1973	(1972-73)	(1972-73)	(1972-73)	(1972-73)	(1972-73)	<i>Councillor Elections only</i>
1974	1 Year	1 Year	1 Year	1 Year	1 Year	<i>Election Year</i>
1975	2 Year	2 Year	2 Year	1 Year	1 Year	<i>Councillor Elections only</i>
1976	(1975-76)	(1975-76)	(1975-76)	1 Year	1 Year	<i>Election Year</i>
1977	1 Year	1 Year	1 Year	1 Year	1 Year	<i>Councillor Elections only</i>
1978	1 Year	1 Year	1 Year	1 Year	1 Year	<i>Election Year</i>
1979	2 Year	2 Year	2 Year	2 Year	1 Year	<i>Councillor Elections only</i>
1980	(1979-80)	(1979-80)	(1979-80)	(1979-80)	1 Year	<i>Election Year</i>
1981	2 Year	2 Year	2 Year	1 Year	2 Year	<i>Councillor Elections only</i>

1982	(1981-82)	(1981-82)	(1981-82)	1 Year	(1981-82)	<i>Election Year</i>
1983	3 Year (1983-85)	3 Year (1983-85)	3 Year (1983-85)	2 Year (1983-84)	1 Year	<i>Councillor Elections only</i>
1984				1 Year	<i>Election Year</i>	
1985				1 Year	<i>Councillor Elections only</i>	
1986	2 Year (1986-87)	2 Year (1986-87)	2 Year (1986-87)	2 Year (1986-87)	2 Year (1986-87)	<i>Election Year</i>
1987				<i>Councillor Elections only</i>		
1988	3 Year (1988-90)	3 Year (1988-90)	3 Year (1988-90)	1 Year	3 Year (1988-90)	<i>Election Year</i>
1989				2 Year (1989-90)		<i>Councillor Elections only</i>
1990				<i>Election Year</i>		
1991	3 Year (1991-93)	3 Year (1991-93)	3 Year (1991-93)	1 Year	1 Year	
1992				3 Year (1992-94)	3 Year (1992-94)	
1993						<i>Election Year</i>
1994	3 Year (1994-96)	3 Year (1994-96)	3 Year (1994-96)	2 Year (1995-96)	2 Year (1995-96)	
1995						<i>Election Year</i>
1996				<i>Election Year</i>		
1997	3 Year (1997-99)	3 Year (1997-99)	3 Year (1997-99)	3 Year (1997-99)	3 Year (1997-99)	
1998						
1999						<i>Election Year</i>
2000	3 Year (2000-02)	3 Year (2000-02)	3 Year (2000-02)	3 Year (2000-02)	3 Year (2000-02)	
2001						
2002						<i>Election Year</i>
2003	4 Year (2003-06)	4 Year (2003-06)	4 Year (2003-06)	4 Year (2003-06)	4 Year (2003-06)	
2004						
2005						<i>Election Year</i>
2006						
2007	5 Year (2007-11)	5 Year (2007-11)	5 Year (2007-11)	3 Year (2007-09) except Vancouver - 39 Months (2007-10)	39 Months (2007-10)	
2008				<i>Election Year</i>		
2009						
2010						
2011				N/A	N/A	<i>Election Year</i>

Notes:

1 All Settlements are 01 January - 31 December unless specified

2 39 Months - 01 January - 31 March

3 Election Year = Mayor & Council Elections

4 1960-1990 - Mayor Term = 2 Years; Council Term = 1 Year

5 1973-1990, local governments were given the power to elect council biennially like mayors if they so chose instead of annually

6 1990-present - Mayor & Council Term = 3 Years

#### **4.6 Richmond Withdrawal and Organizational Reviews (2000 - 2004)**

For the 2000-02 round of collective bargaining, all lower mainland CUPE locals formed an alliance, *Bargaining 2000*, to avoid what had happened in the previous round.

There was a dispute over who could or would be at regional and local bargaining tables. Mediation was required to sort out the structure of bargaining.

Again, Burnaby settled first and set a pattern, but this time all CUPE locals had a voice in the terms of settlement. All municipalities, except Vancouver, settled.

Vancouver had cancelled the nine day fortnight work week and CUPE Local 15 struck for six weeks over the issue. The settlement was longer working hours and additional days off per year.

On May 19, 2000, Richmond staff recommended council give notice of withdrawal as a participating member of the function, which council did effective June 15, 2002. The staff view was that Richmond, like Surrey and Port Coquitlam, would not succumb to whip-sawing by its unions and could follow its own agenda, perhaps employing a negotiating approach different than the traditional, ingrained approach employed by GVRD negotiators. The approach adopted after Vancouver's notice in 1995 was either fading or not providing sufficient autonomy for Richmond.

Richmond was frustrated with the regional job evaluation and classification system, which it characterized as a "morale buster." Richmond staff wanted internal equity, while the GVRD focused on regional equity. In many respects, the complaint about job evaluation and the classification system was a surrogate for an organizational decision by Richmond to shift focus away from internal structures and relationships to external customer service and relationships. In the same vein, the desire was to have the GVRD Labour Relations Department act as a service provider, not a regulator, and, in effect, not as a collective bargaining employers' organization.

With cost savings, other human resources services provided by the GVRD Labour Relations Department could be done by staff or by contract with external service providers. The staff report concluded:

The GVRD Labour Relations Department has provided services to Richmond since its inception. The benefit of being a part of this function is that consensus is achieved between different member municipalities. The cost of the consensus is that there is a loss of independence for the City to deal with local labour relations functions which is an increasingly important issue. It should be noted that in the past when staff have made their concerns known to the GVRD the level of services improves for a short time. Given the analysis above it is recommended the City serve notice to the GVRD that it wishes to discontinue these services.

In May 2001, a committee was struck to review the function. July terms of reference included governance, membership, funding, policies, committee structure and fee-for-service work. The final report in October 2001 concluded:

... there is indeed significant value to the member municipalities in retaining a strong regional labour relations function. That value is manifested in the availability of specialized expertise at reasonable cost, expertise which would not be readily available to the employers individually. Along with expertise in a variety of areas related to labour relations and compensation, the voluntary association of municipal employers provides a means for the member municipalities to counter-act the collective strength and solidarity of large national and international trade unions which are able to marshal significant resources to represent their employees.<sup>32</sup>

The following are some of the report conclusions and twenty-one recommendations:

- No governance issues identified for reform.
- Membership criteria not change to include police, library and museum boards for which the Department negotiated collective agreements.
- Voluntary membership retained recognizing that at some point too many outside the group diminishes the strength and legitimacy of the remaining members to be a spokesperson for group interests.
- The Department publish a brochure describing its services and the benefits of membership and conduct an education session for new councillors and mayors.
- The funding formulae not change.
- The equal pay for equal work policy confirmed.
- More commitment and involvement by Chief Administrative Officers and Human Resources Advisors required.
- Guidelines for fee-for-service work proposed.
- The 1996 concept of “responsible autonomy” and matrix of regional, consultative and local issues be reviewed and renewed before the next round of collective bargaining at which Department staff and municipal representatives are to be collaborative, consultative and take a consensus-based approach.
- The job evaluation system is the “most frequent source of criticism of the labour relations function.” The Department’s role is advisory; used as the whipping boy to avoid municipalities taking responsibility; often misunderstood; and serves conflicting goals of facilitating reorganization and protecting collective interests.

In November 2001, Richmond’s Chief Administrative Officer explained that its decision was because of general dissatisfaction with contract negotiation services, the structure and approach of administering the job evaluation plan and the GVRD Labour Relations

---

<sup>32</sup> *Final Report of Labour Relations Function Review Committee*, October 10, 2001

Department's regulatory, rather than customer focused, approach to service delivery. Richmond experienced no adverse effect from its decision and was unlikely to rescind its notice, but, as a condition of doing so, Surrey and Port Coquitlam have to become participating members. The Department had to adopt a customer service oriented approach with improved service response times and an innovative plan offering "some degree of flexibility to the customer."

Richmond council considered what had and had not transpired since giving notice and the progress it had made in developing its own job evaluation system. It wanted to maintain its distinct corporate culture. It reaffirmed its decision on November 13, 2001.

The GVRD Executive Director opposed approval of the review committee report and confirmation of the policy of equal pay for equal work. He advocated greater effort to accommodate Richmond. The Bureau approved the report in July 2002.

In May 2003, the Labour Relations Advisory Committee struck a task force to review the function. Several municipalities found the "defensive alliance" too restricting. The role of the Bureau should change to oversee and review, not approve or veto, and to set targets, not mandates. Service offerings, funding and governance should be reviewed.

Elected representatives from Richmond and Port Coquitlam participated in the discussion with the Bureau. The Richmond representative indicated that Richmond is not closed to the idea of participating in a regional labour relations function provided their concerns about job evaluation and retaining control over their own destiny can be met within the framework of a modified function. Port Coquitlam representatives expressed satisfaction with the status quo, noting they have a positive relationship with their unions.<sup>33</sup>

There was no biting appetite for change. In July 2004, the Bureau confirmed the current role and funding of the function. The risk of Richmond or Surrey making settlements that impacted Vancouver and others was recognized, but the outcomes of the review did not entice either of them or Port Coquitlam to become a participating member.

The current view from Richmond is that it strives to foster a team approach and engender a customer service ethic in its relationship with its employees and their unions. It believes this approach is incompatible with its view that the GVRD Labour Relations Department brings to the collective bargaining table "old fashion" rhetoric and an episodic, positional, traditionally adversarial relationship with "enemy" unions. Richmond acknowledges its final job evaluation system took longer to establish and cost more than projected. However, it achieved better relationships with its employees and their unions. Management must accept full responsibility and accountability for decisions.

---

<sup>33</sup> Labour Relations Review Task Force, *Future of the GVRD Labour Relations Function*, December 17, 2003, p. 27



## 5.0 COMPENSATION POLICIES AND REGIONAL JOB EVALUATION

A 1954 study commissioned by The Canadian Federation of Mayors and Municipalities argued for fair comparison between municipal and private sector compensation. First Burnaby, Vancouver and New Westminster and later the seven members of the Municipal Labour Relations Bureau developed a basis for fair comparison between municipalities and within the community and adopted a policy of fair compensation.

### **Bureau's Current Pay and Compensation Policy Statements**

1. The Bureau supports the principle of equal pay for equal work, which dictates that employees should be compensated equally, both within and between member jurisdictions, for equal work. Rates of pay which are within approximately 4% of each other are deemed to meet the objective of this policy.
2. The Bureau supports the principle of equal pay for work of equal value, which will be achieved primarily through the support for the broad concept of employment equity.
3. The Bureau, in directing its collective bargaining activities and in establishing its collective bargaining mandates, supports the following Compensation Policy statements:
  - (a) Wherever feasible, compensation comparisons with a labour market or group(s) within a labour market should be made based upon total compensation (wages and benefits).
  - (b) Compensation for municipal employees typically represented by CUPE locals should be related as closely as possible to compensation provided by other private and public sector employers within the Greater Vancouver community for comparable work. The compensation of municipal employees should be competitive within the marketplace.
  - (c) Wage compensation for transit employees and electrical utility employees should be related to wage compensation provided by other local private and/or public sector employers comprising the market sector(s) from which such employees are drawn or within which larger groups of such specialized employees are employed. Insofar as possible, benefit levels for these groups should parallel those provided for CUPE, compensation for the remaining specialized bargaining units, namely IATSE and IBE (Inspectors, Technicians and EOB) will reflect settlements applicable to CUPE. Technicians and EOB will reflect settlements applicable to CUPE. IATSE's unique working conditions will, however, follow industry.
  - (d) Negotiated changes in fire fighter wage compensation should be related to regional economic conditions as reflected through negotiated wage changes in compensation for other employees in the municipal sector. As far as possible, benefit levels for fire fighters should parallel those provided for CUPE.

A job classification and evaluation system describes job duties and responsibilities and determines a value for jobs. Benchmark classes in occupational groupings are used to measure a value difference between positions. The factors measured are complexity, judgment exercised, independence of action, supervision exercised, working conditions, required physical effort, education, experience and skills and abilities.

The goal is consistency for pay purposes based on the performed duties of a job compared to group equivalent jobs.

Job evaluation is not intended to reward meritorious performance, long service, employee initiative or potential for individual growth. It is not the instrument for responding to labour markets or recruiting or retaining employees.

Pay grade adjustments responding to market conditions have been made in collective bargaining.

By the 1970s, partly in response to union demands for job parity with Vancouver, the Municipal Labour Relations Bureau had established a standardized job evaluation system for all its members to assist in maintaining equivalent rates for similar work. It employed eleven technicians and three support staff to maintain the employer plans.

In 1974, an agreement to unite the plans and establish a common appeal procedure to maintain regional job parity among municipalities had to comply with federal Anti-Inflation Program restraints that ended in 1978. A submission from the employers' organization to the Anti-Inflation Board on November 2, 1976 expresses the centralized regulatory role of the Department that later became a source of member discontent.

The third and final type of approach is only to be found within the jurisdiction of the G.V.R.D. Here exists a rigid framework in which a group of experienced technicians, familiar with the organization of all the member municipalities, direct their knowledge towards analysis, classification and description of jobs in accordance with common methods by reference to other classes within the employ of the same employer and also by reference to other classes within similar occupational groups employed by other employers within the G.V.R.D.'s jurisdiction. In effect there is no difference between an "internal" and an "external" comparison, because region-wide consistency results in any class which is properly related "internally" by definition being satisfactorily related "externally." The most significant distinguishing feature of this approach is that the parties have no freedom whatsoever to control the results and the costs of an application of the system, whether it involves an individual employee seeking a pay adjustment in order to obtain an appropriate relationship vis-à-vis another employee in his own organization or in another organization covered by the scheme, or whether it involves the task of relating the members of an entire bargaining unit to the employees covered by all the other employers which are party to the scheme, as was the case in Coquitlam.

This centralized administration of the "regional pay plan" by the GVRD Labour Relations Department was a source of continuing CUPE discontent.

The local personnel people have very little involvement in the Plan and even less understanding how the Plan works. The G.V.R.D. makes the decisions, the Employer puts their names on the decision and the Union argues about the

decision with the G.V.R.D., while a lot of the time local Department Heads and Supervisors are unhappy, because they too, don't agree with the G.V.R.D., and end up encouraging the Union to appeal.

This is another situation where the G.V.R.D. is attempting to control member Municipalities. ... The sad thing about this whole business is that elected Municipal Aldermen do not seem to see what the G.V.R.D. is attempting to do.

This is another attempt by the G.V.R.D. Labour Relations Department to reduce the involvement of member municipalities in their own Labour Management Relations.

It will centralize decision-making power in the hands of a few non-elected G.V.R.D. bureaucrats and will cause increased major confrontation between local Employers and their Employees. (CUPE Joint Negotiating Committee Bulletin – October 27, 1978)

In 1979, there were agreements to examine alternate systems. None was developed that achieved acceptance by all parties.

The regional job evaluation system or pay plan has been and continues to be a recurring source of irritation, conflict and review. Change has been slow. An extensive project to develop a gender neutral, point-rated plan agreed to in the 1991-93 round of collective bargaining died.

Today, a supervisor and 3.8 FTE analysts are employed to support job evaluation services.

### Job Evaluation - Annual Summaries (2000-2009)

Year	Reviews				Disputes	
	Received	Completed	Withdrawn	In Progress	New	% Decisions
2009	332	365*	4	58	44	12.5**
2008	477	491*	9	89	26	5.4**
2007	423	433*	5	93	24	5.7**
2006	407	350	"withdrawn" and "not implemented" added to previously reported year end numbers; correct figures in column to the right	108	19	5.4
2005	298	350		51	16	4.6
2004	353	324		103	25	7.7
2003	284	300		74	33	11.0
2002	317	343		90	18	5.2
2001	391	402	116	18	4.6	
2000	332	369	127	31	9.0	

\* includes 2009 reviews which were "not implemented" but full analysis and recommendations made (12 reviews)

\*\* calculation does not include "not implemented" reviews

In 2006, Port Moody implemented a point-rated, gender-neutral system with GVRD Labour Relations Department approval after giving notice of intention to withdraw as a

participating member of the function. Other municipalities have tried or are poised to implement an individual employer system.

Among municipalities there is competition for employees with talent, knowledge and skills transferrable between municipalities. Ease of commuting, advancement opportunity and compensation are elements of recruitment and retention. Despite positions being covered by a collective agreement, there are stories and resentments about the extra-contractual compensation and benefits given to individuals to entice them from one municipality to another.

## **6.0 NOTICES OF WITHDRAWAL AFTER 2007 NEGOTIATIONS**

In preparation for each round of negotiations with unions representing inside and outside employees and fire fighters, the GVRD Labour Relations Department proposes for approval by Bureau directors an employer collective bargaining mandate to be adopted for all participating members.

Generally, an employer collective bargaining mandate has three components – operational objectives, organizational policy commitments and financial goals.

Differing service delivery models and operational objectives can require wide variations in staffing and payroll costs. Ability to change service delivery models or introduce new operational objectives can have significant importance for an employer and present a major challenge in collective bargaining. For example, in the 2000-02 round Vancouver's hours of work goal was its main issue. Other municipalities were not prepared, as Vancouver was, to endure a strike to achieve it.

Operational objectives and policy commitments can be key in achieving productivity goals, service standards and cost saving or cost containment goals.

In setting a mandate, the municipalities do not identify or discuss shared operational objectives, service delivery models or measures of key organizational performance to achieve operational objectives or service levels. They do not discuss organizational success or how a proposed collective bargaining mandate will achieve that success. They do not discuss how their employers' organization can assist in creating the environment necessary to foster the desired organizational culture to achieve strategic goals and organizational objectives.

Organizational policy commitments shape the scope of what an employer is willing to negotiate. Giving up or limiting a management right might limit operational options or compromise ability to achieve an objective. For many years, GVRD Labour Relations Department negotiators have refused to accede to some union proposals, e.g., those limiting management rights, especially contracting out and bargaining unit work provisions; those favouring seniority over competitive selection clauses; reductions in the probationary period; additional public holidays; several wage premiums; and use of volunteers. These policy commitments have been driven more by the Department than by a sustained knowledgeable consensus and commitment among Bureau directors.

A financial mandate is shaped by internal ability to pay and external economic and labour market factors. Municipalities provide labour intensive services. In setting collective bargaining mandates, Bureau directors have focused on the cost of one hour of employee time. The overall cost impact of a financial mandate on strategic service goals, operational objectives or productivity has not been a focus.

## **6.1 Mandates Amended to Adopt Richmond Settlements (2003 and 2007)**

The mandate adopted in 2002 for inside and outside employees was a 7.5% wage increase over three years. On March 13, 2003, Richmond made a four-year agreement with a 3% increase and a cost of living clause in the fourth year. The Bureau directors changed their mandate to adopt Richmond's settlement – 10.5% over four years with a COLA clause in the fourth year. Port Moody settled on these terms on March 25<sup>th</sup>.

Richmond was also the first to settle with a fire fighters local union in 2003. The agreement was for a minimum three-year term with interim wage increases. The ultimate agreement was tied to the Lower Mainland pattern that emerged, which was a four-year agreement. The Richmond agreement was extended a fourth year.

The Olympics and Paralympics were to be held in February and March 2010. Aided by natural gas revenues, the provincial government spent \$1 billion in signing bonuses to achieve four-year collective agreements by March 31, 2006 with the unions representing its employees and transfer partners. The settlements ranged from 10.5% to 13.5%.

There was no similar windfall revenue available to municipalities for signing bonuses to smooth negotiations or bridge the Olympics. As a rule of thumb, funding a 1% compensation increase requires approximately a 0.75% tax increase.

Over fifty collective agreements were due to expire December 31, 2006 and others on March 31, 2007. If three-year collective agreements were negotiated, there would be collective bargaining during the Olympics. Two or four-year agreements would mean collective bargaining again before the Olympics in 2009 or in 2011, a municipal election year. The preference is to avoid collective bargaining in an election year to keep negotiations away from electioneering.

In 2004, there was a change in the Manager of the Labour Relations Department, but Mr. Graham had been a negotiator and employee of the Department for over 22 years.

In 2006, the municipal Chief Administrative Officers and City Managers were an experienced group. Several had been through previous rounds of collective bargaining with their current employer or another municipality in the group. Similarly, several of the Human Resources Managers had extensive municipal sector experience with their current employer or another municipality in the group.

The Bureau Chair from 2003 to 2007 had been a Bureau director since 1999.

A discussion paper prepared by the Labour Relations Department in May 2006 included the option of a 39-month agreement expiring March 31, 2010. "This would be after the Olympics/Special Olympics and sufficiently in advance of the November 2011 municipal election that it would not likely be an issue. The 2006 CUPE wage increase was effective April 1 and this would allow an argument that future increases should be

April 1, not January 1; this would fit a 39 month term.” This option became known as Vancouver’s mandate.

Based on analysis of the economic climate of the day, wage surveys and settlements, the Department proposed a financial mandate of 8.5% over a 39-month term to bridge the Olympics and enable the employers to address recruitment and retention issues. The discussion paper did not identify that, without an incentive, CUPE locals might not want an agreement expiring March 31, 2010 that put them in bargaining when the bills for the Olympics arrived.

On October 6, 2006, the Bureau was told Port Moody was on the verge of concluding an agreement with CUPE Locals 825 and 2552. Collective bargaining was just beginning in some municipalities and had not begun in many. On October 12<sup>th</sup>, the Bureau adopted a mandate of 9.75% over 39 months. The very next day, Port Moody signed agreements with the CUPE locals on these terms. The Port Moody Police Board settled on the same terms on November 10<sup>th</sup>.

These terms of settlement were not acceptable to CUPE BC. It had a broader negotiation agenda than the Port Moody locals, some of whose members had benefited financially from the new local job evaluation system.

The following timeline outlines the chronology of the Bureau sticking to its mandate despite possible settlement opportunities available to participating members in Delta (13.5% over 39 months) and Burnaby (13% over 48 months), but changing its mandate to 17.5% over 60 months after non-participating member Richmond settled.

**Timeline - 2006-07 CUPE/Teamsters Collective Bargaining**

<b>2006</b>	
31-Mar	Expiry - \$1B fund for 4-year signing bonus for Prov Gov't and its transfer partners
12-Oct	Bureau adopts mandate for CUPE/Teamsters - 9.75% over 39 months
13-Oct	Port Moody and CUPE 825/2552 reach agreement - 9.75% over 39 months
31-Dec	Most CUPE/Teamster agreements expire
<b>2007</b>	
27-Mar	Delta and Delta Police Board apply for mediation
31-Mar	Maple Ridge and Pitt Meadows agreements with CUPE 662 expire
26-Apr to 24-Jun	Strike votes in Vancouver, Delta, District of North Vancouver, Burnaby
22-Jun	Delta presents last offer within mandate; CUPE 454 proposes 15% over 48 months
15-Jul	Delta Final Offer vote rejects 74% to 26%
12-Jul	HRAC and LRAC recommend revisiting mandate
12-Jul	Richmond offers CUPE 394/718 agreement for 15.5% over 60 months
13-Jul	Bureau votes 7:5 not to change mandate and refers to Councils for input
16-Jul	Strike notice to Vancouver and District of North Vancouver

18-Jul	Bureau votes 13:2 to affirm mandate – 9.75% over 39 months
18-Jul	Richmond offers 15.5% over 60 months; CUPE proposes 18.75% over 60 months
20-Jul	Strikes begin - Vancouver and District of North Vancouver
20-Jul	Delta requests Bureau meeting to approve 13.5% over 39 months
20-Jul	Burnaby and CUPE 23 discussing 13% over 48 months
23-Jul	Bureau defers approval of Delta settlement to August 8th
24-Jul	Richmond and CUPE 3394 settle at 17.5% over 60 months
26-Jul	Vancouver Public Library - CUPE 391 begins first strike in 77-year history
26-Jul	Bureau votes 14:1 to revise mandate to 17.5% over 60 months
30-Jul	Burnaby and Delta settle at 17.5% over 60 months; others follow in 2007 and 2008
9-Oct	Vancouver CUPE locals vote on Mediator's recommendation - 17.5% over 60 months
19-Oct	Vancouver Public Library and CUPE 391 last striking union to reach agreement
<b>2009</b>	
31-Dec	Most fire fighter and police agreements expire
<b>2010</b>	
12-Feb	Olympics open
21-Mar	Paralympics close
<b>2011</b>	
19-Nov	Municipal elections
31-Dec	Most CUPE/Teamsters agreements expire

Surrey and Port Coquitlam, which have not been pattern setters, settled after the pattern was established. Surrey agreed to an additional seventh week of vacation after thirty-five years service.

## **6.2 Burnaby and Vancouver Notices of Withdrawal (2008 and 2009)**

In January 2008, Bureau directors were upset Richmond offered its fire fighters 18.5% over three years. They expressed their displeasure and invited Richmond to become a participating member. Discussions did not change respective positions.

On August 25, 2008, Burnaby Council accepted a staff recommendation that it withdraw as a participating member of the regional function. Burnaby gave notice in early September. The reasons for the recommendation and decision are explained in a February 9, 2009 letter. Burnaby had been able to quickly and cooperatively negotiate an agreement with CUPE Local 23 without having “to succumb to Vancouver’s mandate for a 39-month term.” There was little concern about being whip-sawed. The GVRD Labour Relations Department was more concerned with regional equity than internal employer equity in job evaluation, which, in the future, it will be less likely to maintain with Surrey, Richmond, Port Moody and Coquitlam having developed their own more modern systems. The cost of consensus and loss of independence was greater than the benefit of cooperation and formal coordination.



Vancouver gave notice of withdrawal on November 30, 2009. Council's motion cited Burnaby's decision and the resulting increased disproportionate cost to Vancouver with no greater vote.

### **6.3 More Notices, Autonomy Model Recommended and External Review**

The notices from Burnaby and Vancouver generated internal discussion, review and proposals for change that sought to persuade them to withdraw their notices and to entice Surrey, Port Coquitlam and Richmond to become participating members.

A statement of vision, mission, values, guiding philosophy and commitments and strategic bargaining objectives (not mandate) was drafted for a new role for the Bureau and Department centered on member autonomy.

#### **Draft Autonomy Model Mission Statement – February 16, 2010**

Our mission is to provide professional Labour Relations Services in Collective Bargaining, Compensation and Research to Municipalities and related services to Municipal Employers in the Lower Mainland and in assisting them in meeting their Labour Relations needs. Our purpose is to provide a labour relations environment which is fair, reasonable, respectful and collaborative, where employees are to be treated fairly in comparison to others doing the same or similar work in terms of compensation and a comparable market; in an environment that will assist the Municipalities in achieving their strategic goals while working together with other Municipalities not only looking after their own interests but also those of the collective.

To bargain Agreements that are fair and balanced and where there is an appetite to be innovative, creative and "interest based", and/or collaborative, we will encourage that environment while looking after and balancing the employer and employees interests.

This new role option proposed for Bureau consideration was a "flexible consultative model without rules or controls coupled with a choice of services." The goal was to "create an opportunity to create an all inclusive municipal organization in the Lower Mainland where labour relations services can be accessed" in the hope it will lay the ground work for all municipal employers working together in the future.

The movement was completely away from control to consultation. The Department would become a resource and coordinating center with professional expertise offering service on an economy of scale.

In effect, the Bureau would cease to be an employers' organization with legislative authority or responsibility to negotiate or approve agreements. No need for consensus and no set collective bargaining mandates. Job evaluation would be a service, not a control mechanism. The hope was that positive experience with inclusive membership would allow maturation to future resumption of full responsibilities under the GVRD letters patent.

Delta, whose mayor was Chair of the GVRD Board, gave notice of withdrawal on April 21, 2010. The concerns outlined in a May 25<sup>th</sup> letter were: inflexible bargaining mandates; strategic direction and bargaining leadership; the impact of settlements by non-participating members Richmond and Surrey; access to Bureau information by non-participating members who can act independently; governance; department leadership; and its future share of costs with Burnaby and Vancouver withdrawing.

Port Moody, whose director was Bureau Chair, wrote on April 28<sup>th</sup> that it was time to move on and plan for a future without non-participating members. The Department was budgeting for decreased revenue and services in the coming years.

On June 21<sup>st</sup> the City of North Vancouver resolved to request the Metro Vancouver Board of Directors to require, as a condition of membership in Metro Vancouver, full membership in the Bureau “with No Exceptions.” On June 25<sup>th</sup>, the Metro Vancouver Board resolved to have an independent review of the labour relations and related ancillary services function through its Intergovernmental Committee.

The Autonomy Model was proposed and recommended by the Department at the Bureau’s June 30<sup>th</sup> meeting. No decision was made. Instead, the Bureau directors resolved to undertake an external review. The same day, the Metro Vancouver Intergovernmental Committee resolved to hold its review in abeyance.

West Vancouver gave withdrawal notice on July 20, 2010. It was not going to be the last participating member to leave or assume an increased share of the cost.

#### **6.4 Mandate 2010 for Fire Fighter Collective Bargaining – 2 Year, Net Zero Cost**

During the same period of internal examination, notices of withdrawal and a movement toward diminished Bureau control and greater individual employer autonomy, the Bureau was setting a mandate for collective bargaining with fire fighters whose collective agreements expired in December 2009 or, in Vancouver, in March 2010.

In the provincial government’s centralized structure for coordinating and managing public sector labour relations and human resources, the Public Sector Employers Council (PSEC) sets the overall strategic direction in human resource management and labour relations for members of six employers’ associations and the BC Public Service Agency.

In 2009, the provincial government set *Mandate 2010* for renewal of 178 public sector collective agreements expiring between December 31, 2009 and December 31, 2011.<sup>34</sup> *Mandate 2010* defines the direction the Province, as single payer, gives employers for collective bargaining. Agreements are to be renewed for a two-year term and employers may not negotiate any increase to total compensation. Employers must file

---

<sup>34</sup> <http://www.aved.gov.bc.ca/psec/bargaining2010/>

bargaining plans for approval by PSEC, which reviews all costing and approves any proposed settlement.

*An Employers' Guide To Mandate 2010* details the employers' obligation to obtain an approved mandate and the PSEC's supervisory role over collective bargaining. The *Guide* addresses the process for approval of employer bargaining plans and what the plans must include; the financial framework for compensation trade-offs to achieve a two-year net zero outcome; directions on key policies, such as employers must not surrender material management rights; alignment and coordination of communications with Government through pre-negotiation communication plans; a PSEC Secretariat costing model to be used by employers; requests for approval to change bargaining plans during bargaining; requirements for PSEC Secretariat approval of employer final offers; and employer ratification of settlements.

Transparent planning and published multi-year service delivery plans are part of the context of the delivery of the affected public services. *Mandate 2010*, with PSEC oversight to ensure compensation trade-offs are demonstrable, achievable and will produce real, ongoing cost savings, demands a high degree of operational planning and precision for the full term of the collective agreement. The context and effectiveness of *Mandate 2010* depends on centralized controlling review that purported savings are properly costed and are real, not fudged. Implementation of *Mandate 2010* diminishes autonomous decision-making by employers subject to the mandate.

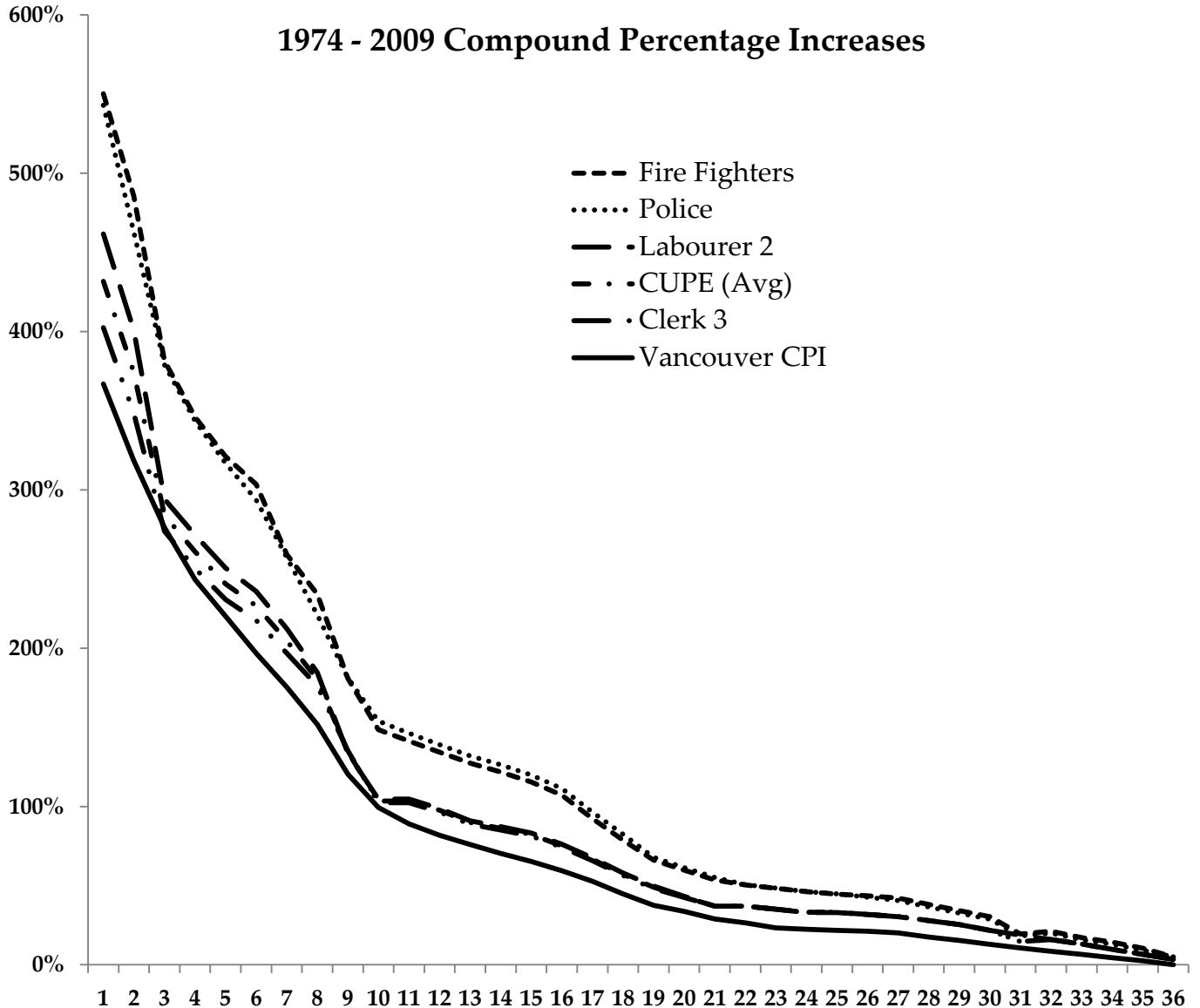
Some municipal management and Bureau directors favour a more tightly controlled central structure similar to the accredited employers' organizations representing boards of education or health authorities. Some of them have not fully explored the extent of centralized control and surrender of autonomy that would be required in the municipal context. Others caution be careful what you ask for.

The recession and taxpayer fatigue with increases convinced the Bureau to follow the provincial government's lead and set the same mandate for fire fighters, who Bureau directors believe have done well over the years in comparison to other employee groups. In the thirty-six years from 1974 to 2009, the fire fighters' compounded percentage increase has been the highest at 550.1%.

The anticipated fire fighter demands included a 15<sup>th</sup> year rate negotiated in Surrey in 2000; parity with the 0.5% higher Surrey rate negotiated in 2003; increases to match settlements and interest awards in other provinces or, at least, the 4% increases in the CUPE agreements for 2010 and 2011; and closing the gap with Toronto. Vancouver, West Vancouver and Coquitlam would take the lead in negotiations with IAFF locals.

The Bureau's compensation policy for fire fighters is: "Negotiated changes in fire fighter wage compensation should be related to regional economic conditions as reflected through negotiated wage changes in compensation for other employees in the municipal

sector. As far as possible, benefit levels for fire fighters should parallel those provided for CUPE.” There is no explanation how adopting the provincial government two-year net zero mandate for fire fighters harmonizes with the 4% annual increases for inside and outside municipal employees in 2010 and 2011 agreed to in 2007.



Under the Bureau’s two-year, net zero mandate any compensation cost increase is to be off-set with savings in benefits, paid leave or other changes to the existing collective agreement. In adopting the mandate, there was no examination of the operational plans of the fire and rescue services of participating member municipalities; areas where negotiators could achieve cost savings; the method of costing savings; the potential magnitude of any savings; or the likelihood that IAFF locals would agree to disparate compensation among the municipalities based on differing changes to achieve cost savings.

The mandate was endorsed with some directors expressly acknowledging it would not be the eventual outcome. It was a wink and a nod exercise that was not considered to be a true test of member solidarity or function effectiveness. For many, the final outcome was anticipated to be a negotiated or arbitrated settlement higher than net zero, which some directors do not consider a realistic target.

## **7.0 FIRE FIGHTER AND POLICE OFFICER INTEREST ARBITRATION**

Collective bargaining impasses between municipalities and fire fighters' unions and between municipal police boards and police officers' unions cannot be resolved with the economic sanction of strikes or lockouts. They must be resolved by agreement or in accordance with the *Fire and Police Services Collective Bargaining Act*, which directs interest arbitration as the final dispute resolution procedure.

When settling terms and conditions of collective agreements for these uniformed employees, arbitrators must have regard to:

- (a) terms and conditions of employment for employees doing similar work;
- (b) the need to maintain internal consistency and equity amongst employees;
- (c) terms and conditions of employment for other groups of employees who are employed by the employer;
- (d) 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;
- (e) the interest and welfare of the community served by the employer and the employees as well as any factors affecting the community;
- (f) any terms of reference specified by the minister under section 3; [for a specific arbitration]
- (g) any other factor that the arbitrator or arbitration board considers relevant. (s. 4(6))

### **Police Officers**

Five municipal police board employers in Vancouver, Delta, New Westminister, West Vancouver and Port Moody negotiate collective agreements covering approximately 1,900 officers with police officers' unions. Four police boards negotiate collective agreements with unions representing their civilian employees.

Municipal police boards are not eligible to be members of the GVRD or members of the employers' organization. Over the decades, the GVRD Labour Relations Department has negotiated on behalf of the police boards with unions representing their officer and civilian employees at no fee-for-service to the police boards and no additional cost to the municipalities with police forces.

Municipal police board budgets are approved annually by municipal councils. Their collective agreements require employer ratification and council approved funding, but not ratification or approval by Bureau directors. The five police boards have not jointly set a collective bargaining mandate. Police boards must receive approval from their

municipal councils to enter multi-year collective agreements with unions representing their officers and civilian employees.<sup>35</sup>

Until now, no non-participating member of the employers' organization has a municipal police force. Vancouver, Delta and West Vancouver, which have served notice to withdraw from the employers' organization, have municipal police forces.

Over the years, impasses in collective bargaining between Vancouver and the union representing Vancouver police officers have required third party assistance and binding interest arbitration decisions. The recurring issue, in the absence of statutory wage restraint regimes, has been the appropriate level of compensation, benefits and working conditions relative to other major Canadian police forces and the weight to be given to local wage and economic conditions. The current five criteria arbitrators must consider reflect recurring tensions in adversarial positions between national or regional (Sections 4(6)(a) and (d)) and local comparators (Sections 4(6)(b)(c) and (e)).<sup>36</sup>

#### **Arbitrator Comments on Comparators for Vancouver Police Wage Rates**

...Vancouver Police are at least entitled to wage parity with the Police of Toronto and Montreal -- and with the police of those other major Canadian cities which we know to be on the latter's level. (*Vancouver Police Board*, unreported, June 28, 1979 (Ladner))

—

Clearly, Toronto and Montreal must be the most powerful comparators .... I think, too, there is legitimacy in the union's reference to the recent salary increases accorded to the RCMP. (*Vancouver Police Board* [2000] B.C.C.A.A.A. No. 308 (Munroe) (QL), ¶ 24)

—

Specifically I considered compensation for Police Officers in comparable metropolitan areas in Canada, including Toronto, the police staff at Translink, local economic comparators, other municipal settlements, and the recent City of Vancouver strike. (*Vancouver Police Board* [2007] B.C.C.A.A.A. No. 260 (Lanyon) (QL), ¶ 15)

From 2000 to 2009, the Vancouver 1<sup>st</sup> Class Police Constable rate increased from \$57,924 to \$79,080. On this benchmark rate, Vancouver has ranked from 6<sup>th</sup> in 2000 to 3<sup>rd</sup> in 2009 among eleven major Canadian police forces.

#### **Fire Fighters**

Seventeen municipalities negotiate collective agreements covering approximately 2,600 fire fighters. The 3,700 fire fighters in British Columbia have a provincial organization with fifty locals within the Canadian district of the International Association of Fire

<sup>35</sup> *Police Act*, R.S.B.C. 1996, c. 367, s. 27(6)states "Unless the council otherwise approves, a municipal police board must not make an expenditure, or enter an agreement to make an expenditure, that is not specified in the board's budget and approved by the council."

<sup>36</sup> *Vancouver Police Board* [1997] B.C.C.A.A.A. No. 621 (Lanyon) (QL), ¶ 56

Fighters (IAFF). In the strong kinship culture of fire fighters, the provincial organization and Canadian district play a strategic role in local collective bargaining throughout British Columbia.

Collective bargaining is adversarial and public sector collective bargaining is political. Each municipality respects the advocacy skills of the IAFF locals representing their fire fighter employees at the collective bargaining table, at interest arbitration, in the court of public opinion and in the offices of elected municipal decision-makers.

Today, municipal fire fighters across British Columbia have effectively won the argument that their compensation should be determined by comparison with fire fighters in Vancouver, rather than by the local economy or by comparison with compensation of their neighbours in other employment dependent on the local economy. In the past in some resource towns, parity was seen as less than what was locally attainable for fire fighters, but accepted as an approach that smoothed the resource boom-bust cycle.

In the Lower Mainland, where fire fighters often live in one municipality and work in another, local economies have little relevance for differentiation among municipalities. The bond and comparison for fire fighters is with fellow fire fighters, not with local residential neighbours. The thrust of the argument is that fire fighters' work is unique; a fire is a fire regardless where it occurs; and there should be equal pay for equal work.

At the same time, the thrust of the GVRD Labour Relations Department for regional, standardized collective agreement terms can discourage local agreements and solutions. Terms favourable to one employer agreed to by one IAFF local will be tabled by GVRD negotiators at other employer tables. Terms favourable to one IAFF local will be vetoed by the GVRD to avoid setting a precedent that another IAFF local can propose.

Each side fears concession contamination from other bargaining tables. Slavish adherence to parity can prevent local service and relationship problem solving. "Me too" is not a creative solution. It can be a boon for some and a handcuff for others. Combined regional standardization and adherence to parity prevent local experimentation and any compensation differentiation among municipal fire fighters. Municipalities that are compensation trendsetters receive scorn from other municipal employers as part of the price of disparity, regardless of the gain for the differentiation.

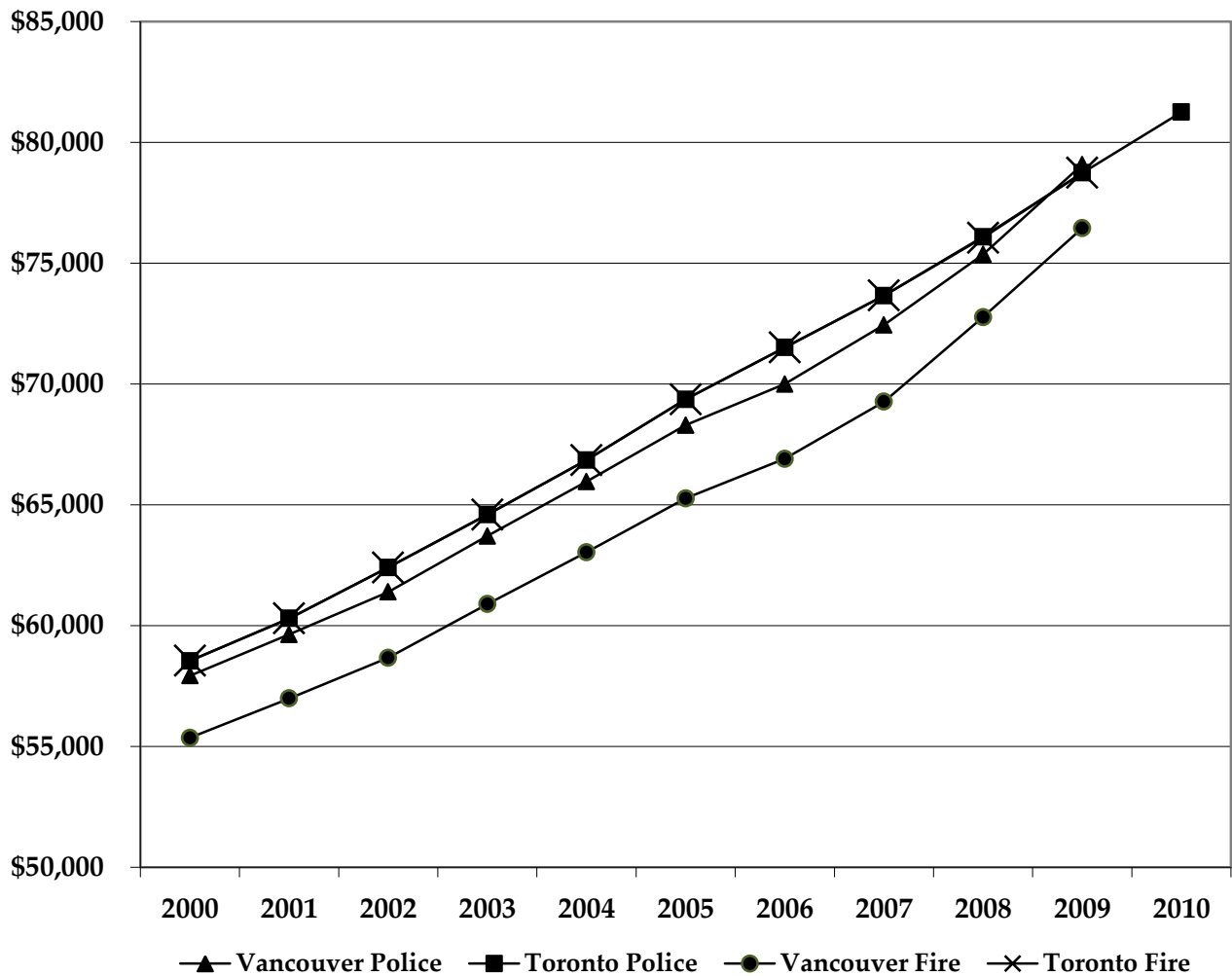
The absence of discussion and comparison of fire and rescue service standards and delivery models and comprehensive public costing data prevents all interested parties from discussing and making sophisticated and nuanced comparisons of total compensation and service outcomes. It denies arbitrators a full view of all factors when making comparisons. It denies taxpayers and municipal decision-makers a clear view of the complete cost and all the cost drivers in their fire and rescue services.



Across Canada, parity between police and fire fighters' wages is unique to major Ontario municipalities. In other provinces, the prevailing pattern has been that police are paid more because policing requires more knowledge, is more complex and police are consistently or, at least more, in harm's way than fire fighters.

British Columbia fire fighters have consistently pursued a strategy of gaining compensation parity with Toronto fire fighters and police. In recent years, to break the pattern of wages trailing Vancouver police officers, fire fighters have sought negotiated settlements with municipalities outside Vancouver that they can point to as regional comparators. In this manner, fire fighters have smartly sought to open a new path to whipsawing their employers and leapfrogging over each other at interest arbitration toward the goal of closing the gap between Vancouver and Toronto fire fighters.

### Vancouver and Toronto – Police and Fire Fighter Benchmark Salaries



The recent outcome has been that the percentage differential between the benchmark 1<sup>st</sup> Class Vancouver Police Constable rate and the benchmark 4<sup>th</sup> Year Fire Fighter rate,

which was 4.6% for the years 2000 to 2007, was reduced to 3.6% in 2008 and 3.4% in 2009. In the same year, the differential was lower in Calgary and Edmonton and higher in Winnipeg, Montreal and Halifax.

Bureau directors have not adopted a strategy to meet this fire fighter strategy. They have not affirmed their solidarity. Instead, many complain about what others have done. Many, looking for a champion for their interests, want the provincial government or Minister of Labour to shape arbitral outcomes by changing the legislated criteria that interest arbitrators must consider.

The pressure to maintain a desired differential between police and fire fighters and to deal with a shrinking differential is greatest on Vancouver, which must absorb cost increases for both and the consequences of any decreased morale for either. The pressure has less force on the thirteen municipalities without police forces and little force on the regional district, which has neither police nor fire fighter employees.

In the current round of fire fighter collective bargaining, Vancouver retained an external negotiator to bargain with IAFF Local 18 instead of using the GVRD Labour Relations Department negotiator. The Burnaby Firefighters' Association, Local 323 has complained to the Labour Relations Board about the Department's involvement in collective bargaining.

In the past, some municipalities bargained fire fighter increases that, in part, purchased removal of operationally restrictive language from the collective agreement. Vernon did this when some fire stations were amalgamated and the union agreed to the municipality using paid-per-call fire fighters, instead of full-time fire fighters.

Some municipalities purchase efficiencies, as Surrey did after others had settled for the pattern. The Mayor of Surrey explained that Surrey "has chosen to be a leading employer" and considers its fire services department to be a "model of best practices in the Region" with "a well-earned reputation for excellence." It had engaged in mutual gains bargaining through which it "achieved significant workplace flexibility, productivity improvement, cost reduction and service enhancement in exchange for competitive wage and benefit adjustments." Surrey considered the cost justified because it "remains the most efficient municipality in the Region in relation to delivering a full range of services to our citizens at the lowest cost per capita of all Metro Vancouver municipalities."<sup>37</sup>

Two unknowns that might impact the current round of fire fighter and police collective bargaining and interest arbitration are: (1) the 4% increases in each of 2010 and 2011 that were agreed to in the pre-Olympic 2007-2011 collective agreements with CUPE representing inside and outside employees; and (2) recent Alberta increases.

---

<sup>37</sup> Mayor Dianne L. Watts, Letter to Labour Relations Bureau, June 3, 2008

Historically Lower Mainland fire fighters have been paid more than Alberta fire fighters. There was a 5.5% fire fighter settlement in Edmonton and 5.75% and 5.10% arbitrated increases for Calgary fire fighters.<sup>38</sup>

Another potential factor is the ongoing refashioning of municipal Fire Services as Fire and Rescue Services and continuing discussion about the first responder roles of fire fighters and paramedics.<sup>39</sup> Increased training and an increasing role and responsibility for fire fighters as first responders will generate new collective bargaining and interest arbitration issues, as it has recently in Montreal.<sup>40</sup>

Surrey is the first municipality at which a fire fighters' local union is proceeding to interest arbitration in this round of negotiations. It is a non-participating Bureau member not bound by the Bureau's compensation policies or collective bargaining mandate. As reflected in a later table, Surrey has one of the lowest costs per fire fighter per population.

#### **Arbitrator Comments on Comparators for Fire fighter Wage Rates**

The Union's proposal is to move toward the rates paid to Toronto firefighters in stages over the term of this contract...

The Union argues ... there is no basis for wages paid to Vancouver Firefighters being inferior to wages paid to firefighters in other major Canadian cities....

These challenges include providing service to a large urban area, high-density residential buildings, port facilities, and inner city social conditions to which fire fighters must respond. Accordingly, the Union points particularly to the work of Toronto firefighters as a relevant comparator. (*City of Vancouver* [2001] B.C.C.A.A.A. No. 419 (Korbin) (QL), ¶ 9-11)

[Lorne West, 6th Vice President of the I.A.F.F.] testified ... the long-term strategy of the four Lower Mainland Locals -- Surrey, Richmond, Vancouver and Burnaby -- is to eventually link wage rates in those Locals to Ontario Firefighter rates. (The latter rates are approximately 10% ahead of Vancouver Firefighter wage rates.) The bargaining strategy of the four Locals is to "lead" with the Local that can achieve the best collective agreement. Then, other Locals will piggy-back on that collective agreement. ... (*City of Campbell River*, unreported, October 19, 2005 (Gordon), p. 7)

In terms of fire fighters in B.C., the Union points to the negotiated settlements recently achieved by the Surrey and Vernon Firefighters -- i.e., 13.5% over three years. However, as the Union seeks in this proceeding to close the 7% wage gap between Burnaby Firefighters and their counterparts in Ontario and Alberta, it contends that these recent regional and provincial settlements are insufficient. Noting that Surrey Firefighters achieved a 0.5% lift at

<sup>38</sup> *City of Calgary*, unreported, August 23, 2010 (Lucas)

<sup>39</sup> See, Peter Cameron, *First Responders, Fire Services and Pre-hospital Emergency Care in British Columbia* (March 2007); <http://www.apbc.ca/home/files/file/reports/CameronReport2007.pdf>

<sup>40</sup> *City of Montreal*, unreported, March 1, 2010 (Hamelin)

the end of their last agreement, the Union seeks a 0.5% lift on the initial increase under the current Surrey Fire fighter rates as well as an additional 0.5% lift at the conclusion of the Burnaby Firefighters' agreement in order to further narrow the gap between wages paid to Burnaby Firefighters and firefighters in Alberta and Ontario. ...

... The evidence in this proceeding is that the municipalities of Vernon and Surrey believe they achieved specific benefits, tradeoffs, and other advantages of real value in exchange for the agreed-to wage adjustments. Given the extra 0.5% lift at the end of the Surrey collective agreement, the Surrey settlement currently provides the highest firefighter wages in B.C.

Thus, the previous and current rounds of collective bargaining in the firefighting industry in B.C. reflect an emerging change in historical circumstances. ...

With due regard to the Union's position in this dispute, I find it is too early in this transitional period to view Surrey or Vernon Firefighters as the new "parity agreement" in this industry. At this stage, the preferable approach under the *Act* is to wait and see how, if at all, this transition develops. (*City of Burnaby* [2008] B.C.C.A.A.A. No. 220 (Gordon) (QL), ¶ 5, 42-43, 66)

—

What is significantly different today is that Surrey is now one of the largest municipalities in the province, with a population of over 400,000, and indeed is considered one of the largest and fastest growing communities in the country. From the evidence, the Surrey complement of fire fighters is the second largest in the province, and the number of fire halls and the duties and responsibilities they undertake are now very similar to what exists in Vancouver. And it is obvious that Surrey Firefighters are no longer prepared to simply "piggy-back" on the wages of their Vancouver counterparts. It is in my view reasonable to consider the Surrey Fire fighters in terms of "other employees doing similar work". ...

It should be noted that, in coming to the conclusion that Surrey is the most valid comparator for Vancouver on wages in this matter, I have come to a different conclusion than I did in the 2001 award, where I held: "With respect to regional comparators, the difficulty in this case is that there are no fire fighter settlements which serve as a true comparison within the province." .... As already established, that is not the evidence that is before me in the present case. (*City of Vancouver* [2008] B.C.C.A.A.A. No. 182 (Korbin) (QL), ¶ 86, 89, 122)

—

The Association's stated objective in this interest arbitration is to achieve an award of the "B.C. Standard" or "prevailing wage rate" which, the Association says, exists for 98% of B.C. fire fighters. The Association contends that a "B.C. Standard" rate has existed in the province for at least 40 years, and as of August 1, 2009, 98% of the 3,810 members represented by 49 IAFF Locals in B.C. earned the "B.C. Standard". Currently, only seven IAFF Locals, representing 79 members around the province, are earning less than the "B.C. Standard": Port Alberni; Prince Rupert; Nelson; Fernie; Fort Nelson; Salmon Arm; and, Trail. ...

Another more recent trend in fire fighters' collective bargaining in the province is a departure from the maintenance of the longstanding wage differential relationship between Vancouver Police and Vancouver Firefighters, and a movement towards enhanced weight being attributed to fire fighter comparators, particularly those in the Lower Mainland. For

the 2007-09 round of firefighters' collective bargaining, the industry pattern was set at 13.5% over the term of the collective agreement using firefighter comparators in the Lower Mainland. For the purposes of this dispute, I need not determine whether the collective agreement setting the industry pattern in B.C. is now more appropriately characterized as Lower Mainland Firefighters rather than Vancouver Firefighters: the evolution in the historical pattern is still in its early days. Suffice to say that, while Burnaby Firefighters set the industry pattern for the 2003-06 fire fighter collective agreements in the province, the Vancouver Firefighters' award, which was influenced by, but not matched to, the Surrey Firefighters' settlement, rather than the Vancouver Police award, set the industry pattern for the 2007-09 fire fighter collective agreements. I will therefore refer to the industry pattern, or parity agreement, as Vancouver Firefighters. (*Regional District of Kootenay Boundary* [2009] B.C.C.A.A. No. 173 (Gordon) (QL), ¶ 26, 72)

## 8.0 BARGAINING OUTCOMES AND TAXPAYERS' BEST INTERESTS

### Restraining Forces in Municipal Collective Bargaining

There are restraining forces operating on both the union and the municipality as they meet at the bargaining table. The municipality is restrained by its sense of responsibility to the taxpayer as well as to its employees. It must take into account the possibility of public sympathy for the employees should they feel aggrieved enough to strike. At the same time, because of the continuous pressure in the City Council and the community for a lower mill rate, it must beware of appearing too soft in dealing with employee demands.

The union, on the other hand, is restrained from being overly aggressive by its recognition of the power that the municipality can command in the event of a strike, by the possibility of intense public antipathy to strike action, and by the sense of responsibility of its own leaders and membership. When, therefore, these two meet in collective bargaining session one can reasonably hope that an agreement will result which will involve neither an injustice to the employees nor an extortion from the municipal taxpayer. (S.J. Frankel and R.C. Pratt, *Municipal Labour Relations* (The Canadian Federation of Mayors and Municipalities and The Industrial Relations Centre, McGill University, 1954), p. 83)

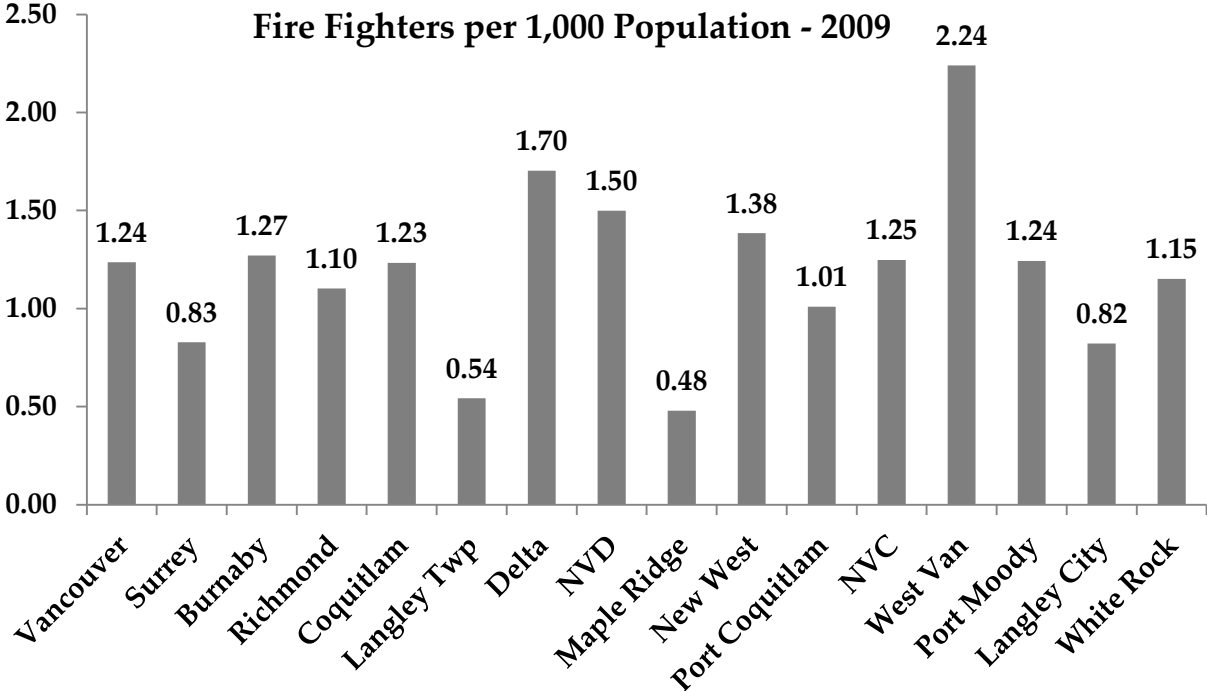
There is no single criterion for assessing whether collective bargaining outcomes in the municipal sector are in the best interest of the taxpayer.

Most often, the focus is on the percentage wage increase with far less focus on the overall impact of collective agreement changes. Taxpayers seldom know or consider the costs or savings of benefit, overtime, training, job classification or other changes; productivity increases; improvements in employee skills and competencies; changes supporting recruitment and retention; or service enhancements.

A recurring and convenient measure for assessing the fairness of settlements is comparison with the terms of agreements with other municipalities. Measures of comparability with private, for-profit employment have been a significant criterion. At times, federal and provincial government wage restraint programs direct negotiated and arbitrated outcomes. Productivity and organizational performance measures have been less prominent. Municipal ability to pay has been less a criterion, while council willingness or unwillingness to pay has been.

The municipalities in Metro Vancouver are diverse. Their geographic size, land use mix, population density and mix of revenue sources vary widely. Councils decide local service standards for protective fire and police services, such as the higher standard of "no call too small," and adopt service delivery models for technical and administrative services, such as the integrated model of "one call does it all." Within this diversity, common collective bargaining mandates and standard district compensation rates for a service have disparate cost impacts for individual municipalities. Similarly, a pattern setting settlement by one will disparately affect the taxpayers of others.

The universal provision of fire and rescue services by the municipalities makes this municipal service a convenient vehicle to underscore the difficulty in defining the role of the employers' organization in relation to the interests of all the taxpayers of the region. The following chart depicts the wide variation in 2009 among the municipalities in the number of full-time fire fighters per 1,000 population. Even apart from the three municipalities that have composite forces of career and volunteer fire fighters, a standard increase in fire fighter compensation will have very different cost impacts for local municipal taxpayers.



**Note:** Surrey, Langley Township and Maple Ridge have paid-per-call fire fighters who are not included. Pitt Meadows is beginning to hire paid full-time fire fighters. Lions Bay has a volunteer force. The regional district does not have fire fighter employees.

The scope of practice, local service standards and training of fire fighters impacts staffing levels and costs. Beyond fire suppression, safety inspections and prevention education, some fire and rescue services provide auto extraction; rescues [high angle (hi-rise), heavy (industrial accidents), tower crane, mountain, and confined-space]; hazardous materials response; first responder emergency medical response; and emergency response and rescue.

Regardless of local service standards and scope of practice, there are some common operational imperatives. For example, every fire response requires a minimum fire fighter and equipment component. There are extensive regulatory requirements. One is the occupational health and safety minimum staffing requirements for building

entry.<sup>41</sup> There are extensive National Fire Protection Association codes and standards<sup>42</sup> and local operational standards, guidelines and practices.<sup>43</sup>

In addition to operational imperatives and practices and service standards, the profile of the length of service and age of a group of employees within a municipality affect the straight time average hourly rate for all full-time employees in the group. In 2009, for fire fighters it ranged from \$34.75 (Langley Township) to \$37.91 (Surrey).

Many factors, including service, age and seniority profiles and leave, illness and injury experiences, will affect the percentage of all paid hours a group of employees work. In 2009, for fire fighters it ranged from 74.4% hours worked (Richmond) to 84.7% (Maple Ridge and North Vancouver District).

The percentage of additional hours paid at overtime rates, for standby, callouts and meal breaks is another cost variable. In 2009, for fire fighters it ranged from 0.7% (North Vancouver District) to 8.4% (Langley City).

Similarly, participation rates and costs for medical, dental and pension benefits and maternity and parental leave vary among the municipalities.

With the mix of profiles, experiences, service standards and service delivery models for each municipal employee group and variations in municipal circumstances, there is wide scope for discussion and differences about what is in the best interests of the taxpayers of a municipality and the region.

Again using fire and rescue services because of the relative ease of comparison and referring to the table below, are the taxpayers of West Vancouver better served because West Vancouver taxpayers have more fire fighters per capita at a comparatively low cost per fire fighter but at the highest cost per capita? Are costs per fire fighter or per population good indicators of a protective service? Is percentage of total annual municipal budget a better or relevant indicator? What is the appropriate or benchmark allocation of resources or service levels for fire and rescue, policing, roads, park maintenance, recreation and culture, libraries, information technology, planning and development, community services, reserves, engineering, administration, etc.? How can taxpayers determine if the standard and cost of service is appropriate?

Collective agreement terms are significant service and cost drivers. In the interests of the taxpayers of the region, accurate and comprehensive data, analysis and cost comparisons should be part of setting collective bargaining mandates by municipal employers.

---

<sup>41</sup> *Occupational Health and Safety Regulation*, BC Reg. 296/97, s. 31.23

<sup>42</sup> [http://www.nfpa.org/aboutthecodes/list\\_of\\_codes\\_and\\_standards.asp](http://www.nfpa.org/aboutthecodes/list_of_codes_and_standards.asp)

<sup>43</sup> E.g., *Corporation of the District of West Vancouver (West Vancouver Fire and Rescue)* [2009] B.C.L.R.B.D. No. 74 (QL)



The GVRD Labour Relations Department has some of the most comprehensive and reliable data on which to make comparisons among municipalities beyond wage rates and to have discussions about service standards, human resources management and political service choices. This data should be made more widely accessible so there can be a more informed discussion among management, politicians and the public about what is in the best interest of the taxpayers of the region.

As an example, an employer's annual straight time payroll, which includes pay for regular hours, acting pay, vacations, holidays and sick and other paid leaves, is a reliable proxy to use to make cost comparisons for employee groups across municipalities. Again, using fire fighters as a convenient employee group, there are significant variations in the cost per employee and per population among the municipalities that need to be explored, understood and explained.

#### **Cost Per Fire Fighter and Per 1,000 Population – 2009**

<b>2009 Municipality</b>	<b>Population</b>	<b># of FF</b>	<b>Straight Time Pay</b>	<b>\$ per Fire Fighter</b>	<b>FF per 1,000 Population</b>	<b>\$ per 1,000 Population</b>
Vancouver	628,621	777	\$58,806,821	\$75,684	1.23604	\$ 93,549
Surrey	446,561	370	\$30,466,380	\$82,342	0.82855	\$ 68,224
Burnaby	222,802	283	\$20,944,775	\$74,010	1.27019	\$ 94,006
Richmond	193,255	213	\$16,315,554	\$76,599	1.10217	\$ 84,425
Coquitlam	123,213	152	\$10,450,188	\$68,751	1.23364	\$ 84,814
Langley Township	103,267	56	\$3,942,762	\$70,406	0.54228	\$ 38,180
Delta	99,862	170	\$13,030,351	\$76,649	1.70235	\$ 130,484
North Van District	86,725	130	\$9,747,299	\$74,979	1.49899	\$ 112,393
Maple Ridge	75,051	36	\$2,407,042	\$66,862	0.47967	\$ 32,072
New Westminster	65,016	90	\$7,946,162	\$88,291	1.38427	\$ 122,219
Port Coquitlam	56,446	57	\$4,243,247	\$74,443	1.00981	\$ 75,174
North Van City	48,881	61	\$4,235,119	\$69,428	1.24793	\$ 86,641
West Vancouver	43,307	97	\$6,606,772	\$68,111	2.23982	\$ 152,557
Port Moody	32,998	41	\$3,437,840	\$83,850	1.24250	\$ 104,183
Langley City	25,526	21	\$1,486,664	\$70,794	0.82269	\$ 58,241
White Rock	19,102	22	\$1,625,054	\$73,866	1.15171	\$ 85,072

## 9.0 DISCUSSION, ISSUE EVALUATION AND RECOMMENDATIONS

Not all British Columbia employers' organizations succeed or, having succeeded, sustain success or solidarity among their members. Some disappear and some shrink into smaller organizations.

In the 1970s and 1980s there was high enthusiasm among British Columbia employers for accredited multi-employer bargaining. Much of the enthusiasm was founded on the existence or perception of a power imbalance in favour of trade unions.<sup>44</sup> Since then, union membership density has declined and many private sector accredited employers' organizations faltered and faded.

Following a 1993 inquiry commission, six public sector employers' organizations representing employers dependent on provincial government funding were given statutory mandates under the *Public Sector Employers Act*. Today, they are the largest and most familiar British Columbia employers' organizations.

The main challenge for any private or public sector employers' organization is to sustain the commitment and discipline to act together to achieve and influence collective bargaining outcomes, a main one of which is a cost effective labour structure in the delivery of services while respecting statutory and regulatory dictates outside the employers' control.

For the six public sector ones, there is legislated compulsion and often provincially directed negotiation mandates. For other employers' organizations, it is a recurring challenge to find and maintain a balance between collective unity to achieve shared objectives and sufficient employer autonomy to permit pursuit of individual organizational strategies and goals. This can only be done if individual employers act acknowledging their actions have consequences for fellow employers.

The mandate under the GVRD letters patent requiring compulsory financial participation, but permitting voluntary membership participation and a right to withdraw depends upon "a commitment by each member to have regard for the interests of fellow members."<sup>45</sup> Sustaining this federation of autonomous elected bodies requires a continuous renewal of the commitment.

### 9.1 Overview – Successes, Perceptions and Complaints

At its core, the recurring tension for the Greater Vancouver Regional Labour Relations Bureau has been the extent to which delegation of municipal administration to the regional district will improve human resources policy making and the efficiency and effectiveness of service delivery and collective bargaining for municipalities.

---

<sup>44</sup> E.g., James E. Dorsey, *Accreditation in Construction Labour Relations* (Dalhousie Institute of Public Affairs, 1974)

<sup>45</sup> *GVRD Labour Relations Function Orientation Manual*

Currently, the primary flashpoint is delegation of labour negotiation authority, the historical origin of the legislated structure under the letters patent of “labour negotiations and related ancillary services.” In the past, it has been the job evaluation service and classification policing role of the GVRD Labour Relations Department.

The Bureau was formed to be and has been predominantly a defensive employers’ organization. One indicator of success is the record of few disruptions in municipal services. Other indicia of success for some are the many standardized terms and conditions of employment in municipal collective agreements and the management rights retained in those agreements throughout the decades of collective bargaining.

Despite the successes, work stoppages in 2000 and 2007 did not reinforce solidarity and other factors gave rise to a demand for more employer autonomy and flexibility.

### Strikes and Surrounding Events (1964 - 2010)

1964	Vancouver, Burnaby & New Westminster have common negotiator with CAO's
<b>1964</b>	<b>Vancouver - outside employees strike (2 weeks)</b>
1965	Municipal Labour Relations Bureau formed - 3 municipalities, boards and commissions
<b>1966</b>	<b>Vancouver - CUPE outside employees strike (10 weeks)</b>
<b>1966</b>	<b>North Vancouver City and District – CUPE strikes (unknown length)</b>
<b>1968</b>	<b>New Westminster - CUPE strikes - breaks Vancouver pattern</b>
1969	Joint CUPE and 3 employer bargaining
<b>1969</b>	<b>Vancouver, Burnaby &amp; Richmond - CUPE strike (short)</b>
1969 - 81	Joint union and employer bargaining - MLRB & CAO leadership – no elected officials
<b>1972</b>	<b>Seven municipalities - CUPE &amp; VRMEU strikes (some lengthy)</b>
1973	MLRB strengthened by becoming part of GVRD
<b>1975</b>	<b>Surrey - CUPE strikes (10 weeks); settlement sets pattern for region</b>
1976	Accreditation pursued and rejected; never gains traction again
1979	Delta notice of withdrawal
<b>1981</b>	<b>Most municipalities - CUPE &amp; VRMEU regional strike (13 weeks)</b>
1982	Port Coquitlam withdraws; more negotiators hired; research expanded
1984	Employers insist on single unit, not region, bargaining to avoid regional strike
1984 - 97	Compromise two-tier bargaining with protocol agreements
<b>1994</b>	<b>Vancouver, GVRD – VRMEU strike (length unknown)</b>
1995	CUPE and Teamsters Local No. 31 replace VRMEU

1995		Vancouver notice of withdrawal
1997		Employers insist on single unit bargaining; Vancouver Police Board & Burnaby settle first
<b>1997</b>		<b>Vancouver - CUPE outside employees strike seeking more than mandate (8 weeks)</b>
2000		CUPE forms <i>Bargaining 2000</i> ; employers insist on single unit bargaining
2000		Burnaby settles first
<b>2000</b>		<b>Vancouver - CUPE inside employees strike over work week (6 weeks)</b>
2002		Richmond withdraws
2003		Richmond settlement sets pattern
2007		Port Moody settles first; CUPE does not accept pattern
2007		Richmond settlement sets pattern
<b>2007</b>		<b>Vancouver (12 weeks) North Vancouver District (2 weeks) – CUPE strike</b>
2008		Burnaby notice of withdrawal
2009		Vancouver notice of withdrawal
2010		Delta and West Vancouver notices of withdrawal

Some believe the success since 1983, when the current letters patent were issued, has led to an erroneously diminished assessment of the risk of work stoppages, whipsawing and leapfrogging. They believe national and international unions will take advantage of any erosion of employer solidarity. A broad-based defensive organizational structure must be maintained and strengthened to prevent undisciplined, wealthy municipalities from making agreements, some say sweetheart agreements, for which everyone else will have to pay in taxes or realigned budgetary priorities.

Others believe the past is simply not relevant today. Unions representing municipal employees will and are expected to coordinate their approaches to collective bargaining, but are generally as strike-averse as employers. They say work stoppages, almost exclusively in Vancouver, were a product of poor local labour-management relations. More will be gained through positive local relations than defensive regional alliances, which have seldom been maintained in the face of threatened work stoppages or demands for change by one member municipality. For them, belonging to a defensive alliance is more a burden than a benefit.

Positions on the spectrum from go it alone or be compelled to stick together are primarily correlated to municipal size. The larger the municipality the more it values autonomy over delegation of authority to an agency representing the collective.

Regardless of perspective, many municipal managers and Bureau members assess their employers' organization as tired, failing, backward looking, unaccountable and

primarily engaged in political, not practical or policy, driven discourse with no shared understanding of roles, goals, responsibilities or relationships.

Two recurring complaints are worthy of highlighting. The first is that negotiator faithful adherence to policy mandate issues results in veto of local initiatives to preserve regional standards and prevent setting a precedent. Some characterize this as a concentration on positional bargaining and debates about principles rather than local problem solving. The result is local options are lost or bypassed because of perceived impacts elsewhere and occasionally an issue at another municipality becomes a bargaining issue when there is no local problem.

One consequence is that local parties address certain issues indirectly or covertly. There are reports of local work-arounds, including unwritten understandings and written stealth agreements kept out of the collective agreement. Sometimes, there is heightened attention to secondary issues that influence off-limit issues, such as seniority based access to training and cross-training in order to better prepare more senior employees for competitive based selection instead of a higher value on seniority in selection.

Some of the current frustration began in the 1990s when there emerged a broader approach to human resources with a wider focus on organizations as cooperative enterprises. Human resource leaders work with organizational leaders to create a culture aligned with strategic goals, to develop employee potential and organizational capability, to lead change and to transform organizations. The view is the employers' organization remained rooted in a traditional, policing, hard labour relations culture with an external, regional focus advocating positional bargaining.

While the legacy of the long strikes in the 1960s and 1970s lingered for some and supported their commitment to the employer collective, others wanted a positive reason to remain with an organization that simply engaged in episodic negotiations. With longer term collective agreements and less frequent collective bargaining, they were more interested in ongoing collaborative (mutual gains or interest-based) bargaining and relationship building with employees and unions representing them.

The employers' organization was not evolving into a complete human resources service agency with which members could partner to achieve strategic organizational goals. It was doing collective bargaining. It provided useful negotiation history. It provided job evaluation services. It was a repository of valuable data and provided some valuable research. For some, it provided useful exempt staff compensation data and comparisons. However, the research and information distributed was often seen as general without insight – an absence of connecting the dots. Resources, advice and some services were not tied to strategic goals. There were no key measurements of organizational performance and success.

Frustration with the policing, regulator role of the employer's organization led to agitation for a more service provider, consultant role. The watchwords then and now for this role change are municipal "autonomy" and "flexibility." The dilemma was finding flexibility in a collective bargaining mandate limited to the term of collective agreements and percentage wage rate. Other strategic or operational goals or objectives for collective bargaining were not discussed.

Internal reflection did not move the organization away from the traditional employers' organization focus of regulating relations through collective bargaining toward a full service human resources organization providing strategic support and leadership for municipal management. The response was to shrink the role to accommodate complaints and offend fewer. It was not to expand the role to attract greater participation and attachment. The relationship between the organization and members became more distant, not closer. Defection became easier, not more difficult.

Two environmental currents contributed to this trend. The first was the growth and assertion of their place by the larger suburban municipalities – Surrey, Burnaby and Richmond. These municipalities with a population over 150,000 became less willing or felt less compelled to stay within Vancouver's shadow and favour.

The second environmental current was a perception of GVRD mandate creep and the municipalities' relationships with the GVRD. There are widely held views that over time municipal representatives found it more difficult to exchange their municipal hat for a regional district hat at Metro Vancouver. At the Bureau, operating as a regional district committee, the difference between the regional district and an independent collective employers' organization was blurred and not recognized by some.

In the 1970s, it was a benefit to have the employers' organization housed and legislatively empowered under the regional district but over time it became a liability. Political relationships within the GVRD became more strained and, in some quarters, identity as a GVRD entity became a liability. At the same time, with an increase in difficult issues to manage, it seems defence and advocacy for maintenance of this "notable exception" became less of a priority for GVRD leadership. As an employer, the regional district was less dependent on and engaged with the Bureau.

The second recurring complaint concerns delays in collective bargaining because GVRD negotiators must manage multiple employer tables and ration their available dates for renewal of multiple collective agreements with common expiration dates. Long adjournments between bargaining sessions at individual employer tables cause frustration for local parties and loss of momentum. Local relationships can be strained and bruised by lack of self-determining control.

Some union representatives characterize the delay and scheduling process as GVRD leapfrogging from table to table searching for the weakest or the most compliant local

union to make a deal. Once a deal is achieved, the GVRD will say it is the pattern and shut down negotiations in other municipalities. When that happens, there can be no opportunity to problem solve. The economic issues, usually left to be the last issues resolved in local bargaining, have been resolved and there is no incentive to address other local issues.

In response, CUPE BC engages in high collaboration of information and coordination of bargaining while recognizing local union autonomy and having no veto power over a local settlement. In 2007, when Port Moody achieved an early settlement and the employers' organization sought to have it accepted elsewhere, other CUPE locals refused to follow the lead and the early settlement backfired on everyone.

Managing multiple collective bargaining tables simultaneously and the delays for individual collective agreement parties has been a systemic, structural problem since the protocol for regional negotiations was not renewed after 1996. At present, the appetite for a voluntary arrangement is not present among either the employers or the unions. Without accreditation of the employers' organization and a corresponding legislative compulsion on the unions to act collectively through a council or association of trade unions, unpalatable options for both the employers and the unions, or an agreement to reinstitute a regional table there is no pragmatic solution.

## **9.2 Context for Recommendations – Realistic Appraisals**

The terms of reference of this review direct pragmatic recommendations that best meet the needs of the Metro Vancouver region. Not the needs of Metro Vancouver as a regional district or the needs of individual municipalities.

Recommendations must begin with realistic appraisals. The most fundamental one is that labour negotiation is not a core regional district function. It is a voluntary participation, pan-municipal activity housed within the regional district as a matter of administrative convenience and to utilize the legislative vehicle of regional district letters patent. Initially, this was a creative half-measure approach and alternative to becoming either a voluntary or accredited self-constituted employers' organization. The design was to foster inclusion, but not compulsion.

Employers' organizations, if legislated or accredited, involve compulsion. But by nature they are not inclusive. They are exclusive to those who commit or are compelled to commit and be bound by collective decisions and negotiated agreements.

In the 1980s, this employers' organization was renewed through amendments to the regional district letters patent to strengthen the role of the collective for the mutual protection of all members. By design or unanticipated default, employer membership expanded as the regional district expanded. When this happened in a period of few work stoppages from 1983 to 2000, an independent employers' organization drifted into being

indistinguishable from other regional district committees. The policy of inclusion with a participatory voice but no vote from representative spokespersons of non-participating members and the regional district choice of its voting director helped make the Bureau indistinguishable from other regional district committees.

Bureau directors and representative spokespersons of non-participating members were not appointed because of their expertise or interest. Some appointments appear to have been sinecures. Some come to this Metro Vancouver committee to participate in a political forum, not direct an employers' organization. Many are frustrated with a lack of role definition and because the group functions best when making low-level routine ratification decisions at a disproportionately high cost to taxpayers. In recent years, few demonstrated leadership in governance or building a new vision for the Bureau.

In the absence of a clearly defined strategic partnership between the Bureau and municipal members and distinct governance policies and practices, the void was filled by the culture and practices of the regional district political arena. Some new directors accepted this as the way it was intended to be and that supervisory control was being exercised by the Executive Director.

The identity of an independent municipal employers' organization faded. It became simply "GVRD labour relations" and was a scapegoat for many. In time, it became easier to break down than build up the organization. The 2010 proposed Autonomy Model, which some say is code for "we give up," is the pinnacle in recognizing the loss of independent, collective identity and purpose.

An effective independent employers' organization for those municipalities committed to its purpose is in the best interests of the taxpayers of the region. A committee or organization engaged in interminable internal debate without shared commitment is not. Such an organization is neither mature nor credible.

One generation of municipal management created this employers' organization and another had the benefit of its protection. The current generation must renew the organization with a positive purpose to enable it to continue to grow and mature as an effective collective bargaining and human resources agent for a cohesive employer group with shared purposes and goals. In doing so, there will be no greater, but some different, funding inequities among the municipalities.

While the organization is a spent force for some members for its core labour negotiations purpose, it has valuable resources for all that must not be lost. For those willing to commit to an independent employers' organization, perhaps one that will serve a future vision of strategic partnership with municipalities, the organization should be sustained as an independent employers' organization.



Realistically, the foundation for sustaining the organization has to be recognition and acceptance of the original and persistent compromise – voluntary membership in an exclusive bargaining agency. Because few member municipalities are willing to join an employers’ organization accredited under the *Labour Relations Code* that is not an option.

The current reality is there is no identifiable organizational change that will persuade either Surrey or Richmond to become a participating member. Neither strengthening nor weakening the Bureau and Department’s roles will entice them. Similarly, there is no identifiable change that will persuade Burnaby or Vancouver to revoke their withdrawal notices. For now, the four largest municipalities are determined to chart their own course. Their choice not to participate must be accepted and respected.

Therefore, focus of the recommendations is to sustain what is of value for all regional district members; to restructure allocating primary cost to municipalities that choose to participate and make the Bureau effective for them; and to establish a platform on which the employers’ organization can move from a defensive alliance to a vehicle for a strategic alliance that might one day transform into an employers’ organization for all regional district municipalities.

### **9.3 Recommendations – Ancillary Services**

The “related ancillary services” for which municipalities, whether participating members or not, can retain the GVRD Labour Relations Department, are not expressly identified or exclusively delegated to the regional district under its letters patent. Currently, the ancillary services delivered by the Department are: compensation research and analysis; job evaluation services; collective agreement administration support; human rights; benefits services; disability management; training; and public advocacy.

Some of these services are most widely recognized among municipal management as having value and worthy of preservation. Although not a core regional district function, these are best continued as a Labour Relations Department services for all Metro Vancouver members contributing to one-quarter of the cost of the function.

Ancillary services delivered by the Department offer an opportunity for all members of Metro Vancouver to receive services and participate in a collegial forum for a wide range of human resources and labour relations issues for both employees covered by collective agreements and those who are not.

With withdrawal of Vancouver and Burnaby as participating members, there will be a cost shift for these services from the larger municipalities to the smaller municipalities that utilize and benefit more from the services.

The primary point of contact for these services between the Department and most members is the human resources managers who currently constitute the Human

Resources Advisory Committee. These managers are responsible to be attuned to strategic and transactional decisions and activities influencing the effectiveness of their organizations and employees. One of their concerns is to identify, shape and utilize services that assist in having effective municipal employees and service delivery organizations.

In the governing structure of the function, advice to the Department for the formation and delivery of ancillary services should come primarily from the Human Resources Advisory Committee.

All Metro Vancouver members, including the five members who have not appointed representative spokespersons to the Greater Vancouver Labour Relations Bureau but must contribute to one-quarter of the cost of the function, can benefit from participation on the Human Resources Advisory Committee.

- 1. Assign primary responsibility for identification and oversight of provision of ancillary services to the Human Resources Advisory Committee operating under a Committee Protocol adopted by the Committee and approved by the Bureau. This is a pan-municipal committee including representation from all Metro Vancouver members contributing to 25% of the cost of the function. It is not a Metro Vancouver committee governed by Metro Vancouver bylaws. The Committee Protocol should address committee purpose, establishment, appointments, presiding leadership, meetings, attendance, conflicts of interest, procedures, reporting procedures and any other matter the Committee or Bureau decides. The Committee should do an analysis with costing of service requirements and needs; set priorities for the areas of insightful analysis and services required from the Department; and adopt annual and longer term Committee work plans.**

### **Compensation Research and Analysis**

It is commendable that most collective agreements to which members of Metro Vancouver are a party are accessible through the Metro Vancouver website.<sup>46</sup> All of them should be on the website and readily accessible to the public.

The Department does systemic research and analysis and responds to specific research requests from individual member municipalities. It maintains a database to support collective bargaining and to provide other research, analysis and costing services with respect to all municipal employees. Among the Department's research and analysis work are annual manuals reporting comparisons among the collective agreements for similar groups of employees and annual benchmarking reports.

---

<sup>46</sup> <http://www.metrovancouver.org/SERVICES/LABOUR/Pages/CollectiveBargaining.aspx>

This database and reports, acquired at municipal member and public expense, are a valuable information source for many members. The service should continue. The information should be readily accessible to all regional district municipalities and the reports accessible to their taxpayers.

- 2. Make the Department's research database an open source database accessible online to member municipalities.**
- 3. Make current annual benefit comparison manuals and benchmark reports, including those for employees not covered by a collective agreement, publically accessible through the Metro Vancouver website.**

### **Job Evaluation Services**

The experience is that dramatic change to the regional job evaluation system has been most difficult to achieve. In recent years, a market driven labour cost approach has prevailed in the recruitment and compensation of management employees. The same approach is taken by some municipalities to bargaining unit employees with highly marketable skills and competencies. Municipalities that do not have the resources to compete resent the competition and loss of valued employees.

A measure of centralized control is required to maintain a structured classification system in order to contain inevitable and constant pressures for classification creep. Most member municipalities rely on, use and support the Department's job evaluation services to varying degrees and in different manners. Department reviews and related technical services must continue until replaced by new systems or staff expertise at each municipality, which is neither desired nor cost effective for many small municipalities.

Until more municipal employers create their own pay rating systems, as Surrey, Richmond and Port Moody have, the current service must be maintained.

### **Collective Agreement Administration Support – Bargaining History**

Collective agreements negotiated by the GVRD Labour Relations Department, whether ratified by the Bureau or not, are administered by individual municipal and related board and commission employers. The Department has no assigned role in the day-to-day administration and ongoing local relationship under the agreements it negotiates. Many clauses in the collective agreements across the region have their origin in agreements made decades ago. To administer these agreements, human resources and management personnel need access to the bargaining history of their agreements, which is primarily available from the Department and must maintained.

- 4. Establish mechanisms to ensure bargaining history will continue to be accessible and available to all employers whose collective agreements were negotiated by the Department. To the extent it can be made an open source database, it should be accessible online to all municipal members.**

## Other Ancillary Services

Some larger Metro Vancouver members do not require the other information, advisory and contracted services provided by or through the Department. Many smaller members do and depend on some or all of these services. For some, it is a substantial and important return for the cost of membership.

- 5. Request the Human Resources Advisory Committee to review the other ancillary services and determine which services should continue to be provided by the Department and whether any service can be provided in a more efficient and cost effective manner by the Department, a member municipality or another provider.**

### 9.4 Recommendations – Labour Negotiation Function

Although some favour legislated membership and participation, there is no immediate threat or possibility that the municipalities will be forced together in an employers' organization. It is simply not pragmatic to recommend legislation. Solutions must maximize the potential of the current legislative structure.

The four largest members represent over 60% of the Metro Vancouver population and employ over 60% of the unionized employees. They have decided not to be participating members. The other municipalities must let them go their separate ways and get on with it. There must be some tearing down before rebuilding. The four largest will act in their self-interest. At the same time, it must be believed they will have regard to the consequences of their actions on smaller, neighbouring municipalities. The remaining smaller municipalities will have to be nimble and approach Bureau changes as an opportunity to improve and innovate in labour-management relations.

The restructured Bureau will be an organization of willing municipalities, each with a population less than 150,000. Perhaps, Port Coquitlam will join. Maybe Delta and West Vancouver will rescind their withdrawal notices. If not, the remaining municipalities have sufficient common cause and interests to continue with a focused mission that might be – To uphold human resources and labour relations practices that maximize services for taxpayers with effective use of resources and fair terms of employment.

- 6. Be exclusive and municipal service delivery focused. Limit appointments to the Greater Vancouver Regional Labour Relations Bureau to participating member municipalities and the Greater Vancouver Regional District employer, each of which contributes to 100% of the cost of the function. There are to be no representative spokespersons of non-participating members regularly attending, sharing information and participating in Bureau meetings and decisions.**

7. **Recognize that Bureau proceedings and business are not regional district proceedings and business. They are not covered by the Metro Vancouver procedural, remunerative or other bylaws or committee terms of reference. Directors and alternate directors are appointed to represent member municipality interests. Any remuneration and expense reimbursement for directors is to be paid by appointing participating members, including Metro Vancouver as a participating employer, in accordance with their respective municipal and regional district policies. Bureau directors should adopt a constitution and bylaws, including cost effective meeting formats, such as telephone conferencing and electronic voting on routine ratifications.**
8. **The Bureau should take ownership, responsibility and accountability for the function. It should adopt governance principles, standards and practices that include confidentiality and fiduciary responsibilities of directors and alternates. When decision-making by voting, one member, one vote as in the letters patent should continue.**
9. **Function funding is to be dependent on membership participation and annual budgetary approval by the GVRD Regional Board. This does not require any change to the funding formulae in the letters patent.**
10. **Once constituted as a distinct, independent employers' organization with a constitution and bylaws and no longer structured as a Metro Vancouver committee, the Bureau should adopt a labour negotiation mission, vision, values, strategic statement, perspectives and objectives and key performance indicators. The Bureau should define the role of the Executive Director in relation to the function, the role of the Department Manager and set performance expectations for the Manager.**
11. **The CAO Advisory Committee for the Bureau should consist of Chief Administrative Officers/City Managers from participating members. This Committee should review reports and recommendations from the Human Resources Advisory Committee on ancillary services; advise the Bureau on restructuring and good governance; and, with advice from the Human Resources Advisory Committee, formulate and make recommendations on labour negotiations, including collective bargaining mandates.**
12. **The Bureau should adopt collective bargaining mandates based on shared strategic objectives consistent with the Bureau's mission, vision and values. Mandates should allow each municipality the flexibility to make collective agreement changes that support its stated service delivery model and further its adopted strategic organizational objectives.**

**13. Participating members should be permitted, as West Vancouver has been, to negotiate collective agreements using member management, but not third-party contractors, as negotiators.**

## **9.5 Chief Administrative Officer Strategy Table – A View of the Future**

In the recurring debate over where this employers' organization should be situated on the spectrum from "super-tight" control (formal accreditation) to "loose alliance" (consultative service), there has not been enough strategic discussion about municipal service standards and delivery models.

Discussion about broad shared goals and objectives is necessary to develop an informed coherence based on an understanding of employer differences in organizational strategies and objectives.

Not enough time and attention has been given to building bridges. Differences have not been worked out in private. Municipalities have acted at and away from collective bargaining tables in ways that have surprised and aggravated others. Some municipal employers have helped themselves first. Some decry this me first externalizing of consequences and predict it will later rebound. They echo the statement: "Remember, if you help yourself first ... some day you won't be first! Union whipsawing (trading one employer off against another) works best in an employer *me first regardless* environment."<sup>47</sup>

For the longer term, there is a need for some among the Chief Administrative Officers and City Managers in the regional municipalities to lead some senior management forum at which there can be strategic formation in confidence that can inform a future broad collective approach to human resources. This will not happen within Metro Vancouver. It does not have to be a formal or all inclusive forum, but is critical for the future interests of the region. It requires senior managerial leadership with a vision.

---

<sup>47</sup> Hugh J. Finlayson, *Perspectives, Practices and Practicalities: Preparing to Negotiate a Collective Agreement* (British Columbia Public School Employers' Association, 2010), p. 62

**Appendix – GVRD Supplementary Letters Patent (1982)**

GREATER VANCOUVER REGIONAL DISTRICT  
SUPPLEMENTARY LETTERS PATENT  
- originally granted 13 December 1973  
- as amended 22 November 1982

[L.S.]

W.S. Owen  
Lieutenant-Governor

CANADA:

PROVINCE OF BRITISH COLUMBIA

ELIZABETH the SECOND, by the Grace of God, of the United Kingdom, Canada and Her Other Realms and Territories, Queen, Head of the Commonwealth, Defender of the Faith.

To all to whom these presents shall come --  
Greeting.

James G. Lorimer ( WHEREAS the Greater Vancouver Regional District was  
Minister of ( incorporated by Letters Patent issued pursuant to the  
Municipal Affairs ( Municipal Act on the 29th day of June 1967:

AND WHEREAS the Regional Board of the Greater Vancouver Regional District has requested that the function of labour negotiations be granted the regional district under the provisions of subsection (4a) of section 766 of the Municipal Act and the provisions of this subsection have been duly complied with:

AND WHEREAS under the provisions of subsection (4b) of section 766 of the Municipal Act the annual net cost of any function granted pursuant to subsection (4a) shall not exceed the product of 2 mills on the assessed value referred to in subsection (1) of section 782 within the participating municipalities, and the annual net cost of all functions granted pursuant to subsection (4a) shall not exceed the product of 3 mills on such assessed values:

AND WHEREAS it is deemed desirable for the regional district to be granted the power to undertake the function of labour negotiations on behalf of member municipalities and other public or quasi-public bodies which carry on functions in whole or in part in the Greater Vancouver Regional District that may be carried on by local government including, without limiting the generality of the foregoing, school boards, health boards, library boards, community associations, and dyking commissions (hereinafter referred to as "other public bodies"):

NOW KNOW YE THAT BY THESE PRESENTS We do order and proclaim that on, from, and after the date hereof the following be added to the objects, powers, obligations, duties, limitations, and conditions of the Greater Vancouver Regional District:

Division VI - Labour Negotiations

1. It shall be a function of the Greater Vancouver Regional District (the "Regional District") to undertake and carry on labour negotiations and related ancillary services, including, without limiting the generality of the foregoing, job-evaluation services and fringe benefit plans planning service for and upon behalf of such of its member municipalities and other public member municipalities and other public bodies who retain the regional district so to act (hereinafter referred to as "labour negotiations and related ancillary services").

2.(a) A member municipality may advise the regional district that it wishes to retain the regional district to carry on labour negotiations and related ancillary services upon a contractual basis for all or such portion of its employees as such member municipality may designate by notifying the Secretary of the regional district in writing of its request, and thereafter, or effective on such date as such member municipality and the regional district shall agree upon the regional district shall so carry on labour negotiations and related ancillary services for such member municipality for such employees; the labour negotiations and related ancillary services on behalf of the regional district will be carried out pursuant to the functions granted by this Division VI.

2.(b) After one year from the date referred to in clause 2(a) hereof any member municipality who has pursuant to 2(a) hereof retained the regional district may discontinue to retain the regional district for labour negotiations and related ancillary services in respect of any, or such portion of, its employees as such member municipality may designate, by notifying the Secretary of the regional district, and such notice shall become effective at the expiration at the 24th calendar month following receipt by the Secretary of the regional district of such notice other than in respect of any employees for whom labour negotiations are being carried on at the expiration of such 24th calendar month; in the case of such employees in respect of whom labour negotiations are being carried on at the expiration of such 24th calendar month such notice shall be effective upon conclusion of such labour negotiations.

2.(c) The regional district may enter into contractual arrangements with any other public bodies to retain the regional district to carry on labour negotiations and related ancillary services for all or a portion of their employees upon such terms and conditions and for such duration as the Board of Directors of the Greater Vancouver Regional District, as the same may be constituted from time to time (the "Regional Board") and any such other public bodies may agree.

3. The annual cost attributable to this function (other than such portion as the Regional Board shall determine as being attributable to costs incurred in rendering services to other public bodies and the regional district in relation to its own employees) shall be apportioned on the following basis:

(a) One-quarter (1/4) shall be borne by all member municipalities in the proportion that the net taxable assessment of each participating member municipality bears to the total net taxable assessment of all member municipalities;

(b) Three-quarters (3/4) shall be borne by participating member municipalities in the proportion that the net taxable assessment of each participating member municipality bears to the total net taxable assessment of all participating member municipalities;

and for the purpose of (a) and (b) above, 'net taxable assessment' shall be based upon one hundred (100%) per centum of the assessed value of land and seventy-five (75%) per centum of assessed value of improvements as fixed for taxation for school purposes in the current year, excluding property that is taxable for school purposes only by special Act.

The regional district shall contribute in each year to such annual cost a percentage of such cost which is equal to that portion in the preceding calendar year that payroll of employees of the regional district for whom labour negotiations and related ancillary services were carried out by the regional district bears to the total payroll of all employees for whom the regional district carried out labour negotiations and related ancillary services,



4.(a) There shall be a committee of the regional district to be named the Greater Vancouver Regional Labour Relations Bureau by whom the executive and administration aspects of the functions hereby granted shall be exercised, and such committee shall be entitled to expend any moneys allocated in any budget in any manner as the said committee may determine.

4.(b) The committee shall consist of one member appointed by the Regional Board from its members and one member appointed by the council of each participating member municipality from its own members; each member of the committee shall be entitled to one vote and no member shall be entitled to more than one vote; each member of the committee shall be appointed annually in December after the first Monday following December 1 and shall hold office until the first Monday following December 1 of the immediately following year or until the appointment of his successor, whichever is later; should any member of the committee resign as such or cease to be a member of the Regional Board or council which appointed him, he shall thereupon cease to be a member of the committee and the Regional Board or council as the case may be, may appoint another from its own members to complete the term of such member there shall not be any ex officio members of the committee.

4.(c) At the time of appointing a member of the committee as contemplated in the first segment of clause 4(b) hereof the Regional Board and the council of each participating member municipality shall appoint a member from its respective members as an alternate member of the committee who shall take the place of and have the vote of the member of the committee in the case of any necessary absence from a meeting of the committee, and notice of the appointment shall be given to the Secretary of the regional district before the alternate member of the committee may vote on any matter before the committee; all such alternate members of the committee shall remain as such throughout the term for which the members of the committee were appointed unless he resigns as an alternate member or ceases to be a member of the Regional Board or council which appointed him, whereupon he shall cease to be an alternate member of the committee and the Regional Board or council which appointed him, as the case may be, may appoint another from its own members to complete the term of such alternate member;

4.(d) Members of the committee shall be designated directors of Greater Vancouver Regional Labour Relations Bureau.

5. Until the annual budget for the year 1974 is adopted, the sums of money which may be borrowed to meet the current lawful expenditures of the regional district for the purposes of this function shall not exceed \$150,000.

IN TESTIMONY WHEREOF, We have caused these our Letters to be made Patent and the Great Seal of Our said Province to be hereunto affixed.

WITNESS, the Honourable Walter S. Owen, Q.C., LL.D., Lieutenant-Governor of Our said Province of British Columbia, in Our city of Victoria, in Our said Province, this thirteenth day of December in the year of our Lord one thousand nine hundred and seventy-three and in the twenty-second year of Our Reign.

BY COMMAND.

E. HALL  
Provincial Secretary

## About the Author

James E. Dorsey, Q.C. is an impartial and independent conflict resolution and dispute settlement professional, serving principally as arbitrator, arbitrator-mediator, investigator, neutral evaluator and facilitator.

His experience in all aspects of the employment relationship includes Vice-Chair, Canada Labour Relations Board (1977-82); Member, Vancouver Police Board (1988-91); Chair, Board of Governors, Workers' Compensation Board of BC; (1990-1994); President/CEO, Workers' Compensation Board of BC (1993-94); BC Health Sector Labour Relations Commissioner (1995); Saskatchewan Health Labour Relations Reorganization Commissioner (1996-97); Chair, Saskatchewan Workers' Compensation Review Committee (2001 and 2006-07); and Chair, Nova Scotia Workers' Compensation Review Committee (2001-02).

He has been involved in drafting collective bargaining, employment standards, workers' compensation and occupational health and safety legislation and has written several books and articles on employment law issues. As counsel, he represented unions, employers and employees.