

Penticton demands union accept two-tier wage system

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Penticton has wrested wage concessions from the union representing workers at a new community centre, threatening to turn the facility over to a private operator unless employees agree to a two-tier pay system.

Two-thirds of the centre's \$23.3-million construction tab is being covered by the provincial and federal governments economic stimulus programs. Scheduled to open in June, it replaces a well-used but aging facility that was in need of major renovations.

"We're getting a completely brand new facility and double the size [of the old one]," said Penticton Mayor Dan Ashton.

The city laid off 36 employees when the old centre closed for construction last spring. Most were lifeguards making about \$23 an hour.

The city offered to bring those employees back at the same pay once the new centre opens, but there was a catch. The city demanded the union accept a two-tier wage system that would see newly hired lifeguards paid a reduced rate of \$14.50 an hour. If the union didn't agree, the city said it would hire a private contractor to run the facility, who in all likelihood would have used cheaper, non-unionized workers.

It backed up its position by issuing a request for proposals that netted two responses.

Mr. Ashton says his community of 33,000 has no choice but to trim its wage bill. In the fall, the city slashed services and eliminated 30 positions – about 10 per cent of its work force – as part of an effort to slay a \$1.7-million deficit without raising taxes.

"We're still in probably one of the deepest recessions since the Great Depression," he said. "We're not hitting on all cylinders right now, no community is."

The community centre proposal became a key stumbling block as the city and the union tried to negotiate a new collective agreement covering all 178 of the city's unionized employees.

The union threatened to strike if the city didn't back down and launched a public relations campaign accusing the city of trying to privatize public services.

In the end, the union agreed to a two-tiered wage system covering a wide range of jobs besides lifeguards but managed to secure a pay increase for existing city employees.

In a deal unveiled March 4, those already on the payroll get a signing bonus of \$300 along with an annual one per cent pay increase for the next three years. The rate for new lifeguards however, has been slashed 21 per cent to \$18.50 an hour, while a similar cut applies to newly hired labourers and guards who work at the local RCMP jail cells.

Patti Finch, president of Canadian Union of Public Employees local 608, said while the concessions were not ideal, they were necessary to preserve public services.

“It was a hard fought agreement but in the end we feel that we did the best we could given what we were up against,” she said.

Cities across Canada are “desperately” trying to find savings as they struggle to meet ever increasing financial obligations, said Doug McArthur of Simon Fraser University's School of Public Policy.

Many of those obligations have been imposed by senior governments, which over the last 15 years, have downloaded a host of responsibilities onto their municipal counterparts.

“And none of these have ever been accompanied by transfers of revenue,” Dr. McArthur said.

That leaves cutting payroll and raising property taxes as the two main ways available to cities for making up the shortfall, and not many politicians have the stomach for large tax increases.

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