

Media Release – February 17, 2012

## Oliver Civic Workers Vote to Strike

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Town of Oliver unionized workers, members of Canadian Union of Public Employees Local 608, voted in favour of strike action on February 15, 2012. This comes following a breakdown in mediated negotiations to renew the collective agreement, which has been expired since December 31, 2010.

As part of a strategy to force their demands on the local community, CUPE has refused to acknowledge the importance of the Town of Oliver's agricultural irrigation water supply as an essential service. "By fighting an essential service designation by the Labour Relations Board (LRB) for agricultural water supply, Oliver's municipal employees are attempting to hold local farmers hostage to satisfy their wage demands," notes Oliver Mayor Ron Hovanes. "This is a major concern for council as the Town is responsible for providing water to the entire community, including the farming sector. We will continue to exercise all avenues available to pursue a favourable decision by the LRB and failing that, to keep water flowing using management staff."

In past years, Town of Oliver wage settlements have been settled without job action, patterned after settlements reached by members of the Okanagan Mainline Municipal Labour Relations Association (OMMLRA) which was a bargaining association of most Okanagan area municipalities with the notable exception of Oliver, Osoyoos and Keremeos. The OMMLRA was dissolved since the previous round of negotiations, so there is no longer a single, consolidated group of local governments that can be used as a ready model for settlements. As a result, the previous council initially based their offer on the City of Penticton settlement (4-year contract with increases of 0%, 1%, 1% and 1%).

Upon further review by the new council, this offer was upgraded during mediation to a 4-year contract with increases of 0%, 1.5%, 1.5% and 1.5% respectively, plus a \$400 signing bonus in the first year. Increased vacation entitlements were also added to the package by council, but were subsequently replaced with annual allowance for safety footwear at the Union's request. This offer is in line with average increases provided recently by other former OMMLRA employers, again without any job action by the Union. CUPE 608, however, is demanding annual increases of 1.95% in each of four years, essentially the same 2% per year settlement provided by the Town of Osoyoos to its employees in December 2011. (Although Osoyoos has a similar population to Oliver, their commercial and residential assessment bases are both more than double those of Oliver, resulting in the collection of over \$1 million per year more in general taxes than in Oliver.)

According to Hovanes, "Council believes the Town's offer is more than fair under the current economic circumstances in Oliver. We did not ask for wage concessions for any positions as was the case in Penticton. Our settlement is significantly more generous than the Penticton settlement and includes a new provision for safety footwear cost reimbursement, which has been sought by this bargaining unit several times in the past."

The previous collective agreement in Oliver provided across-the board wage increases compounding to approximately 14.5% from 2007 through 2010. Additional market comparison adjustments for several CUPE positions during the contract added approximately 2% more to average pay rates for CUPE positions, bringing the average wage increase up to over 16%. During the same time, the consumer price index in British Columbia, which is used to set council stipends and management wages, increased by less than 5% (refer to the attached graph).

Over the term of the previous contract, economies across the world have retracted, including in Oliver. In late 2007, the Weyerhauser sawmill in Okanagan Falls closed, putting 224 employees out of work, many from Oliver. In 2008, General Coach closed their Oliver plant, eliminating jobs for 86 more people. In recognition of difficult economic times, employees of the Okanagan Tree Fruit Cooperative in Oliver entered into a 5-year contract in 2010 that imposed significant wage cuts in the first year and provided no increases for the two years following. Even provincial employees in Oliver and beyond are facing the prospect of no wage increases at this time.

In their *BC Municipal Spending Watch* publication, the Canadian Federation of Independent Business reports that “Wages and Benefits of municipal governments are already 35% above that of the private sector. Further increases to labour costs cannot be supported without seriously taking into consideration the impact on taxpayers.” Unfortunately, CUPE’s wage demands in Oliver seek to further widen the existing wage gap in the local community. Furthermore, the difference between The Town’s offer and CUPE’s demands would be over \$113,000 over the life of the contract which would have to be funded through local taxes and user fees.

