



Exhibition Place

21

January 21, 2016

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **LIUNA Local 506 Collective Agreement**
- Request for Information

Summary:

This report provides a response to the request for information from the Board with respect to the existing Collective Agreement ("CA") between the Board and Labourers' International Union of North America, Local 506 ("LiUNA 506").

It should be noted that the Board also has collective bargaining agreements with the following:

- Carpenters and Allied Workers, Local 27 United Brotherhood of Carpenters and Joiners of America
- The United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada Local Union #46
- The Canadian Union of Public Employees Local 5116
- The Canadian Union of Public Employees Local 2840
- The International Union of Painters and Allied Trades, District Council 46
- The International Alliance of Theatrical Stage Employees and Moving Picture Technicians, Artists and Allied Crafts of the United States, its Territories and Canada, Local #58 Toronto
- The International Brotherhood of Electrical Workers Local 353

The Board further is bound by collective agreements in all sectors of the construction industry between:

- The Carpenters' Employer Bargaining Agency and the Ontario Provincial Council, United Brotherhood of Carpenters and Joiners of America.
- The Mechanical Contractors Association of Ontario and The Ontario Pipe Trades Council of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada.
- The Electrical Trade Bargaining Agency of the Electrical Contractors Association of Ontario and The International Brotherhood of Electrical Workers and the IBEW Construction Council of Ontario; and
- By letters of Understanding between the Board and, respectively, Local 506 of the Labourers International Union of North America and the International Brotherhood of Painters and Allied Trades.

The Board has collective agreement obligations with all of the above mentioned unions, and the types of issues that arise in the context of the Labourers are no different than the issues that arise in all of the above noted agreements. This is part of the daily operation of a unionized workplace. The issues can be complicated when jurisdiction over work is asserted by more than one union. This again, is typical of the Board's unionized work environment.

Recommendation:

It is recommended that the Board direct that the confidential report contained in Attachment 1 to this report not be released publicly in order to protect the competitive position, future economic and legal interests of the Board.

Financial Implications:

There are no financial implications to this report.

Decision History:

The Exhibition Place 2014 – 2016 Strategic Plan had a Financial Goal *to maintain a positive operating financial performance across Exhibition Place and its businesses* as a Strategy to support this Goal *we will seek effectively monitor costs and revenues*.

At its meeting of July 5, 2013, the Board approved of a Collective Agreement with LIUNA 506 that expires March 31, 2016.

[http://www.explace.on.ca/database/rte/files/Item%2022-Labour%20Agreement\(1\).pdf](http://www.explace.on.ca/database/rte/files/Item%2022-Labour%20Agreement(1).pdf)

At its meeting of November 23, 2012, the Board approved a public report entitled “Personnel Matters” which approved of an agreement with the City of Toronto to provide labour relation services in the management of all its collective agreements.

At its meeting of October 23, 2015, the Board adopted a motion to request a report that would include the following:

- Background information with respect to the CA obligations between LIUNA 506 and the Board and the responsibility of Exhibition Place tenants to observe the CA obligations through their leases;
- Plan of action the Board is undertaking with LIUNA 506 and tenants to address alleged violations of collective agreements; and,
- Strategies for the medium-term and long-term to ensure that all parties adhere to the CA obligations between LIUNA 506 and the Board.

At its meeting of December 4, 2015, the Board adopted a motion wherein Report No. 18 dated November 20, 2015 and the Confidential Attachment 1, from the Chief Executive Officer with respect to the LIUNA Local 506 Collective Agreement – Request for Information be deferred to the first meeting of the Board in 2016; and that a year-end report for 2015 grievances be provided at that meeting.

Issue Background:

The Board has had a Collective Agreement with LIUNA 506 and while the jurisdiction of the union is set out in specific detail in the CA, in general terms, the LIUNA 506 agreement governs the work of labourers (material handling) and cleaners.

Comments:

Attached in Appendix “A” is an example of a typical clause that the Board includes in its tenancy agreements addressing the requirements of the collective agreements between the Board and all its unions including LIUNA 506. This type of clause is included in all leases for all tenants on the grounds, whether third party leases or leases with the City.

The clause with respect to the LIUNA 506 CA is to the effect that the tenant “acknowledges that the Board has collective agreements with the following local unions and [the tenant] will take all

necessary action in the construction and operation of the [tenanted premises] not to put the Board in breach of any of these agreements: (i) Labourers' International Union of North America, Local 506 (Material Handling/Cleaning)."

Generally, LIUNA 506 has benefitted from the tenant activities on the grounds which have increased substantially since 2000 as is evident from the increase in annual hours of work by LIUNA 506 workers. The Exhibition Place records show that in 1998, the hours of work for all LiUNA 506 workers for the entire year was 194,324 hours which number increased to 323,947 or by 66.7% by 2014. These work hours only relate to LiUNA workers provided through the Exhibition Place local agreement. In addition, many of the trade and consumer shows hosting events at Exhibition Place also have agreements with third party display companies (GES, Freeman, Stronco, Lange, etc.) that also use LiUNA 506 workers through separate local contracts between these display companies and LiUNA 506. Accordingly, the total hours for LiUNA 506 workers employed at Exhibition Place would be much higher than 323,947 in 2014 and a much greater increase over the 1998 activity than the 66.7%.

Of the 323,947 hours worked by LiUNA workers under the Exhibition Place local agreement in 2014, 43,453 hours were within the tenanted premises on the grounds, MLSE being the major tenant using this labour force. The 43,453 hours of tenanted work supplied in 2014 has a dollar value paid by tenants of \$489,661 plus payroll benefits.

Tenants can request LIUNA 506 workers through Exhibition Place management and if supplied by Exhibition Place, the actual costs plus a 12% mark-up is charged back to the tenant. There are also some private sector companies that have LIUNA 506 agreements, and tenants sometimes contract directly with these companies for workers.

Often our tenants, especially the commercial tenants, do not and never have had collective agreements with unions of any kind in their businesses and therefore, from the beginning of the public RFP process the orientation of these tenants commences as follows:

- The RFP document specifically outlines the collective agreements in effect at Exhibition Place and copies of the agreements are provided;
- Negotiations with the preferred proponent of any RFP addresses issues of the union jurisdictions and the Letter of Intent negotiated and approved by the Board / City includes conditions about the CAs similar to the clause detailed in Appendix A;
- The Lease also contains specific clauses related to the Exhibition Place CAs;
- Once the lease is signed, Exhibition Place Event Services staff work directly with the tenant to the degree required to help the tenant understand the jurisdiction of LiUNA 506 and how it relates to the tenants business as there are past practices that may not be understood by the tenant and are not necessarily evident in the words of the CA;
- If the tenant has a major construction, an Exhibition Place staff member is included as part of the constructors regular meetings again to provide advice with respect to any CA ICI matters;
- Exhibition Place staff have participated in training sessions initiated by City Labour Relations on general LR matters and also on CA specific training;
- On an annual basis, Exhibition Place meets with all its tenant and often the CA and jurisdiction of the unions are a topic of that meeting;
- Leading up to negotiations of the CAs, Exhibition Place along with City LR representative meet with the tenant to understand any of their concerns;
- If as stated in the lease clause, the tenant does not "take all necessary action in the construction and operation of the [tenanted premises]" and "puts the Board in breach of any of the [CAs]" so that a grievance is filed by LIUNA 506, then Exhibition Place staff meet with the tenant in question to understand the circumstances in order to settle the grievance.
- If a grievance settlement is reached between LIUNA 506 and the Board in favour of LiUNA 506 and costs are paid, then the Board pays the costs but seeks reimbursement of all costs

including legal costs from the tenant. The same procedure applies for grievances that proceed to arbitration.

- In 2014, the dollar value of the settlements of 12 grievances attributed to tenant activities was \$7,283. Again, the context for these 12 grievances is the hours of all tenanted work undertaken by LiUNA in 2014 was 43,453 hours with a dollar value paid by tenants of \$489,661 plus payroll benefits.

As indicated above, City Labour Relations works closely with Exhibition Place staff on the management of all grievances filed. City Labour Relations indicated that as of November 12, 2015, there are 20 outstanding grievances that have been filed by LiUNA 506 under its CA, of which 75% are related to tenant activities.

Short-Term / Medium Term / Long-term Strategies

Exhibition Place staff have been working closely with the City LR representative to improve the relationship between LiUNA 506 and the Board. Meetings are held regularly with LiUNA 506 to discuss grievances and concerted efforts are made to engage the tenants to resolve the grievances.

One of the major short-term directions in 2015 was to resolve many grievances that have been filed, unfortunately, many grievances remain outstanding despite settlements options being discussed on both sides. These have become irritants to both parties and need to be finalized. The efforts of Exhibition Place and City staff continue in this regard.

Exhibition Place will also continue with its established education / communication strategy directly with the tenants regarding their collective agreement obligations, and with Exhibition Place staff as noted above. It should be noted that the CA with LiUNA 506 expires in March 2016 and bargaining with LiUNA 506 will commence in the new year.

In response to the Board request at its meeting of December 4, 2015, the year-end report for 2015 grievances are outlined in Report 20 entitled LIUNA Local 506 Collective Agreement - Supplementary Information.

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Appendix "A"

Collective Agreements

Section 21

(a) MLSE acknowledges that the Board has collective agreements with the following local unions and MLSE will take all necessary action in the construction and operation of the Practice Facility not to put the Board in breach of any of these agreements:

- (i) Labourers' International Union of North America, Local #506 (Material Handling/Cleaning);
- (ii) The United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada, Local Union 46;
- (iii) The International Alliance of Theatrical Stage Employees and Moving Picture Technicians, Artists and Allied Crafts of the United States and Canada, Local #58, Toronto;
- (iv) The Ontario Provincial Council, United Brotherhood of Carpenters and Joiners of America (O.P.C.), Local Union 27;
- (v) Canadian Union of Public Employees, Local 2840 (Parking Services);
- (vi) International Brotherhood of Electrical Workers, Local Union 353;
- (vii) Canadian Union Public Employees Local 5116 (Security); and
- (viii) International Brotherhood of Painters and Allied Trade District Council 46.

(b) MLSE agrees that it shall comply with the foregoing collective agreements and any future collective agreements to which the Board becomes bound with respect to the operation of the Practice Facility (collectively the "**Collective Agreements**"). The Board agrees to provide written notice to MLSE of the Collective Agreements together with a copy thereof and copies of any amendments to such Collective Agreements, any grievances filed thereunder with respect to operation of the Practice Facility and ongoing status reports with respect to such grievances thereafter. In addition, in the event a party successfully asserts through the grievance and arbitration procedure of a Collective Agreement that the Board is in breach thereof and said breach was caused solely by the MLSE's failure to comply with same, then MLSE shall indemnify the Board in respect of an arbitration award rendered by an arbitrator, Ontario Labour Relations Board or other adjudicative body with jurisdiction to make such an award against the Board to the extent directly resulting from such MLSE's breach notwithstanding that such grievance is filed after termination or earlier expiry of this Lease provided such grievance is filed within the time limits set out in the applicable Collective Agreement or as otherwise permitted by Applicable Laws and relates to that period of time the Lease was in effect. Notwithstanding the foregoing, the indemnity of MLSE shall only apply if such grievance is filed within two years of the termination or early expiry of this Lease. MLSE shall not be considered to have breached its obligations under this paragraph if MLSE's actions which resulted in the grievance were taken in good faith and without intent to cause the Board to be in breach of the collective agreement in question, and provided that MLSE fully reimburses the Board in respect of its said damages awarded.

(c) In the event that the Board becomes aware of a possible grievance or a filing of a grievance, the Board shall forthwith notify MLSE of same and shall thereafter respond to such grievance in continued consultation with MLSE during its defense and shall defend against such grievance to the same extent and with the same interest as if MLSE was not indemnifying the Board pursuant to this Section

Section 22. The Board will seek the Approval of MLSE with respect to any settlement of such grievance. The provisions of Section 22 shall not apply to the indemnity by the Manager of the Board under this Section 22.

(a) For greater certainty, MLSE and the City agree that the MLSE's liability under this Section 22 shall include the payment by the Board of any settlement amount with respect to such a grievance but only if such payment is made with the approval of MLSE. In addition, MLSE shall pay any reasonable costs incurred by the Board in respect of the defense of any such grievance (including reasonable legal fees) provided the Board provides a full satisfactory accounting of any such costs and any additional background information requested by MLSE, acting reasonably.

(b) MLSE further acknowledges that some work performed at Exhibition Place is governed by provincial collective agreements. Provincial ICI (Industrial, Commercial and Institutional) certification is possible in relation to construction work related to the collective agreements described in (i) – (viii) above, resulting from negotiations which are not controlled or negotiated by the Board. In the event a union successfully asserts through the grievance and arbitration procedures of the collective agreement that the Board is in breach thereof, and if the said breach was caused solely by MLSE's failure to comply with same, then MLSE shall make the Board whole in respect of an arbitration award rendered by an arbitrator against the Board to the extent directly resulting from MLSE's breach of its obligations under the Ground Lease. MLSE shall not be considered to have breached its obligations in this paragraph if MLSE's actions which resulted in the grievance were taken in good faith and without intent to cause the Board to be in breach of the collective agreement in question, and provided that MLSE fully reimburses the Board in respect of its said damages awarded.