

**CITY OF VICTORIA
ADVICE ON MEMBERSHIP IN
GREATER VICTORIA LABOUR RELATIONS ASSOCIATION
JUNE, 2016**

PUBLIC REPORT FOR DISTRIBUTION

The Greater Victoria Labour Relations Association (GVLRA) is the accredited public sector employers' association that undertakes collective bargaining on behalf of fourteen local governments and service providers in the Capital Region, including the City of Victoria. In recent years and for a variety of reasons, the City of Victoria has questioned its ongoing membership in the Association. Neilson-Welch Consulting Inc. has been asked to assess the value of the GVLRA to the City, and to advise the City on whether to remain in or resign from the Association.

This *Report* presents the consultant's advice to the City. The document, which contains information drawn from the confidential letter submitted to the City earlier in June, 2016, is intended for public distribution. The *Report* begins with a description of the employers' association model of labour relations management, as well as the GVLRA organization itself. Changes to the model and the organization in recent years are identified. The document then outlines the assessment of the value of the GVLRA to the City. A number of factors are reviewed. The recommendation to the City on whether to remain a member of GVLRA or to resign from the Association is provided in the *Report's* conclusion.

EMPLOYERS' ASSOCIATIONS

Employers' associations are organizations created to represent the interests of, and to provide services to, a group of employers in a similar sector of the economy. In the public sector, employers' associations exist to assist their members in addressing labour relations and related advocacy needs. Coordinated collective bargaining on behalf of their members is a fundamental role for such associations.

In British Columbia, the employers' association model exists for employer groups in the provincial public sector. The requirement for employers' associations is set out in the *Public Sector Employers Act*. Each of the employers' associations in place for the provincial public sector is accredited with British Columbia's Labour Relations Bureau as the exclusive bargaining agent for its members. As the accredited agents, the associations are empowered to negotiate and ratify all collective agreements. Once ratified by an association, a collective agreement is binding on the member affected. No collective agreement between a member and a union is valid until ratified by the accredited employers' association.

Local governments, with their elected governing bodies and authority to tax, are not treated as provincial public sector employers and are not subject to the employers' association requirements

of the *Public Sector Employers Act*. Local governments have at various times, however, chosen to join together to establish employers' associations at a regional level. In the Greater Vancouver region, for example, a group of municipalities formed the Municipal Labour Relations Bureau in 1964. In 1971, municipalities in the Southern Interior established the Okanagan Mainline Municipal Labour Relations Association. In 1976, municipalities in the Capital Region created the Greater Victoria Labour Relations Association. In the decades since their formation, the associations in Greater Vancouver and the Southern Interior have undergone significant changes in name, structure, authority and function. The GVLRA has remained largely unchanged.

Each of the local government employers' associations in BC was established in response to efforts by regionally-organized public sector unions to "whipsaw" employers. Whipsawing occurs when a union succeeds in negotiating a preferred settlement with an individual employer, then pressures all employers in the region and sector to match the terms of the settlement. For local governments, a coordinated approach to collective bargaining through employers' associations is viewed by many in the labour relations field as the best way to minimize whipsawing and its impacts on wages. For the coordinated approach to work properly, however, each participating member must be willing to surrender a certain level of decision-making autonomy. The level of autonomy lost is highest in cases where the local government belongs to an association that has received accreditation as the sole bargaining agent for its members.

Greater Victoria Labour Relations Association

The GVLRA was established in 1976 following a period of significant price and wage inflation across Canada (indeed, in much of the world). Wage settlements negotiated by Capital Region municipalities in the early and mid-1970s were considered excessive by some, and as proof of the power of whipsawing. A lengthy strike at the City of Victoria highlighted the difficult labour relations environment in place at the time. Coordinated action by local municipalities through an employers' organization was identified as the preferred course of action.

The GVLRA today has fourteen members, including the City of Victoria, the Capital Regional District, seven other Capital Region municipalities, and five non-municipal public sector employers. Five Capital Region municipalities, including the District of Saanich, do not belong to the GVLRA. The Association is accredited with the Labour Relations Bureau as the exclusive bargaining agent for its members. In terms of purpose, the Association works to:

- coordinate and conduct collective bargaining on behalf of its members¹
- maintain and improve relationships between employers and employees
- remove the process of contract negotiation from the political forum, and protect the process from local political influences
- establish policies for the content, administration and interpretation of collective agreements entered into on behalf of the members

¹ For the City of Victoria, the GVLRA negotiates collective agreements with the Canadian Union of Public Employees (CUPE) Local 50, the International Association of Fire Fighters (IAFF) Local 730, the United Brotherhood of Carpenters and Joiners of America (UBCJ) Local 1598, and the International Brotherhood of Electrical Workers (IBEW) Local 230.

- advise members, as requested, on grievances, and represent members in arbitrations and other proceedings that may impact the other members of the Association
- conducts research, compile and distribute information
- advocate on behalf of members to other authorities on matters of legislation and regulation

The GVLRA also provides general labour relations and human resources advice, on request, to its members. Until recently, the Association administered the joint CUPE-GVLRA long term disability trust, and the Capital Area Benefits Advisory Group.²

The 2015 cost to operate the GVLRA was \$331,500. Close to 100% of the revenues required to fund these costs were raised through member requisitions. For most of its history, the GVLRA allocated its total requisition burden among members based on relative payroll size. Under this model, the City of Victoria paid the largest share of all members. In response to concerns over equity, the members agreed to modify the cost allocation formula in 2012. Under the new formula, members are assigned to a specific tier, or band, based on size of payroll. Each member pays a flat base rate for its band to cover a portion of the organization's costs. Remaining costs are divided among all members on the basis of payroll. As before, the City of Victoria makes the largest contribution to the Association; however, the amount paid under the new system is slightly lower than the cost paid under the earlier system. In 2015 Victoria paid \$60,215 to the GVLRA.

GVLRA is governed by an independent, fourteen-member Board of Directors. Each member of the Association appoints one director, who must be an elected official, to the Board. Every director receives one vote on all matters, including the approval of bargaining policies and mandates, and the ratification of collective agreements. Votes are not weighted. A GVLRA Administrative Committee, yet to be formalized, exists to allow input from the the region's chief administrative officers and human resources managers into the development of bargaining mandates, GVLRA policies and negotiations.

The GVLRA today has one full-time Manager and a part-time administrative assistant. The Manager leads the collective bargaining for each negotiation, and provides labour relations and human resources advice to members on request. The Manager is the key point of contact for managers of the various member organizations and for the Administrative Committee. The Association is currently in the process of recruiting a new Manager. Under a new management model adopted in October 2015, the new Manager will focus his or her efforts on providing labour relations and human resources advice to members. Contract negotiations will be outsourced.

ASSESSMENT

The City has asked the consultant to assess the value of the GVLRA to the City, and to advise the City on whether to remain in the Association or resign from it. This section of the *Report* presents the assessment. A number of factors are considered under the following headings:

- Whipsawing
- Separation from Council

² The administration of these benefits programs was removed from GVLRA effective January 1, 2016.

- Control over Labour Relations
- Governance Model
- Membership Levy
- Helping the Small

Whipsawing

Employers' associations are typically formed in reaction to efforts by unions to whipsaw employers within a region or sector. The GVLRA is a case in point. As noted earlier, the Association was formed in 1976 in a difficult labour relations environment that was characterized by strikes and by settlements that were perceived to be excessive. Employers at the time felt that they were being "played off against one another", and that a coordinated approach among municipalities to collective bargaining would achieve more reasonable annual wage increases and greater stability in employer-employee relations.

Today, proponents of the association model and the GVLRA point to the chart of CUPE settlements from 1973-2013 (Figure 1) to highlight the success of the model. The chart shows significant increases in years 1973, 1974 and 1975, followed by an immediate drop in 1976 — the year in which the GVLRA was formed — to a more sustainable number. The chart is presented by supporters as proof that coordination through an employers' association benefits members and, ultimately, municipal taxpayers.

Figure 1
CUPE Settlements 1973-2013*
City of Victoria

Year	Increase**	Year	Increase**	Year	Increase**	Year	Increase*
1973	12.0%	1986	2.7%	1999	1.0%	2012	2.0%
1974	10.5%	1987	1.6%	2000	1.0%	2013	2.0%
1975	26.0%	1988	4.5%	2001	2.0%		
1976	6.0%	1989	4.5%	2002	2.0%		
1977	6.0%	1990	5.0%	2003	3.0%		
1978	4.0%	1991	6.0%	2004	2.0%		
1979	7.0%	1992	4.5%	2005	2.4%		
1980	7.25%	1993	3.0%	2006	2.0%		
1981	16.0%	1994	1.0%	2007	3.0%		
1982	15.0%	1995	1.0%	2008	3.0%		
1983	0.0%	1996	1.0%	2009	3.0%		
1984	2.0%	1997	1.0%	2010	3.0%		
1985	3.0%	1998	1.0%	2011	2.0%		

* GVLRA established in 1976.
** All increases are nominal increases that include CPI changes.

It is possible that coordination did help to prevent a certain amount of whipsawing, which in turn may have contributed to the fall in wage increases. Any suggestion, however, that the decision to create the GVLRA was the primary cause of the significant change in settlements ignores important

economic factors in play at the time. The early 1970s was a period of significant inflation and economic uncertainty in Canada (and beyond). Governments and employers were battling double-digit increases to prices, including to the price of labour. CUPE was not alone in receiving substantial settlements in that environment. In the provincial public service, for example, certain categories of BCGEU workers received an 18% wage increase in 1974; nurses in the province received 25% in the same year. In both cases, settlements quickly fell in subsequent years, just as they did with increases for CUPE members. In other provinces, similar changes occurred in local and provincial public sectors. The pattern repeated itself in the early 1980s (see Figure 1) during a period of economic instability when GVLRA was in operation.

In all, the formation of the GVLRA may have played a small role in helping to end the high wage inflationary years of the early 1970s. Broader macroeconomic factors, however, were certainly more influential. But what about today? Does the presence of the GVLRA prevent whipsawing in the Capital Region, and in so doing achieve more reasonable settlements than would otherwise be possible? Would whipsawing and higher settlements occur without the Association in place? Are employers' associations necessary to limit whipsawing and the resulting higher wage increases? It is difficult — proponents' conviction notwithstanding — to answer these questions definitively. Certain points, however, may be useful to consider when reflecting on the issue:

- Within the Capital Region, neither the District of Saanich nor the District of Sooke is a member of the GVLRA. In both of these places collective bargaining is handled directly by the municipality using staff, contract negotiators or a combination of both. CUPE represents workers in both municipalities. Collective agreement time frames do not exactly match those in place for contracts between GVLRA members and their CUPE locals; however, settlements can be extracted from different agreements and compared across jurisdictions.

**Figure 2
Settlement Comparison**

Year	City of Victoria (GVLRA)	District of Saanich	District of Sooke
2012	2.0%	1.75%	1.0%
2013	2.0%	1.75%	0.0% - Jan 1 2.0% - Jul 1
2014	1.75	1.75%	1.0%*
2015	1.0% - Jan 1 1.0% - Jul 1	2.0%	1.0%
2016	2.0%	n/a**	1.0%

* Sooke and CUPE Local 374 were without a contract for 2014 and 2015. A new 2014-2018 contract was ratified at the end of 2015 and will provide 5% increase over five years. The first increase of 1.0%, paid in early 2016, is shown in Figure 2 under 2014. In reality, no increases were received in 2014 and 2015.

** The agreement between Saanich and CUPE Local 2011 expired in 2015.

Caution needs to be exercised when making comparisons that focus on wage settlements only. Differences in provisions that deal with workplace operations and employee benefits

can significantly affect the ultimate cost of the agreement to the employer. On the basis of wages alone, however, Figure 2 shows that Saanich and particularly Sooke appear to have been able to withstand pressures to match the GVLRA levels. The resolve of a municipal council, it would seem, may be more of a factor than membership in an employers' association in determining wage settlements, at least in these cases.

- CUPE, the main union with which the GVLRA negotiates, operates across the province and country, and considers trends beyond the immediate region when setting bargaining mandates. This statement applies even more so to the IAFF, another key union with which the GVLRA deals. As a result, settlements for Greater Victoria municipalities are influenced by settlement patterns set elsewhere, particularly Metro Vancouver. Solidarity among a subset of Capital Region local governments may be less of a factor in this environment than has traditionally been assumed.
- Outside of the Capital Region, municipalities today are not represented in collective bargaining by accredited employers' associations. This statement is true even of municipalities in the Southern Interior and in Metro Vancouver. In the Southern Interior, the former Okanagan Mainline Municipal Labour Relations Association has been replaced by the non-accredited Southern Interior Municipal Employers' Association. This Association functions as an informal venue for the sharing information between and among Okanagan local governments. The Municipal Labour Relations Bureau in Greater Vancouver never succeeded in becoming accredited on account of strong opposition from some of its larger members. This body ultimately evolved into what is now the Metro Vancouver Labour Relations Function. It assists individual members, on request, in conducting collective bargaining, but does not set a regional bargaining mandate or ratify agreements on behalf of members. Indeed, it is constrained in its current structure from being able to share bargaining information among members.

In this environment of uncoordinated, decentralized employer bargaining there is evidence of successful whipsawing on the part of the IAFF and police unions. Provincial legislation dealing with fire and police arbitration frameworks, however, may be mostly to blame for the continuous upward pressure on wages across municipalities in these service areas. There is less evidence of whipsawing in CUPE settlements. Within the Metro Vancouver region, there is almost complete uniformity among municipalities around relatively low annual settlement increases. The outcome reflects a tradition that pegs settlements to a base settlement which emerges from negotiations with one of the region's larger municipalities that negotiates early. Attempts by CUPE to target small municipalities in an attempt to inflate settlements across the region are not a feature of the collective bargaining environment.

Within regions outside of Metro Vancouver there is a lack of uniformity in recent settlements negotiated between individual municipalities and CUPE locals.³ The range of settlements suggests that if whipsawing is attempted, municipal councils are capable of

³ See the BC Bargaining Database at bcbargaining.ca.

standing up to pressures and reaching agreements that take into account local needs and fiscal realities.

- One critique of employers' associations is that their focus in bargaining is on the wage settlement — the caution of focusing too closely on wage settlements was noted earlier. Workplace operational issues tend to be given less attention. It is often the case, however, that changes to operations have financial implications that are not reflected in or measured by the percentage increases in wages. Rules dealing with benefits, acting pay, layoff and other items, for example, may have different impacts for members depending on the set-up of their operations. Where such impacts occur, success in preventing whipsawing on wages may be of little value.
- Finally, in presenting a united front in negotiations on behalf of its members, employers' associations strive to make it impossible for unions to achieve generous settlements with one municipality that must then be matched by others. Through their actions, however, employers' associations also make it impossible for one or more member to achieve lower settlements than those which are mandated by the association for the group. For some municipalities, inclusion in an employers' association may actually result in higher costs than they would otherwise be able to negotiate.

In all, the role of employers' associations — and, more specifically the GVLRA — in addressing whipsawing, and in achieving fiscally responsible settlements, is not clear. In cases where whipsawing and the resulting wage inflation have been minimized, the GVLRA may deserve some of the credit; however, of more importance are macroeconomic factors and settlement outcomes outside of the region. Uniformity in financial settlements may also mask the cost impacts of changes to workplace operation provisions. Similarly, a united front in bargaining may prevent individual members from achieving less expensive outcomes. Finally, coordinated bargaining may wrongly assume that individual members lack the resolve to stand firm in the face of whipsawing attempts and the resulting threat of labour disruption. Settlement patterns in the municipal sector within the Capital Region across BC appear to suggest otherwise.

Separation from Council

The GVLRA, as noted, is the accredited bargaining agent for all of its members. In this capacity, the GVLRA sets the bargaining mandate for its members and ratifies all agreements on behalf of its members. Input to the process from a member is provided through the member's appointee to the Association's Board of Directors, and through the member's staff who serve on the GVLRA's Administrative Committee and liaise with the GVLRA Manager. A municipal council — the elected governing body of a municipal member — has little formal ability, and no formal authority, to direct or approve the work of the GVLRA.

The model is explicitly designed to separate the collective bargaining process from the political forum. Separation is considered important for two reasons:

- it provides protection to municipal councils who are subject to, and who are unable to withstand, the intense lobbying efforts of unions

- it blocks councils who wish to use collective bargaining as a way to reward union supporters

Outside of Greater Victoria municipalities seem less intent on achieving total separation of collective bargaining from the political forum. In every municipality in BC outside of the Capital Region, and in some municipalities within the Region (e.g., Saanich), collective bargaining is conducted through a process that very much involves the elected municipal council. In most of these centres, councils work with their professional staffs and outside experts to set bargaining mandates. And, in all of the centres councils ratify the final collective agreements that are recommended to them by their chief administrative officers.

Councils' involvement in these key stages of the process suggest that the total separation of collective bargaining from the political forum is less important than proponents of the employers' association model may advise. Indeed, many officials in local government would support the view that the elected body's involvement in setting bargaining mandates and in ratifying agreements is critical in our system of local democracy. In our system, the elected municipal council is the only body that can be held accountable for approving municipal budgets, the largest component of which is the cost of labour. A council cannot be accountable, however, for a decision over which it has no control.

There is no doubt that municipal councils are subject to lobbying from unions and other special interest groups. It is up to each council, however, to stand firm in the face of efforts to re-direct taxpayer resources in ways that the council cannot support. Municipal staff can assist council in this regard, but council must ultimately demonstrate resolve. There is also no doubt that some councils will choose to use collective bargaining to buy labour peace or achieve other goals. In our system of local democracy, however, such decisions are for councils to make. Local electors will judge whether the decisions were correct.

Control over Labour Relations

The GVLRA exists to promote the shared interests of its members in collective bargaining and in labour relations more generally. For the model to work effectively, individual members must be willing to surrender a high degree of decision-making authority to the GVLRA Board of Directors. Individual members have some ability, through their appointees to the Board and the Administrative Committee, to influence bargaining mandates and certain elements of the bargaining process. All decisions, however, are made by the collective in the interests of the broader membership.

The surrender of decision-making authority translates into a certain a loss of control for individual members over their labour relations. Staff and councils of member municipalities that choose to belong to an accredited employers' association cannot deal, and cannot expect to deal, unilaterally with union counterparts on issues that have implications for collective bargaining, or that are deemed by the collective to have regional impacts. Staff and councils cannot expect to be able to develop and introduce significant workplace initiatives without the clear support of the broader membership. Some members may be comfortable with this loss of control. Others may consider the loss an unacceptable cost.

The City of Victoria is undergoing a fundamental shift in its organizational culture. Council, the City Manager and senior staff are intent on shifting the culture towards one that positions the City as an organization that:

- values innovation
- is unafraid to try new approaches to problem-solving
- is recognized as a leader, and is committed to excellence, in the provision of local services
- is responsive to the needs and ideas of others
- is pragmatic (i.e., "gets things done")

Success in achieving this cultural transformation will be dependent to a significant degree on City staff. Staff at all levels and in all departments must buy into and champion the vision, and must actively participate in the transition. All staff must feel that they are an integral part of the City team.

The labour relations environment at the City will need to be managed carefully during and after the cultural shift. Close attention will need to be paid to the tone and substance of exchanges between management and labour. Each party has its own pressures and constraints, as well as its own goals to pursue through collective bargaining and in other exchanges. Each party also, however, has an incentive to be flexible in its dealings with the other, and to seek out and capitalize on shared interests and opportunities.

Council, the City Manager and senior staff have made concerted efforts in the past two years to improve relations with the unions that represent City employees. By all accounts these efforts have met with considerable success. Ongoing success, however, cannot be taken for granted; ongoing care and attention by the parties will be important to sustain. The City may be best able to ensure continued progress by taking direct and full control of its labour relations management, including the collective bargaining process. To achieve direct control, the City would need to withdraw from the GVLRA.

It is interesting to note that the desire by municipalities to control their own labour relations is the reason behind the ultimate failure of accredited employers' associations in Metro Vancouver and the Southern Interior. In both regions, key individual municipalities recognized the importance of labour relations to local organizational initiatives focused on improving customer service, innovation and workplace wellness.

Governance Model

As noted earlier, the GVLRA is governed by a fourteen-person Board of Directors. Each member of the Association is represented on the Board by one director who receives one vote on every matter. Votes are not weighted. Every member has equal standing and power in the GVLRA, irrespective of population size, number of employees, size of payroll, number or collective agreements, or size of financial contribution to the Association.

The governance model is different than that which is used for regional district services. It is designed to prevent any single member from exercising significant control over key decisions. The

model may succeed in that regard; however, it fails in the view of some members in terms of equity. For every member, the current voting system highlights the loss of control that is inherent to the association model. For members such as Victoria, for whom control over labour relations moving forward is particularly important, the governance model is particularly problematic.

The governance model also allows for a situation to develop in which a subset of members can exert control over individual employers, including the City of Victoria. It is difficult to say with any certainty if such a dynamic has materialized in recent years. The existing governance model does set the stage, however, for the dynamic to develop.

Membership Levy

At \$60,215, the City of Victoria contributed the largest amount to the Association in 2015 — close to 20% of the total requisition, and roughly as much as the smallest six members combined.

All members of the Association have access to the same suite of services irrespective of requisition size. Larger members, however, do not typically make use of the services to the same degree as smaller members, if at all. The City of Victoria uses the GVLRA for collective bargaining purposes only. The City does not turn to the GVLRA for:

- assistance in interpreting collective agreements
- advice on labour relations or human resources issues
- data or information on bargaining and arbitration trends in other places
- assistance in reviewing grievances
- representation in arbitrations or before tribunals

The City's reluctance to make use of these other GVLRA services can be attributed, quite simply, to a lack of confidence in the ability of the Association to meet the City's needs. The GVLRA is a lean organization with only one staff member in place to provide important advice to fourteen member organizations across a broad range of labour relations topic areas. One person, no matter how skilled, cannot be expected to provide the level or breadth of service needed by any single member, let alone fourteen. This statement is particularly true in the case of the City of Victoria — a modern, progressive municipality with a sizable contingent of unionized staff, and significant service needs.

The City has chosen to meet the bulk of its labour relations needs (the exception being collective bargaining) using a combination of in-house Human Resources staff and outside labour lawyers. The annual investment by the City in these resources is considerable and is in addition to the funding provided to the GVLRA.

Defenders of the GVLRA note that organization is in a re-building phase following the 2011 departure of its long-standing Manager. Defenders suggest that the Association will be better positioned to provide a broad range and high level of services to members under a new Manager (once recruited). Indeed, defenders suggest that the Association will be positioned to expand the range of services on offer. The difficulty with these points, however, is threefold:

- the organization has been in the re-building phase for four years, and has been unable to solve its staffing problems
- there is some confusion as to the preferred skill set to recruit for the Manager position, despite having already advertised the position with a specific description
- even with a new capable Manager in place, the Association will not have the capacity to adequately service the City of Victoria or other large members

Helping the Small

Proponents of the GVLRA suggest that the City of Victoria and other larger members benefit from having smaller members taken care of by the Association. There is a view that smaller members, who are perceived to lack the resources necessary to manage labour relations in a unionized environment, would be prone to make mistakes without GVLRA oversight in place. Such mistakes, it is suggested, could set difficult precedents and create other problems for all members in their own labour relations.

There may, indeed, be benefit to large members such as Victoria from having the labour relations needs of smaller members attended to properly. It may also be the case that some large members may be willing to pay for this benefit by subsidizing the cost of services provided to their smaller neighbours. In such cases, however, it may be preferable for large members to directly provide labour relations services to small members at a discounted rate, outside of the GVLRA framework. Large members who chose this course of action would receive the benefit noted without having to surrender control over their own labour relations to an employers' association.

This course of action, it should be made clear, is not being recommended to the City. The argument that it is in the interest of taxpayers from large municipalities to subsidize the provision of labour relations services to smaller places is difficult to support. In every region of the province outside of Greater Victoria, small municipalities exist alongside larger neighbours with no expectation of subsidy. There is no clear evidence to suggest that the efforts of these small places to manage their unionized staff create problems for the larger centres.

CONCLUSIONS AND RECOMMENDATION

From the assessment of the value of the GVLRA to the City of Victoria, the following conclusions can be drawn:

- concerns over whipsawing are not significant enough to necessitate collective action through an accredited employers' association
- the role of the GVLRA in limiting whipsawing and constraining settlement increases is not clear, but is less important than macroeconomic factors, settlement patterns set elsewhere, and the resolve of individual municipal councils
- the notion that the City's elected municipal council should have no role in or authority over collective bargaining is difficult to defend in our system of democratic government
- the City of Victoria would benefit from having direct and full control over all aspects of its labour relations, particularly as it pursues its cultural transition

- the GVLRA's governance model is inequitable for the City, and allows for a dynamic under which key elements of the City's labour relations could be controlled by a subset of other members
- the City's annual financial contribution to the GVLRA is excessive given the level of services received, and represents a subsidy to other members of the Association
- even with a new Manager in place, the GVLRA will be unable to provide the breadth and level of labour relations services required by the City
- any benefit to the City from having small municipalities in the region well-served in the areas of labour relations and human resources does not justify a subsidy from City of Victoria taxpayers

On the question of whether the City should remain in or resign from the GVLRA, the recommendation is as follows:

THAT, pursuant to Bylaw 5 of the *Greater Victoria Labour Relations Association*, Council issue written notice to the GVLRA Board of Directors of the City of Victoria's decision to resign from the Association.

Next Steps

In accordance with the provisions in GVLRA Bylaw 5, a twelve-month waiting period is required for any resignation from the Association. If the City accepted the recommendation, therefore, resignation from the GVLRA would not take effect until June, 2017. In the intervening year, the City would presumably continue to meet its own labour relations service needs for all matters other than collective bargaining. The City would also take the opportunity, during this time, to determine and to put in place a preferred model to meet its collective bargaining needs in future years.⁴

It should be recognized that there is value to local government collaboration in the field of labour relations, the concerns regarding the GVLRA model notwithstanding. Managers and councils in all municipalities benefit when information on settlement trends, bargaining mandates and other matters is shared. What is key in these information-sharing arrangements, however, is that each participant retains complete autonomy in charting its bargaining course and in making its labour relations decisions. The City of Victoria should consider liaising with other local governments in the Capital Region (e.g., Saanich) and beyond to identify opportunities for collaboration.

⁴ It is assumed that the City would choose to make use of external negotiators to assist in future bargaining. Preliminary cost estimates associated with this approach would provide considerable savings to the City compared to its current GVLRA requisition.