



AMALGAMATED TRANSIT UNION

LOCAL 615 SASKATOON, SASKATCHEWAN



ATU 615 Backgrounder

Amalgamated Transit Union local 615 has been without a contract since Dec.31,2012 and has been prepared to bargain with the city of Saskatoon prior to the expiry of our last agreement. The city did not officially commence bargaining with any local or association until late September 2013, upon which all members of our General Superannuation Plan agreed to jointly bargain pension and wages. Prior to this bargaining, the city structured presentations to the group of locals and associations in an attempt to convince us that our pension plan was unsustainable and that a defined contribution plan was the only alternative to the current plan. The group responded that we are willing to discuss our defined benefit plan and if they are serious about bargaining then they need to drop their defined contribution proposed fix. This led to the city discussing reducing benefits in an effort to reduce their liability and in their eyes ensuring our plan was sustainable in the future. These discussions evolved to the point whereby an agreement in principle was agreed upon by all member groups and since ratified by their membership with the exception of ATU 615. What started out as finding short term solutions to ensure viability of the plan resulted in an agreement in principle that allows the city to cap their contribution rates and reduce our benefits and remove the liability of the city to ensure benefits would be guaranteed or defined when our members retire. In other words, we could no longer be assured that our benefits are defined upon retirement. Under this agreement, if the plan does not meet the target financially required to maintain the benefits promised, then the members of the plan would have 2 choices to make. Either increase our contribution rates, or further cut benefits in order to balance money coming in, money going out. The city under this agreement is only liable to contribute the agreed upon contribution rate cap and would no longer share the risk or be legally responsible to ensure the benefits promised today, would in fact be defined or guaranteed .

ATU 615 membership has confirmed that they agree with our executive bargaining committee, that by selling off the security of pension benefits in the future for a wage package of 10% over 4 years is unacceptable. Not only would we be paying more into the plan, but we would also be cutting benefits today with no possibility of reimplementing these benefits for a long time if ever. Besides this, the wage proposal would still leave us at the bottom of the scale in comparison to other western Canadian cities and we would have a defined target plan instead of a defined benefit plan.

Because we are the only dissenting member group of this pension plan, the city has threatened us on more than one occasion during this bargaining process, with the first threat in Dec.2013 and the last threat during the mediation process on June 25,2014. The threat is that if we don't agree to this then they will simply start making their liability payments to the plan and the money they have set aside for wages would be used to make these payments, hence we would not receive backpay or wage increases.



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It was stated during mediation that July 1st 2014 or shortly thereafter was the last deadline and their offer during mediation would not exist after this deadline.

On August 1, 2014, the city applied to the labor board in an effort to force us to vote on their last offer discussed in mediation. Their application to the board requested the vote to take place on August 8, 2014. The city also stated to us during bargaining that we have misrepresented the facts to our members and our operations manager boldly stated that he could convince our members to vote 94% to accept this offer. This statement came in reference to the fact that the city final offer voted on in May, resulted in a 94% rejection. In an effort to discredit our executive, and convince our members to accept this deal, the city sent out two separate mailouts directly to our members homes and the city manager sent out personal invitations to our members to attend pension information meetings to be held on August 14, in the morning and evening. The head of human resources and chief negotiator for the city, Marno McInnes together with transit director Bob Howe and the pension plan actuary, Troy Milnthorp spoke to a total of 9 of our members that chose to attend. 1 member in the morning and 8 in the evening. On August 15, 2014 our members were forced to vote by direction of the labor board on whether they accept or reject the city's last offer. 299 people out of 400 cast their ballot and as of now, the ballots have been sealed immediately after the vote, as a result of legal challenges and objections filed before the labor relations board.

Jim Yakubowski President/Business Agent ATU 615