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City launches move to rid of OLRB designation

By Elaine Della-Mattia, Sault Star

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City council has taken the first step – albeit a year from now – to move forward with a decertification process to acquire a non-construction employer designation.

In a 12-1 recorded vote, council has asked city staff to plan and prepare a 2019 budget that includes the necessary changes to the city's practices not to accept revenue that will help the city achieve its non-construction employee designation.

That revenue loss of about \$200,000 per year, for a minimum of three years, should be anticipated.

Following that period, the city can apply for decertification to the Ontario Labour Relations Board, a process that could take another two years, council was told.

Another resolution is expected in January that will ask the Association of Municipalities of Ontario to form a committee of the handful of municipalities that are affected by the designation and lobby on their behalf for a change to the legislation.

The Progressive Contractors Association and the Christians Labour Association of Canada teamed up and urged city council to stick up for local workers and contractors and help save taxpayers millions of dollars by supporting fair and open construction tendering.

The associations asked city council to consider a three-step process. The steps include building the strongest case possible by directing staff to tally costs and future costs associated with being a construction employer.

They also urge the municipality to call on the province to amend section 126 of the act so that the municipality can enable a fair and equitable tendering process.

It also recommends the municipalities urge AMO to form a special committee with the affected municipalities and lobby for the change as a priority item for the June 2018 provincial election.

A report to city council states that Sault Ste. Marie's chances of success at the OLRA board to remove the designation are slim to none.

Independent labour law experts will be consulted to confirm that opinion but in the meantime, staff has been asked to proceed with the changes to the 2019 revenue changes.

Karen Renkena, public affairs manager with the Progressive Contractors Association said its members work in all sectors, but can't always bid for work, like in Sault Ste. Marie.

The designation restricts 70 per cent from building projects in their own communities, she said, and construction costs could be between 20- per-cent and 30-per-cent higher.

In other words, on \$40 million of projected construction work, the additional costs would be about \$8 million – a cost borne by taxpayers, she said.

Ward 1 Coun. Paul Christian said the city can't position itself to be competitive if it has "the weights on our heels." Christian said he supports the concept wholeheartedly.

But Ward 6 Coun. Joe Krmpotich countered that he would never support any decertification. He was the lone opponent of the resolution.

Ward 3 Coun. Matthew Shoemaker, the mover of the resolution, said the matter doesn't pit union against non-union. Instead, he argued, it's about fairness and allowing local companies the ability to bid on city work, increasing competition and bringing down the costs to do work.

"There are a number of local companies that are shut out of local city work despite being unionized," he said.

Shoemaker wants to pursue the issue internally and politically by lobbying for legislative change.

"The only framework we have to follow now is the Essex County School Board ruling.. . It's the only roadmap out there to decertify," Shoemaker said.

Mayor Christian Provenzano said the city should aspire to open its tendering process to all contractors.

But he warned that this city council cannot bind a future city council to continue with this resolution.

A new council next year may choose not to follow this resolution or limit the revenue intake, he said.

The certification of the Labourers' and Carpenters' Unions means the municipality must operate unlike the majority of other municipalities in Ontario.

It finds itself in a similar situation to Toronto, Kitchener, Waterloo and Hamilton.

The city is bound by a 1987 Ontario Labour Relations Board ruling which states the city can only accept bids for city infrastructure projects from only two unions, the International Brotherhood of Carpenters and Joiners and the Labourers International Union of North America.

Since the initial ruling, where the city was not present due to a confusion regarding hearing dates, two attempts at decertification have been made. Both attempts - in 1998 and 2004 - failed.

Earlier this year the Essex County school board was successful in convincing the labour board that it was no longer considered a construction employer as defined in the act.

