



Committee of the Whole
REPORT 07-027
9:30 a.m.
September 12, 2007
Council Chambers, Hamilton City Hall

Present: Mayor F. Eisenberger

Councillors B. Bratina, B. Clark, C. Collins, S. Duvall,
L. Ferguson, T. Jackson, B. McHattie, S. Merulla, B.
Morelli, M. Pearson, D. Mitchell, R. Pasuta, M.
McCarthy, T. Whitehead

Absent with regrets: Councillor R. Powers – City Business

Also Present: G. Peace, City Manager
J. Rinaldo, General Manager, Finance and Corporate
Services
J. Harnum, Public Works
P. Barkwell, City Solicitor
M. Gallagher, Co-ordinator

**COMMITTEE OF THE WHOLE PRESENTS REPORT 07-027 AND
RESPECTFULLY RECOMMENDS:**

**1. United Brotherhood of Carpenters and Joiners of America Local 18
Certification (LS07012) (City Wide) (Item 7.1)**

That Report LS07012 respecting United Brotherhood of Carpenters and
Joiners of America Local 18 Certification be received.

Council – September 12, 2007

2. Report 07-001 of the Fairness to Hamilton Campaign Sub-Committee (Item 7.2)**(a) Financial Impact of Provincial Downloading (City Wide) (FCS07086)**

That Report FCS0607086 respecting Financial Impact of Provincial Downloading be received for information.

(b) Net Property Tax Impact Per Household

(i) That Finance staff be directed to calculate the net property tax impact per household as a result of the Provincial downloading.

(ii) That staff from the Mayor's office be directed to develop a strategy to communicate the impact that Provincial downloading has on the property tax per household to the public and to the leaders of the Provincial parties and the local candidates of the upcoming Provincial elections.

(c) Long Term Public Relations Strategy

That appropriate staff be directed to develop a long term public relations strategy to communicate the issues relating to the Provincial downloading and the impact this has on the Hamilton property tax payers including but not limited to developing a web site.

(d) Uploading the financial responsibility of all provincially mandated social services, housing and health program costs

WHEREAS municipal governments in Ontario are required to subsidize provincially mandated health and social service programs, like welfare and employment services, disability benefits, drug benefits, social housing, child care, homes for the aged, public health, and ambulance services;

WHEREAS Ontario's reliance on the municipal property tax base to fund human/income redistributive services is unique amongst North American jurisdictions and has distorted the tax burden in Ontario shifting costs from income tax to property tax without regard to the taxpayers' ability to pay; and unfairly burdens residents of older, larger municipalities that serve as regional hubs for the delivery of services;

WHEREAS the Province of Ontario has recognized this imbalance by initiating a review of the delivery and funding of social services panel (Provincial – Municipal fiscal and service Delivery Review) and by starting to upload \$935 million in disability and drug benefit costs starting in 2008;

WHEREAS the Provincially mandated uploaded program costs account for more than \$97 million of the City's tax levy or \$425 of the average household (17% municipal taxes);

WHEREAS the burden of social services downloading has prevented the City of Hamilton from reaching its' full economic development potential, limited the City's ability to provide the basic municipal infrastructure that underpins the quality of our lives as citizens and places at extreme risk those services and provides significant financial exposure to the City in the event of an economic recession;

WHEREAS the City of Hamilton is uniquely burdened in relation to neighbouring municipalities with the highest urban poverty rate in the province, as well as, one of the highest property tax burdens in Ontario;

THAT the Province of Ontario be requested to develop a plan in the next provincial budget to upload the financial responsibility of all provincially mandated social services, housing and health program costs, thereby reducing the property tax costs for a typical Hamilton household by approximately \$425 annually.

3. City of Hamilton – Non-Construction Employer

That the issue surrounding "Fairness to Hamilton" and making Hamilton a non-construction employer be provided to all party leaders to determine whether or not they would support change in legislation.

FOR THE INFORMATION OF COUNCIL:

(a) CHANGES TO THE AGENDA

Revised agenda with delegations was distributed to committee

Added Item 7.2 a report from the Hamilton to Fairness Campaign

The agenda was adopted as amended.

(b) DECLARATIONS OF INTEREST

None

(c) DELEGATION REQUESTS

The following delegations were approved to present to committee:

- 5.1 Elda Heinrich, Hamilton District Heavy Construction Association
- 5.2 LIUNA
 - (a) Joseph S. Mancinelli, LIUNA International Vice President and Regional Manager, for LIUNA Central and Eastern Canada Region.
 - (b) Cosmo Mannella, Director, LIUNA Canadian Tri-Funds
 - (c) Patrick Little, Business Manager, LIUNA Ontario Provincial District Council,
 - (d) Manuel Bastos, Business Manager, LIUNA Local 837
- 5.3 Mark Baseggio, Executive Director, Open Shop Contractors Association
- 5.4 Rob Bradford, Ontario Road Builders Association
- 5.5 Andrew Regnerus, Construction Co-ordinator, Christian Labour Association of Canada
- 5.6 Jeff Pigott, Vice President, Field Operations, Kenaidan Contracting Ltd.
- 5.7 Harold Caley, Carpenter's Local 18
- 5.8 Tom Charette, Canadian Federation of Independent Business
- 5.9 Anas Melham, Working Families Coalition Watch

(d) PRESENTATIONS

- 6.1 United Brotherhood of Carpenters and Joiners of America Local 18 Certification (LS07012) (City Wide)

Peter Barkwell, City Solicitor provided a power point presentation highlighting aspects of the report.

(e) **DELEGATIONS**

- 5.1 Elda Heinrich, Hamilton District Heavy Construction Association
(handout provided)

Solicitor, Joseph Lieberman addressed committee on behalf of the Association, representing 69 companies providing construction services to Hamilton.

The delegation addressed the implications to the contractors/employees and concerns if the city enters into a collective agreement which contains a “carpenters only” subcontractor clause.

Costs for projects will rise and contractors will be forced out of Hamilton

Asked council to consider a viable and fair alternative to that of carpenters only clause and consider the affects on companies who have previously performed the work and the impact on the residents of the community.

- 5.2 LIUNA

- (a) Joseph S. Mancinelli, LIUNA International Vice President and Regional Manager, for LIUNA Central and Eastern Canada Region (handout provided)

Mr. Mancinelli addressed the following issues:

LIUNA is made up of 60,000 members

The decisions the city will be making on the certification will have a huge impact on workers and competitiveness of companies who bid on contracts.

LIUNA has represented construction workers since 1903 and is a dominant player in this province.

How can you negotiate fairly a sub-contracting clause is unimaginable.

Addressed the current competitive process and the impact this will now have and the makeup of labour and employment in Ontario.

Urged council to maintain a competitive field on this work and allow LIUNA the opportunity to continue the way they are.

- (b) Cosmo Mannella, Director, LIUNA Canadian Tri-Funds

Mr. Mannella addressed the following
He was a former, fair wage officer for the City of Toronto
If you enter into a restricted subcontractor clause would eliminate people from access to over 1 billion dollars in work and would be detrimental to the community.
Apprenticeships would be affected
Losing on the way work is organized
Urge council to reconsider and explore how the City of Toronto has dealt with this situation with respect to jurisdictions.

- (c) Patrick Little, Business Manager, LIUNA Ontario Provincial District Council

Al Minskie on behalf of Mr. Little addressed the following:
Focus on negotiations and heavy engineering sector.
Wisdom or lack thereof or appropriateness on negotiation with Local 18 and Carpenter's Union
There are no heavy engineering contractors bound to the local 18 agreements
Companies that are organized, heavy roads and sewer sectors have been exclusively organized in Hamilton by the Labourers union.
Creates a situation where you might not get bids if there are no contractors bound to local 18 who can do the work.
Going to put out on the street local 837 who do the work – currently 90%.
The lack of accreditation order.
Look down the road and ask yourself where the contractors are coming from? What if I want to use contractors tied to local 837? Thereby putting the city in a conundrum.

- (d) Manuel Bastos, Business Manager, LIUNA Local 837

Mr. Bastos addressed the following:
Have to realize two things – ici sector you don't have a sector for negotiating but you do in other sectors.
Take a look at who does the work for you now and decide what you're going to do here. It is in your hands.
What you negotiate is what you're going to get.

- 5.3 Mark Baseggio, Executive Director, Open Shop Contractors Association

Phil Bessling addressed committee on behalf of the Open Shop (handout provided)

Contactors and addressed the following issues:

Believe in fair and open tendering bidding process

Members based in Hamilton and surrounding area

Members are satisfied with the city's action on this matter.

Public construction should be open to all qualified bidders

Ask council to approach each party leader seeking their position on this matter to let Hamiltonians understand their views on this issue.

- 5.4 Rob Bradford, Ontario Road Builders Association

Mr. Bradford addressed the following:

Do have considerably more power in the case of heavy engineering negotiations and seek alternatives or to disagree with the

subcontract clause for the carpenters

Cost implications to the City Of Hamilton

Implications to the construction industry and to the companies and employees who will be seriously hurt

- 5.5 Andrew Regnerus, Construction Co-ordinator, Christian Labour Association of Canada (handout provided)

Colin deRaaf addressed committee on behalf of Local 6

Has completed hundred of million dollars in work.

Commends council on taking action on the certification.

Negatively impact the community and will increase costs

Ask City to continue the fight

- 5.6 Jeff Pigott, Vice President, Field Operations, Kenaidan Contracting Ltd.

Mr. Pigott address the following issues:

Long history of construction in Hamilton

Work for construction one of 5 firms excluded from the opportunity to bid on work here.

Support the approach for fair tendering, fair and open competition

Support the course of action the city is pursuing in changing the provincial legislation

Have a feduciary responsibility to spend taxpayers money wisely

Have a responsibility to fight the certification and not to accept the position that the city is bound to unfair legislation

5.7 Harold Caley, Carpenter's Local 18 (handout provided)

Mr. Caley addressed the following issues:
1200 members in the City Of Hamilton
with respect to financial data, you have to have a comfort level that it is reliable and mode used to lead to conclusion
Offered advisers to council
Addressed not having a vote in the construction industry
Addressed the situation in Toronto with respect to the Carpenter's where it works
Any contractor who wants to bid on work in the ICI sector can show up at local 18's office to sign a collective agreement with the union for carpenters
Non ICI sectors, the city and carpenters 18 are free to sit down and negotiate a labour agreement
Don't see how the labourers have any interest in telling the city how to negotiate with the carpenter's union
In the non ICI sector any company can bid for work in the non ICI sector with the stipulation being that the work of the carpenter must be done by a company bound by the collective agreement
Mechanisms available for solving disputes
Carpenters Local 18 want to meet and bargain and dialogue with the City and want city to continue the dialogue
Certificates have withstood the reconsideration.

5.8 Tom Charette, Canadian Federation of Independent Business

Mr. Charette addressed the following:

35 year old organization, 6000 independent business members expressed views of Ontario members
Membership is in favour of open access to government work and extended public sector work.
Sensitive to anything that would increase costs to city operations and are against anything that excludes them from being a supplier of services to the city.

5.9 Anas Melham, Working Families Coalition Watch

Mr. Melham addressed the following:

Commend council for taking a stand
Raise this with all candidates in the provincial election to get them to comment on this issue
No reason that taxpayers lose billions in dollars

Will be following this issue and will post regular updates to the website of the coalition.

5.10 Correspondence from Don Lauppe, Hamilton, Halton Homebuilders Association

Correspondence was received and provided to the Clerk.

(f) Committee direction

Committee directed that the issue surrounding “Fairness to Hamilton” and making Hamilton a non-construction employer be referred to the Fairness to Hamilton Campaign Sub-Committee and to all Hamilton Candidates in the Provincial Election for their consideration.

Staff were directed to report back on the exclusivity issue, addressing the legalities of the situation for a future meeting.

(g) PRIVATE AND CONFIDENTIAL

Committee moved into closed session to deliberate labour negotiations.

Nothing to report.

The committee adjourned at 1:45 p.m.

Respectfully submitted,

Mayor F. Eisenberger

M. Gallagher
September 12, 2007