



Update on the Bargaining with CUPE Local 1505 General Group

For Immediate Release

FORT MCMURRAY, AB, May 7, 2019 – Wood Buffalo Housing (WBH) regrets to inform that we have been unsuccessful in the bargaining of our CUPE 1505 general collective agreement and ratification was not achieved. WBH has issued a lockout notice effective 4:30 p.m. on Friday, May 10.

“A lockout is a difficult step for any organization to make and we always considered it a last resort,” says Henry Hunter, President and CEO of WBH. “Unfortunately, we have been unsuccessful at reaching an agreement with the union and have been informed that they are unwilling to negotiate if position eliminations are on the table, and we cannot delay this process any longer.”

During the bargaining process, WBH presented the union with their proposal for a new business model and the position eliminations required to achieve it. The union had an opportunity to provide alternative ideas but felt it was not their place to do so. They were adamant that they would not accept the position eliminations. Since they offered no new ideas or proposals for how to achieve sustainability, and status quo is not an option WBH can support, the agreement was not ratified.

“We did tell the union last week that we are willing to go back to the table in an attempt to avoid issuing the notice to lockout. We informed them we had ideas of how to offer protection for those employees who would remain at WBH and some additional benefits for them, as well as healthy severance packages for the positions that would be eliminated,” says Hunter. “Unfortunately we were informed by the union that they didn’t see any point in meeting and hearing our ideas since their goal was no elimination of positions, and so we were forced to move forward with the lockout.”

WBH remains willing to go back to the table with the union and hear any ideas they might have to prevent or end the lockout. Wood Buffalo Housing remains committed to its goal of providing long-term housing solutions for the people of our region, including seniors housing and the homeless. In order to do this, we need to ensure the organization is financially sustainable.

“Management has a solid contingency plan in place and hope to see as little disruption as possible for our tenants,” says Hunter. “We were very happy to read in their public statement that the union is on the same page with us in that respect. Throughout this process we need to continue to make the tenants a priority.”

Background information:

Following the economic downturn in 2014-2015 and the Horse River Wildfire of 2016, the housing and rental market in the Wood Buffalo Region changed dramatically. The reality throughout the urban area of Wood Buffalo is that there is more housing available than is needed to support the current and projected future population. There used to be waitlists for housing in Fort McMurray, and not just at WBH but all throughout the city. Now vacancies continue to increase, and housing prices and rental rates have dropped between 20% and 30% in the community.

Over the past two years, WBH has worked diligently to increase revenue by reducing vacancies to 16%, at the same time reducing operating costs in both 2017 and 2018. This work was done with a view of getting a balanced budget by 2020. Despite the work completed to date, WBH continues to be in a deficit position. The current population growth projections for the Wood Buffalo Region show zero growth for the foreseeable future and WBH has experienced a deficit position every year since 2014. In the past couple of years, they made significant changes to their structure and the out-of-scope positions. They are realizing the savings of those changes, but more needs to be done.

So, like many organizations in the region, the management team took a hard look at operating efficiencies and deficiencies, as well as the current business model to determine where they could cut costs and realize savings. They knew that significant changes needed to be made to the current collective agreement with our CUPE 1505 general group in order to achieve these savings. So, with the approval of the Board of Directors, WBH initiated the bargaining process last October.

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