

COMPREHENSIVE REPORT

to the membership of the

Hospital Employees' Union

*on the
recommendations for settlement
by Mediator Grant McArthur
between the*

Hospital Employees' Union

– AND –

Compass Group Canada (VIHA)

July 13, 2009

Inside:

- Mediator's recommendations for settlement
- Background



IN THE MATTER OF A COLLECTIVE BARGAINING DISPUTE

BETWEEN:

COMPASS GROUP CANADA (HEALTH SERVICES) LTD./GROUPE COMPASS
CANADA (SERVICES DE SANTE) LTEE, VANCOUVER ISLAND HEALTH
AUTHORITY (VIHA)
(the "Employer")

AND:

HOSPITAL EMPLOYEES' UNION
(the "Union")

RECOMMENDATIONS

SUBMITTED TO THE PARTIES ON

JULY 9, 2009

BY

GRANT MCARTHUR
MEDIATOR
LABOUR RELATIONS BOARD

RECOMMENDATIONS

INTRODUCTION

These non-binding recommendations are made with respect to a collective bargaining dispute between Compass Group Canada (Health Services) Ltd./Groupe Compass Canada (Services de Sante) Ltee (the "Employer") and the Hospital Employees' Union (the "Union"). The parties are in a unique and difficult situation which potentially carries very serious consequences for both.

The bargaining committees reached a tentative agreement earlier in this round of bargaining. That tentative agreement was rejected by the Union's membership on May 26, 2009. The same terms were accepted by another group employed by this Employer to perform similar work in a different health region. The parties are attempting to find another agreement that they can recommend and that their respective principals will ratify.

I met with the bargaining committees at the offices of the Labour relations Board on July 6th and 9th 2009. These recommendations are a result of those discussions.

PROPOSALS

The Union requests a number of changes to the previous tentative agreement. Among the proposals are changes to monetary aspects of the tentative agreement. I note that the tentative agreement reached between these parties includes different wage rates, effective dates and health care plan premium sharing than agreements reached with HEU at other tables with contractors providing similar services. This package, particularly the health care plan premium portion, stands up well to comparisons with other settlements. In particular, the costs to provide health and welfare benefits have risen dramatically in recent years and such costs continue to rise.

RECOMMENDATIONS

I have considered all of the circumstances in this situation. The following specific changes to the previous tentative agreement have been discussed with both parties and the bargaining committees are prepared to recommend the revised agreement for ratification. The changes are as follows:

1. The waiting period for reapplication for benefit coverage will be amended from twelve (12) months to six (6) months. This is particularly important in

view of the current economy where coverage for benefits provided through spousal plans may be lost. In addition, more employees may enrol in this plan because of the new arrangement where Compass will pay 100% of the health and welfare benefit premiums. This change is to be effective the date of ratification.

2. Eye exam reimbursement for eligible employees will be increased from \$35 to \$50 effective the date of ratification.
3. Vision care coverage for eligible employees shall increase from \$200 to \$250. This is also effective from the date of ratification.
4. The previous tentative agreement provided changed wage rates effective from the date of ratification. The previous "ratification date" is now in the past, therefore this area needs to be clarified. The revised tentative agreement shall provide retroactivity from June 1, 2009.

I repeat that all other matters contained in the previous tentative agreement are unchanged (including effective dates) except as amended above.

SUMMARY

I believe this is the best contract that can be obtained at this time. I understand the Employer's reluctance to add cost to a previous tentative agreement. I believe that the added cost reflects a hard choice which is required to finalize this collective agreement. The revisions represent real value for the Union's membership and they add to the earlier tentative agreement.

I request that a complete media/publicity blackout be respected by both parties during the time leading to the Union's ratification vote. The only exceptions will be the Union's report to the membership and the necessary material to support the positive recommendation for acceptance.

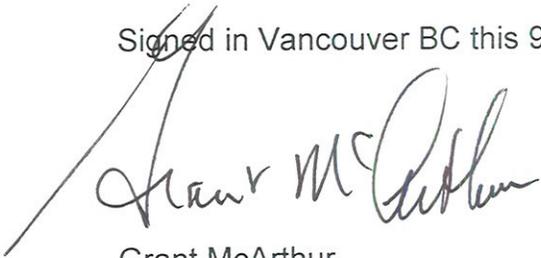
I urge both parties to ratify the terms of the revised deal rather than engaging in a dispute that appears to be inevitable if these revised terms are not accepted.

The Labour Relations Board will ensure that a supervised ratification vote takes place to address various concerns canvassed in mediation.

The committees have indicated their agreement to these recommendations by signing below.

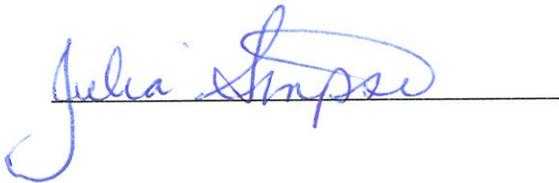
I reserve the right to clarify these recommendations as required. I thank both committees for their cooperation.

Signed in Vancouver BC this 9th day of July 2009.

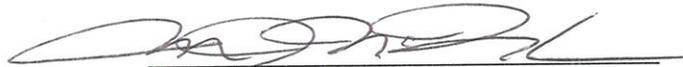
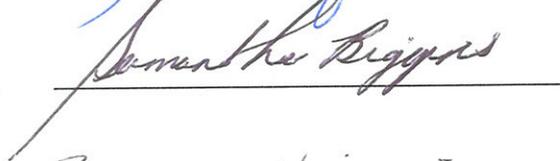
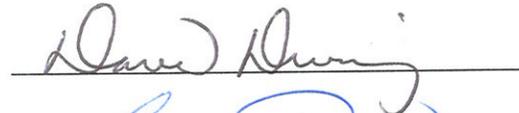


Grant McArthur
Mediator
Labour Relations Board

Signed on behalf of Compass
Group Canada



Signed on behalf of Hospital
Employees' Union





HOSPITAL EMPLOYEES' UNION

BACKGROUND

HEU and Compass reach tentative agreement with help of LRB mediator

Bargaining committee recommends members vote yes to improvements in tentative, mediated agreement with Compass in VIHA

On July 6 and 9, bargaining committee members and HEU bargaining representatives met with Compass and Labour Relations Board (LRB) mediator, Grant McArthur. HEU requested the meeting in an effort to address the impasse between the union and the employer.

On July 9, the two parties reached a tentative agreement based on the mediator's recommendations. The bargaining committee is recommending that members vote yes to the revised agreement.

The LRB will be supervising the ratification votes and will distribute a schedule in advance of the dates. There will be voting opportunities at each worksite. HEU will also be organizing member meetings prior to the vote dates. These are expected to begin within the next two weeks.

Since May, the bargaining committee and HEU staff have met with members and Compass in an effort to address members' concerns and reach a settlement. The modified agreement includes improvements to benefits, and retroactivity on wages.

The union and bargaining committee believe this agreement is the best outcome available to members at this time.

What you need to know about the modified agreement

Items in the previous tentative agreement remain the same, except for the following provisions:

- For members who opt out of benefits coverage and want to re-enroll, the waiting period for reapplication will go from twelve to six months, effective on the date of ratification.
- Eye exam reimbursement for eligible employees will be increased from \$35 to \$50 effective on the date of ratification.
- Vision care coverage for eligible employees will increase from \$200 to \$250 every 24 months, effective on the date of ratification.
- Unlike the earlier agreement, the first wage increase will be retroactive to June 1, 2009. Other increases come into effect according to the terms of the previous tentative agreement.

Agreed-to items from the previous agreement will remain, including:

- Wage increases that will see rates of \$13.05/hr increase to \$14.70/hr by October 1, 2011 and to \$14.75/hr by September 1, 2012. *The proposed wage grid for all classifications is on page 2.*
- Dental and extended health benefit premiums will increase from 70 per cent employer-paid to 100 per cent employer-paid one month after the date of ratification.
- Casuals working 20 or more hours per week will be entitled to 100 per cent employer-paid benefits.
- Sick leave will increase from six to seven days on January 15, 2010 and from seven to eight days on January 15, 2011.
- New and stronger contract language will improve the grievance process and protect members' rights on workload, training, extended work hours and other issues.

The proposed agreement is effective from October 1, 2008 to September 30, 2012.

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Mediated settlement includes request for media ban until votes completed

The mediator has also requested that both parties respect “a complete media/publicity blackout” in the lead up to the ratification vote. The union will report and provide information to the membership, but will not be commenting to the media until after the membership vote.

Updates on Sodexo, Aramark and Compass PHSA bargaining

On July 8, HEU members in the Vancouver Coastal Health Authority voted 78 per cent in favour of a revised collective agreement with Aramark. In May, members ratified agreements with Compass in PHSA and with Sodexo in FHA, VCHA and several stand-alone sites.

Overview of proposed, mediated agreement

Improvements to wages

The following increases cover HEU members employed by Compass in VIHA.*	
June 1, 2009	\$.30 per hour
October 1, 2009	\$.40 per hour
October 1, 2010	\$.45 per hour
October 1, 2011	\$.50 per hour
September 1, 2012	\$.05 per hour

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Compass in VIHA

Classification	June 1, 2009	October 1, 2009	October 1, 2010	October 1, 2011	September 1, 2012
Laundry/Housekeeping Aide	13.35	13.75	14.20	14.70	14.75
Laundry/HK Lead Hand †	14.55	14.95	15.40	15.90	15.95
Food General Help (Patient/Retail)	13.35	13.75	14.20	14.70	14.75
Food Lead Hand (Patient/Retail) †	14.55	14.95	15.40	15.90	15.95
Cook 1 (Patient)	18.22	18.62	19.07	19.57	19.62
Cook 2 (Retail)	16.41	16.81	17.26	17.76	17.81
Catering Associate *	13.95	14.25	14.40	14.70	14.75

†Hours worked as a Lead Hand will be paid at the Lead Hand wage.

* Catering Associate in VIHA is a grandfathered classification (employees in this classification were red-circled) – no new employees hired in this classification.

Improvements to benefits, sick days

- Improvements to sick leave was one of the top demands from the bargaining conference. Sick leave will increase from six to seven days on January 15, 2010 and from seven to eight days on January 15, 2011.
- Extended benefits premiums, including dental care and drug coverage increase from 70 per cent to 100 per cent employer-paid the first pay period after ratification.

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Improvements to benefits, sick days cont...

- Casual workers with one year service will now be eligible for benefits after working 20 or more hours per week for 13 weeks. *Improvements for casual workers are listed below.*
- Night shift premiums will increase from \$.50 per hour to \$.75 per hour on ratification.
- Afternoon shift premiums increase from \$.20 to \$.30 per hour as of September 1, 2012.
- For members who opt out of benefits coverage and want to re-enroll, the waiting period for reapplication will go from twelve to six months, effective the date of ratification.
- Eye exam reimbursement for eligible employees will be increased from \$35 to \$50 effective the date of ratification.
- Vision care coverage for eligible employees will increase from \$200 to \$250, every 24 months, effective on the date of ratification.

Improvements and workforce stabilization for casuals

- Casual employees with one year of service working 20 or more hours per week for 13 weeks will receive 100 per cent employer-paid benefits.
- A trial project to provide regular “float” positions to casuals will create regular schedules and consistent hours of work.

Stronger grievance procedure, better health and safety language, improved union management meetings

The proposed collective agreement contains new and strengthened language that gives workers more rights and opportunities to raise issues like workload, supplies shortages and training.

Union Management Committee meetings

- Monthly Union Management Committee meetings will be the place to bring member concerns regarding training and extended hours schedules.

Clear and improved grievance process to resolve issues

- A rewritten grievance procedure settles a previous disagreement between the union and the employer about the process. This will allow the union to resolve members’ grievances more quickly and effectively, using the process as a tool for improving members’ rights.

Local Occupational Health and Safety Committees

- A Letter of Understanding defines a process for identifying and filling vacancies on local joint occupational health and safety committees in a timely manner.

Central Occupational Health and Safety Steering Committee

- A joint Compass-HEU steering committee will be established to provide consultation and an opportunity to address health and safety matters arising in all Compass-HEU workplaces in B.C. The first meeting of this committee will take place by September 30, 2009.

Training (Article 17)

- Workers assigned to specialized cleaning areas will receive specialized training as needed.
- Employee or union concerns and issues about training will be brought forward to the Union Management Committee.

Workload and short staffing (Article 28.11)

- When the absence of one or more workers may create a significant increase in workload for other employees, the employer will be required to “attempt to resolve the matter.” This includes implementing a duty priority list, re-assigning work or calling in casuals.

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Stronger grievance procedure, better health and safety language, improved union management meetings cont...

Supplies (Article 36.03)

- Shortages of supplies, protective clothing or equipment shall be immediately reported to the supervisor.

Floaters (Article 12)

- There will be a six-month trial of floater positions implemented within 90 days of ratification, which will provide opportunities for employees to work in a variety of positions and shifts. At the conclusion of the trial, the company may consider posting permanent floater positions under the terms of Article 12.

Extended hours schedules

- Any concerns regarding the company's extended hours schedules may be brought to the attention of the Union Management Committee. The parties have reserved the right to grieve any unresolved issues.

Probationary period (Article 10)

- The probationary period will be reduced from 520 to 450 hours or six months, whichever comes first.

Seniority lists and seniority dates (Article 11)

- Seniority lists will be made available to the union in February, May, August and November of each year. (Previously, lists were made available twice per year.)

Vacation period (Article 26.02)

- Annual vacation requests will be submitted by January 31 each year and the employer will respond in writing by February 15.

Return to work (Article 28.11)

- Following an illness or injury, members will have the right to union representation at return-to-work meetings. The employer will confirm details of the return-to-work program in writing, with the employee. Return-to-work programs will recognize the specific needs of each individual employee.

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What progress was made towards a Living Wage?

HEU is committed to continuing the campaign for living wages for members employed by the Big 3, as well as in other sectors of the union.

The powerful work of the living wage campaign so far has been essential to achieving the wage increases in this agreement. And it's been a big part of mobilizing the community living wage campaign, which is now working with other union members in B.C. and across Canada.

What happens next?

The bargaining committee is asking members to vote yes to this proposed, modified agreement.

A vote supervised by the Labour Relations Board will be conducted later this month, and there will be voting opportunities at each worksite. Members will receive a schedule in advance of the dates. The union will be working with the LRB and Compass to coordinate this process.

HEU will be organizing information meetings prior to the votes. Meetings with local stewards are expected to begin July 15. Committee members will be available, along with HEU staff representatives, to answer members' questions at ratification vote meetings.

For more information about bargaining with Compass, contact your bargaining committee members or David Durning at 604-456-7020, toll-free 1-800-663-5813.

July 13, 2009