



2014 Negotiations Committee Members:

Ted Binnema (Chief Negotiator)
 Paul Bowles
 Darwyn Coxson
 Shannon Wagner
 Donna Plourde

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Dear Colleagues;

John Young, the Acting Provost at UNBC, recently sent out a very disingenuous statement to our members, the staff, and UNBC students—a statement that requires some clarification. That statement concerns the costs of the financial packages proposed by UNBC and the UNBC FA. It is important to be clear that the UNBC FA has tabled a two-year salary proposal, and that at the negotiating table the Administration has costed our two-year salary proposal at \$2.9 million. In fact, the method of costing the UNBC FA proposal “using the University’s best cost estimates,” as John Young claimed, actually required the Employer to pretend that our two-year proposal was in fact a five-year proposal, and to use PSEC’s unconventional cumulative cost-accounting methods. Allow me briefly to explain. Imagine that the total salaries at a workplace at the beginning of a contract are \$20 million. Assume that, because of salary increases, the salary mass grows by a million dollars in the first year, but there are no further raises in the life of the five-year contract (Figure 1).

Figure 1					
Year of contract	1	2	3	4	5
starting salary	\$20m	21m	21m	21m	21m
increase	1 m	0	0	0	0
Employer’s costing	1m	1m	1m	1m	1m

Total Employer costing: \$5 million

Using the costing method adopted by the Employer, that cost of that contract would be \$1 million x 5 years=\$5 million. To illustrate how erroneous such a costing is, let’s just play with the books a bit. Let’s say we add another ten years to the contract, without any raises. Clearly we have just given these employees a much worse contract, but the Employer would then insist that the cost of the contract is \$10 million. On the other hand, if we were to have two contracts, a one-year contract with a 1 million added to the payroll, and a four-year contract with no raises, the first contract would be costed at \$1 million, and the second contract costed at zero.



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It is highly regrettable that the UNBC Administration would choose intentionally to mislead its employees on the eve of our last-ditch efforts to avert a strike, We will, nevertheless, continue to behave with integrity tomorrow—and as long as it takes to negotiate a contract.

Ted Binnema
Chief Negotiator