

**Jurisdictional
Assignment Plan
of the BC Construction Industry**

Annual Report

2020

Jurisdictional Assignment Plan of the BC Construction Industry

June 2021

British Columbia Building Trades Council and affiliate unions

and

Construction Labour Relations Association of British Columbia and
member companies

Dear Interested Parties,

Attached for your information is a copy of the Annual Report of the Jurisdictional Assignment Plan of the British Columbia Construction Industry. It covers the period January 1 to December 31, 2020.

The Plan, which has been a success since its inception, is now in its forty-third year and we would like to again acknowledge the participation and contribution of all member organizations.

On behalf of the Joint Administrative Committee and the Board of Directors,



Ken McCormack, Co-Chair,
Joint Administrative Committee
& Board of Directors



Neil Munro, Co-Chair,
Joint Administrative Committee
& Board of Directors

Annual Report for 2020

Introduction

Through annual reports, issued for every year starting with 1978, the Plan's Joint Administrative Committee (JAC)/Board

of Directors and the Umpire, provide contractors and unions with information on the current state of the Plan, along with important developments affecting the Plan and the assignment of construction work in British Columbia.

This report, like reports before it, covers administrative matters and an accounting of the financial activities and health of the Plan. As well, the reader will find also information on any applications and on decisions issued by the Umpires, along with information on decisions of the Appeal Board and on work stoppages should there have been any.

Three appendices are attached to the report. They are the "**Report of the Auditor**" for 2020, "**Statistics**" and the latest "**List of Recent Decisions**".

Each year, there are many who are new to unionized construction and to the British Columbia Plan. It is therefore always useful to repeat, essentially verbatim, a short history of the Plan, for which we remain indebted to the second and longest serving Umpire, Mr. Lorne Collingwood, who retired in mid 2013 and who played a major role in its successful evolution (see 2013/2014 report.)



A Lesson in History

The fruit of more than a decade of negotiations, the office of the Jurisdictional Assignment Umpire opened its doors on the 3rd of January, 1978. Finally, contractors and unions had reliable local machinery for settling jurisdictional disputes, so prevalent and so destructive at the time. In the Plan's tenth anniversary report, it was noted that, back in 1978, *"it was by no means a certainty that the plan would survive"*. But, by age ten, it was clear that the JAplan had done a whole lot more than just survive. ¹ The office of the Umpire had gained credibility and the Plan for that reason had gained widespread support in British Columbia. There had been, clearly and obviously, an important turning away from the use of brute force in jurisdictional disputes. Hundreds of jurisdictional issues had been settled in that ten-year period, including a number of chronic issues. And, much having been settled, there was an important decline in the number of jurisdictional disputes.



By age twenty, it had become clear that the Plan was doing all that it was designed to do with one exception, that being its application to any and all of construction's jurisdictional disputes. That said, it was by then clear that work assignment disputes were at least being settled *"through the force of argument as opposed to brute force, work stoppages and the like."* It was clear and obvious that something outstanding had been accomplished. At one time the hotbed for jurisdictional conflict in all of Canada and, debatably, all of North America, construction in British Columbia had reached the point where it was virtually free of work stoppages, indeed, conflict of any sort.

That continues in the fifth decade - very few disputes and no work stoppages.

¹ A large number of individuals are responsible for the plan's success. Just a few of the industry people making important contributions to the plan were the late Larry Anderson, Neale Carey, the late Chuck Connaghan, the late Ray Gall, the late Roy Gautier, the late Hank Goodman, the late Jim Kinnaird, the late Jim McAvoy, the late Al McMurry, Chuck McVeigh, the late Bob Morrison, the late Don O'Reilly, Charlie Peck, the late John Shibli, the late Cy Sloan, the late Cy Stairs and the late Eldon T. Staley. The plan also received crucial support outside of the industry; from the 1975-76 *Special Commission of Inquiry into British Columbia Construction*; two Ministers of Labour, the Honourable William S. King and the late Honourable Allan Williams; and from Paul Weiler, Chair of the Labour Relations Board of BC from 1973 to 1978.

The Plan Today

The Directors

The Jurisdictional Assignment Plan now operates as a not-for-profit society, the Society for the Jurisdictional Assignment Plan of the BC Construction Industry (“the Society”). It has done so since January of 2007. The objectives of the Society are those of the Plan itself.²



The Society is governed by a ten-person Board of Directors. The Board of Directors and the Plan's Joint Administrative Committee are now one and the same for all practical purposes. The parties to the Plan, originally the British Columbia and Yukon Territory Building and Construction Trades Council (today the "BC Building Trades") and the Construction Labour Relations Association of British Columbia ("CLR"), each appoint five directors.

The Board of Directors is responsible for the effective administration of the Plan.³ The Directors have the power to act for the Society and have all of the powers of the Society. They may not amend the Plan, that being responsibility of the parties. However, they may do anything else that is both reasonable and consistent with the intent and purpose of the Plan.

²Article II -- Objects

The parties to this Agreement dedicate their efforts to improving the construction industry by providing machinery for the handling of disputes over work assignments without strikes or work stoppages, thus stabilizing employment in the industry and at the same time increasing both its efficiency and capacity to furnish construction services to the public at reasonable cost.

- To provide a qualified and competent service to both Contractors and Unions within the Province of British Columbia to facilitate resolving jurisdictional disputes at the source.
- To provide ways and means to expeditiously process jurisdictional disputes and enable the parties to fulfil their responsibilities as required herein.
- To prevent jurisdictional disputes from arising on projects.
- To eliminate unnecessary delay and expense.

³ More specifically, the Directors establish procedural regulations and administrative practices as are required for the effective administration of the plan. To that end, they pay the plan's bills, contract for Umpire services and provide office space, equipment and staff for the Umpire and the J.A.P. Appeal Board. Beyond that, they monitor decisions and contributions and they control spending.

The Board of Directors (as of December 31, 2020)

K. McCormack	Co-Chair
J. Paquette	Co-Chair
E. Akelaitis	Director
M. Asselstine	Director
K. Backman	Director
R. Bizzutto	Director
C. Longmuir	Director, Treasurer
W. Mills	Director
N. Munro	Director, Secretary
M. Saggu	Director

The Co-Chairs alternate each year in the positions of Board Chair and Vice Chair. In 2020, Ken McCormack, the President of CLR, served as the Chair. Jim Paquette, Business Manager and Financial Secretary Treasurer, Sheet Metal Workers, Local 280, served as the Plan’s Vice-Chair.

The Board of Directors generally meets bi-monthly. One regular meeting was cancelled due to collective bargaining commitments of several Directors and another due to vacation conflicts. Ad hoc meetings were held as required, including for instance, to discuss the accumulated surplus (see later sections.)

Bruce Smith, Director/Treasurer resigned in June 2020. Directors Mike Asselstine and Wayne Mills retired at the end of 2020. Director and Co-Chair Jim Paquette announced his pending retirement at the end 2020 but kindly agreed to stay on until his replacement was selected.

The current Directors are indebted to these long serving Directors for their dedicated service to ensuring the viability and integrity of the Plan. The current the Directors and Umpire are additionally indebted to Mr. Paquette for his leadership and wise stewardship over many years in the role of Co-Chair.

Administration

Day to day administration continued to be carried out in 2020 by a part-time Administrative Umpire (“the Umpire”), a part-time Administrative Assistant and contracted services from the firm of D.A. Townley, pension fund and group health plan administrators. Cheque signing authority remains with the Board of Directors. Cheques require the signatures of two Directors.

D.A. Townley receives the money that is to be paid to the Plan under the industry’s collective agreements. It has been doing so since 1977.⁴ The firm provides the Directors with a monthly accounting of the contributions received and any that are outstanding. (Currently, as will be discussed later in this report, the Parties have agreed to suspend contributions to the Plan because of a surplus. However, the hours worked by each trade continue to be reported through D.A. Townley, with oversight and support from the Umpire’s office.) D.A. Townley also provides the Directors with monthly financial reports and other reports or services that are required.

With the support of the Plan’s Administrative Assistant, the Umpire manages the rest of the administrative functions including general communications and any pre or post hearing communications with the parties in connection with a dispute. The Umpire also provides reports to the Directors on trends and decisions, along with analysis of issues and developments which may affect the Plan. He helps the Co-Chairs set the agenda for the Directors meetings, attends the meetings in an *ex-officio* capacity and takes action to implement decisions.

As noted in the consolidated annual report for 2013 and 2014, the Directors decided to operate with a small roster of contract, on-call Adjudicative Umpires, whom the Administrative Assistant could draw upon as cases came in. This decision coincided with the retirement of full time Umpire in mid 2013. It reflected the success, over the decades, of the Plan and the parties reducing the number of disputes requiring a formal decision, from dozens in the early years to a handful annually in most of the recent years⁵.

In 2020, the two adjudicative Umpires on the on-call roster continued to be Joe Pinto, a senior consultant, part-time arbitrator and former Chief Review Officer at WorkSafeBC, and Ken Saunders, mediator and arbitrator and a former Vice Chair of the Labour Relations Board. Mr. Pinto, who returned to WorkSafeBC in 2020 in a temporary, part-time, senior role, also serves as the Plan’s part-time Administrative Umpire.

Wendy Mazur, formerly the office administrator at the CLR for many years, continued as the Plan’s part-time Administrative Assistant in 2020.

⁴ Funding is set out in collective agreements. Contractors contribute \$.01 for every employee hour of work.

⁵ In the year prior to Mr. Collingwood's retirement, there was only one dispute that required a decision.

Report of the Auditor

In accordance with requirement of the *Societies Act*, an auditor must conduct an audit of the Plan's financial records every year. The 2020 audit was again performed by the firm of d'Abadie Moody, Chartered Accountants. Their report, which is the first of the three appendices that follow this report, provides their opinion that *“the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with accounting standards applicable for not-for-profit organizations (ASNPO).”*

The financial statements reveal that as in 2019, no contributions were received in 2020. This compared to the \$60,838 which was received in contributions in 2018. The corresponding amounts were \$181,233 in 2017 and \$182,096 in 2016.

Interest income in 2020 was \$20,501, up from \$16,545 the previous year.

As reported last year, the significant decline in contributions in 2018, 2019 and 2020 was intentional and resulted from the parties to the Plan agreeing to a one-year suspension in contributions, from May 1, 2018 until April 30, 2019, again from May 1, 2019 to April 30, 2020 and finally, again from May 1, 2020 until April 30 2021. The suspension, which will be discussed further under “Issues of Concern to the Directors”, was agreed to in an effort to address the Plan’s accumulated surplus.

The statements also show that expenditures decreased to \$75,282 in 2020 from \$84,429 in 2019. This compared to \$82,646 in 2018, \$71,383 in 2017 and \$ 81,085 in 2016. There were no disputes requiring a hearing in 2020, compared to one in 2019, two in 2018, one in 2017 and none in 2016. The decrease in expenditures in 2020 was primarily the result of a decrease in Umpire and professional fees offset by an increase in fees paid to DATownley. There were, again, no Appeal Board fees in 2020.

With revenues being significantly less than expenses for the second year in a row, the Plan's surplus (unrestricted net assets) dropped to \$886,492. The surplus was \$941,273 in 2019, \$1,009,157 in 2018, \$1,015,927 in 2017 and \$888,353 in 2016.

The drop in the surplus continues to respond to the Auditor’s suggestion in their 2016 report, that the Directors determine what the surplus should be and then develop a plan to maintain the surplus at that level. In response, the Directors established that an operating reserve of around \$350,000 should be reasonable to meet the Society’s needs.

In the 2017 report, under **Subsequent events**, the Auditors reported as follows:

Jurisdictional Assignment Plan of the BC Construction Industry

Subsequent to year-end, the directors of the Society, the British Columbia and Yukon Territory Building and Construction Trades Council, and the Construction Labour Relations Association of BC agreed that contributions to the Society will be suspended from May 1, 2018 to April 30, 2019 in order to reduce the Society's surplus.

In the 2018 report, the Auditors again reported on the suspension but without additional comment.

In 2019, in their cover letter, the Auditor's commented as follows:

Similar to previous years, we noted that the Society has accumulated significant net assets. The Society's net assets at Dec 31/19 were just under one million dollars which was enough to cover over 10 years' worth of expenditures. We understand that the directors have implemented the contribution holiday and are looking at other ways to reduce the surplus.

In the 2020 report, using similar language, the drop in surplus to \$886,492 was commented on.

As noted earlier, the surplus will be discussed later in the report.

The Settlement of Disputes

Resolving jurisdictional disputes remains the *raison d'être* of the Plan. As noted in previous reports, except for the years 2013, 2014 and 2015, the number of jurisdictional disputes has been relatively low for more than a decade now.



In 2017, while there were three new applications received, only one proceeded to the hearing stage and it was settled through an on-the-spot mediation. In the 2018, there were two applications requiring an Umpire decision, one of which also triggered a reconsideration application and decision and an Appeal Board application and decision. In 2019, there was only one application and it required an Umpire decision. In 2020, two applications were received but no hearings or Umpire decisions were required.

In 2015, by comparison, the Umpires decided six new disputes (two were decided in one decision), three reconsideration requests and there were three additional applications which were withdrawn. 2014 saw an even higher number of applications and decisions. 2015 was the last year of the Rio Tinto Alcan smelter modernization project (KMP) in Kitimat BC.

The continuing low levels of disputes (except for the spike related to the sheer size of the KMP) remains reassuring to the Directors and undoubtedly to the parties and to British Columbians generally. A low volume of jurisdictional disputes and a prompt and robust mechanism for resolving those that do occur are an important part of a thriving construction industry.

As was also stated in previous years, the main reason for the low volumes is that much of what needed to be settled has been settled. There is a body of over a thousand Umpire decisions to guide the parties, Contractors continue to make careful and more accurate assignments and Unions often resolve disputes directly with Contractors or each other.

A further positive development in 2020 saw additional attention being paid to proactive jurisdictional dispute prevention and resolution on some of the projects being administered under the Community Benefits agreement infrastructure.

Appeals

There were no appeals heard by the JAplan Appeal Board in 2019 or 2020. There was one appeal heard in 2018. There were none in 2016 and 2017.

Members of the JAplan Appeal Board (as of December 31, 2020)

G. Kroeker	Chair
B. Smith	Chair
B. Adamson	Member
G. Forcier	Member
B. Hart	Member
R. Hill	Member
L. Loftus	Member
C. McCabe	Member

Recourse Provisions

In 2015, following Umpire decisions 15-03 and 15-03R, there was one application, using the recourse provision of the JAplan, to the *Plan for the Settlement of Jurisdictional Disputes*, often referred to as the BTB Plan or the Canadian Plan. (An application by a party using the recourse provision does not constitute a formal appeal of Umpire decisions but can create a different result.)

There have been no similar applications since then.

Issues of Concern to the Directors

Accumulating surplus

As noted in the four previous reports, the Plan's Directors have focused a significant amount of their attention in recent years on the Plan's accumulated financial surplus which sat at \$1,015,927 at the end of 2017, \$1,009,127 at the end of 2018, \$941,273 at the end of 2019 and which again dropped in 2020, to \$886,492.



A detailed description of how the surplus arose and the attempts to deal with it are contained in the 2017 report. In brief, the surplus arose for two main reasons:

- a) Higher contributions during the Kitimat Modernization Project (KMP) which ran from 2013 – 2015. Contributions averaged \$231,000 per year in those three years compared to an average of \$176,000 per year in the preceding eight years, 2005-2012. Contributions then settled in to an average of approximately \$180,000 between 2015 and 2017.
- b) The transition, in mid-2013, from a full-time salaried Umpire to on-call, adjudicative Umpires (paid on a per case basis) plus a part-time, 2 days per month, Administrative Umpire. The average annual administration cost dropped to \$115,000 from 2013-2015 compared to \$170,000 in the eight years before that. This drop occurred despite there being a fairly large number of cases requiring hearings and decisions in 2014 and 2015. There was a further drop to an average of around \$80,000 from 2016-2019. This was the result of a return to a low volume of disputes, post KMP.

As reported last year, after several attempts, an agreement was eventually reached between the parties (Building Trades and CLR) in early 2018, to suspend contributions for hours worked from May 1, 2018 to April 30, 2019. In 2019, the parties agreed to a further suspension, from May 1, 2019 to April 30, 2020. In 2020, a similar agreement extends the suspension until April 30, 2021.

Had these agreements not been reached, it appears the surplus would have grown to around \$1.3 million. Instead, it sits at \$886,492. However, by the time the current suspension ends, it will still remain close to \$500,000 over the \$350,000 that the Plan Directors consider to be a reasonable operating reserve.

With that in mind, and due to the complexities associated with these contributions being part of a collective agreement framework, the Directors were hopeful that the Parties would be able to

turn their attention to this issue well prior to the April 30, 2021 expiration of the contribution suspension period.

As of the end of 2020, at least in part due to continuing distraction of dealing with the Covid 19 pandemic, the Parties had not resolved how to proceed after April 30, 2020. Subsequent events related to the surplus will be reported in next year's Annual Report.

As noted in the 2018 report, the Directors also took steps late in 2018 to address concerns expressed, especially by the BC Building Trades, that accurate reporting of hours worked by each union needed to be maintained even while contributions were suspended.

In 2019 and 2020, the Umpire's office, through the Plan's administrative staff continued to provide oversight and to assist D.A. Townley staff to ensure that late or incomplete reporting was promptly addressed or escalated.

Reporting continued to the satisfaction of the Plan Directors and the parties throughout 2020.

Inconsistencies between the BC and National Jurisdictional Dispute Resolution Plans.

As reported in previous years, these inconsistencies remain a matter of concern to the BC JApplan Directors due to the possibility of different results depending on which mechanism is used.

However, no issues have arisen because of these inconsistencies between 2016 and 2020. This could be the result of the low volume of disputes. Regardless, no steps have been taken in recent years to try to address them.

New developments in 2020

Covid 19 pandemic

Despite the pandemic's massive impact on the lives and health of British Columbians and despite the devastating impact on some sectors of the economy, the impact on the Construction Industry was relatively minor at least when measured by the number of hours worked. While significant precautions had to be taken and some delays were experienced, most major projects were able to continue.



The Plan's operations were likewise minimally impacted. Staff were already working from home as the Plan does not operate from office space. Directors continued to meet but met remotely instead of in person. Hearings were not required but the option was to hold them remotely if required.

JA Plan Procedural Rules Review Project (PRRP).

As was reported last year, this project built on the success of the previously reported project on minor rule changes, which were approved by the Directors and the parties and implemented in 2016.

In 2018, Directors approved an Umpire proposal for a PRRP to take advantage of the relative quiet and look for opportunities to further improve the procedural and housekeeping aspects of the Rules and also to try to provide guidance to Umpires and the parties on some of the less contentious items in the Rules.

The Directors established a working group of four Directors – two contractor and two union – and the Umpire. Their unanimous recommendations were approved by the Directors at their December 2018 meeting, with the intent they be forwarded to the parties for their consideration and approval.

However, one recommendation had been held in abeyance pending the work of the Government appointed Labour Code review panel. Noting the Review Panel did not address the issue that the Directors had held in abeyance, they subsequently considered the recommendations again in 2019 and added the one recommendation that had been held in abeyance.

The package of recommendations was then forwarded to the BC Building Trades and CLR Boards for their approval, which both provided in the latter half of 2019.

When reviewing the final package at their December meeting, prior to approval for signing, printing

Jurisdictional Assignment Plan of the BC Construction Industry

and website posting, the Directors thought it prudent to ensure that one of the agreed to changes would not have unintended consequences.

The Umpire was asked to investigate and report back in early 2020. This investigation was subsequently done and did not result in any further changes. The revisions were approved in March of 2020.

The revised procedural rules are posted on the Plan's website. For convenience, booklets were also printed and distributed to participating Contractors and Unions.

Concluding Remarks

In the last report, the following quote from past reports was included:

The industry, for reason of its complexity and the need for specialization, is organized along craft lines. And craft unions require machinery for settling jurisdictional disputes. They compete for work. And they must protect the employment opportunities of their members.



There is no better way to settle jurisdictional disputes than the Jurisdictional Assignment Plan of the BC Construction Industry, a Plan that is now thirty-eight⁶ years old. The Plan is a shining example of what labour and management can accomplish if and when they decide to work together for the purpose of achieving a common goal.

This remained true again in 2020. There were only two disputes that resulted in applications being filed but no hearings, decisions, reconsiderations or appeals were required.

Recent history continues to show that the parties are resolving most matters themselves and the Plan is generally only being called upon when the parties are unable to deal with new issues in large scale projects. Even with the latter, the small number of disputes requiring an Umpire relative to the number of hours of work, confirms a higher level of collaboration in an industry that was not known for collaboration in earlier decades.

With other major or mega projects now underway or looming, the Plan continues to be well positioned to assist with quickly resolving any disputes that do occur. As noted last year, such disputes in these projects will likely only occur where newer technologies or processes are involved. Even then, it is expected that those will remain small in number in comparison to the hours worked.

The continued calm in the worksites has allowed the Umpire and Directors to build on the Plan's infrastructure and to modernize its procedural rules. It has also allowed the Directors and the Parties to address the Plan's accumulating financial surplus which itself is an indicator of the Plan's continuing success.

⁶ Forty-three years in 2020

Appendix 1

Report of the Auditor

FINANCIAL STATEMENTS OF

**SOCIETY FOR THE JURISDICTIONAL ASSIGNMENT PLAN
OF THE B.C. CONSTRUCTION INDUSTRY**

December 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Society for the Jurisdictional Assignment Plan of the B.C. Construction Industry

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Society for the Jurisdictional Assignment Plan of the B.C. Construction Industry, which comprise the statement of financial position as at December 31, 2020, and the statement of operations and changes in fund balance for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with accounting standards applicable for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.



INDEPENDENT AUDITOR'S REPORT, continued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

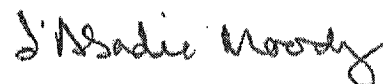


INDEPENDENT AUDITOR'S REPORT, continued

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that in our opinion, the accounting principles have been applied on a basis consistent with that of the preceding year.

Langley, British Columbia
April 20, 2021



Chartered Professional Accountants



d'Abadie Moody inc.




**SOCIETY FOR THE JURISDICTIONAL ASSIGNMENT PLAN
OF THE B.C. CONSTRUCTION INDUSTRY
STATEMENT OF FINANCIAL POSITION**

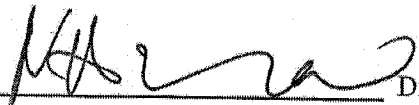
As at December 31, 2020

	2020	2019
ASSETS		
Current		
Cash and cash equivalents	\$ 305,925	\$ 211,533
Interest receivable	6,673	5,734
	<u>312,598</u>	<u>217,267</u>
Investments (Note 3)	580,654	730,654
Capital assets (Note 4)	215	300
	<u>\$ 893,467</u>	<u>\$ 948,221</u>
LIABILITY		
Current		
Accounts payable and accrued expenses	\$ 6,975	\$ 6,948
FUND BALANCE		
UNRESTRICTED NET ASSETS	<u>886,492</u>	<u>941,273</u>
	<u>\$ 893,467</u>	<u>\$ 948,221</u>

Approved by the board



Directors



Directors

See accompanying notes to the financial statements

**SOCIETY FOR THE JURISDICTIONAL ASSIGNMENT PLAN
OF THE B.C. CONSTRUCTION INDUSTRY
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
Year ended December 31, 2020**

	<u>2020</u>	<u>2019</u>
REVENUES		
Interest	\$ 20,501	\$ 16,545
EXPENDITURES		
Administration fees	15,750	11,340
Amortization	85	85
Employee benefits	3,681	4,275
Office and sundry	939	888
Professional fees	6,306	8,512
Supplies, stationery, postage and printing	1,862	1,122
Telephone	4,578	3,717
Umpire fees	25,200	37,485
Wages and vacation pay	15,773	15,783
Website	1,108	1,222
	<u>75,282</u>	<u>84,429</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(54,781)	(67,884)
UNRESTRICTED NET ASSETS, beginning of year	<u>941,273</u>	<u>1,009,157</u>
UNRESTRICTED NET ASSETS, end of year	<u>\$ 886,492</u>	<u>\$ 941,273</u>

See accompanying notes to the financial statements.

**SOCIETY FOR THE JURISDICTIONAL ASSIGNMENT PLAN
OF THE B.C. CONSTRUCTION INDUSTRY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020**

1. Description of the Society

The Society was incorporated on December 19, 2006 under the Society Act of British Columbia and commenced operations on January 2, 2007.

The Society replaced the Jurisdictional Assignment Plan of the British Columbia Construction Industry in performing arbitration services to both contractors and unions to facilitate resolving jurisdictional disputes and to enable the parties to fulfill their responsibilities under the memorandum of understanding establishing the plan and the procedural rules agreed upon by Construction Labour Relations Association of British Columbia and British Columbia and Yukon Territory Building and Construction Trade Council.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Cash equivalents

Cash equivalents consist principally of money market funds and other highly liquid interest-bearing instruments with original maturities of three months or less.

(b) Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided for using the straight line basis over ten years on furniture and fixtures.

(c) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

**SOCIETY FOR THE JURISDICTIONAL ASSIGNMENT PLAN
OF THE B.C. CONSTRUCTION INDUSTRY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020**

3. Investments

Investments consist of VanCity term deposits with three year terms with interest rates escalating from 1.2% per annum in the first year to 3.65% in the third year.

4. Capital assets

	2020		2019	
	Cost	Accumulated amortization	Net Book Value	Net Book Value
Furniture and equipment	\$ 852	\$ 637	\$ 215	\$ 300

5. Contributions

The directors of the Society, the British Columbia and Yukon Territory Building and Construction Trades Council, and the Construction Labour Relations Association of BC agreed to suspend contributions to the Society from May 1, 2018 to April 30, 2021 in order to reduce the Society's surplus.

6. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the Society is a going concern and thus expects to fully repay the outstanding amounts.

(b) Foreign exchange risk

The Society is not exposed to foreign exchange risk.

(c) Credit risk

The Society does not have credit risk.

**SOCIETY FOR THE JURISDICTIONAL ASSIGNMENT PLAN
OF THE B.C. CONSTRUCTION INDUSTRY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020**

6. Financial instruments, continued

(d) Concentration of credit risk

The Society does not have concentration risk.

(e) Liquidity risk

The Society does have a liquidity risk in the accounts payable and accrued expenses of \$6,975 (2019 - \$6,949). Liquidity risk is the risk that the Society cannot repay its obligations when they become due to its creditors. The Society reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate funds to repay creditors as they become due. In the opinion of management the liquidity risk exposure to the Society is low and is not significant.

(f) Interest rate risk

Fluctuations in interest rates have a direct impact on the interest income earned by term deposits. As at December 31, 2020, a 1% change in interest rates would result in a corresponding impact of approximately \$7,000 (2019: \$7,000) in interest income from term deposits.

7. Disclosure of Remuneration as required under the British Columbia Societies Act

During the year the Society did not pay any directors fees.

During the year the Society did not have any employees who received remuneration in excess of \$75,000.

Appendix 2

Statistics

- Part I Applications – All Types
- Part II Applications for Work Assignments
- Part III Reconsideration of Decisions
- Part IV Work Assignments
- Part V Work Stoppages

PART I. APPLICATIONS

The Flow of Applications -- All Types (2001 – 2016)

2001	25	2008	-	2015	12
2002	8	2009	2	2016	-
2003	12	2010	5	2017	3
2004	6	2011	8	2018	2
2005	6	2012	3	2019	1
2006	6	2013	4	2020	2
2007	1	2014	16		

Type of Application Handled

	2016	2017	2018	2019	2020
To direct contractor to issue an intended assignment	-	-	-		
Complaint of a violation of the Procedural rules	-	-	-		
For an assignment by the Umpire	-	3	2	1	2
For other decisions on jurisdiction	-	-	-		
For reconsideration of a Decision by the Umpire	-	-	-		
Compliance with the JAplan	-	-	-		
Other	-	-	-		
Total	-	3	2	1	2

**Jurisdictional Assignment Plan of the
BC Construction Industry**

The Applicants

	2016	2017	2018	2019	2020
Boilermakers	-	-	-		
Bricklayers	-	-	-		
Carpenters - CMAW	-	-	-		
Carpenters - UBC	-	-	-		1
Elevator Constructors	-	-	-		
Hotel & Restaurant Workers	-	-	-		
IBEW	-	-	-		1
Insulators	-	1	1		
Iron Workers	-	-	-		
Labourers	-	-	-		
Operating Engineers	-	-	1		
Painters & Allied Trades	-	-	-	1	
Plasterers & Cement Masons	-	-	-		
Sheet Metal Workers	-	1	1		
Teamsters	-	-	-		
United Association	-	-	-		
Total number filed by unions	-	2	2	1	2
by contractors	-	1	-	-	
Grand Total	-	3	2	1	2

PART II. APPLICATIONS FOR WORK ASSIGNMENTS

Frequency that Unions were Party to a new Dispute:

	2016	2017	2018	2019	
Boilermakers	-	1	-		
Bricklayers	-	-	-		
Carpenters	-	-	1		1
Elevator Constructors	-	-	-		
Hotel & Restaurant Workers	-	-	-		
IBEW	-	-	-		1
Insulators	-	2	1		
Iron Workers	-	1			1
Labourers	-	-	1	1	
OPEIU	-	-	-		
Operating Engineers	-	-	1		
Painters & Allied Trades	-	1	-	1	
Plasterers & Cement Masons	-	-	-		
Sheet Metal Workers	-	1	-		
Teamsters	-	-	-		
United Association	-	-	-		1

*Although this union filed 6 applications in 2014, the applications revolved around 2 disputes

Settlement of new Disputes:

	2016	2017	2018	2019	2020
Dismissed	-	-	-		
Withdrawn (no settlement)	-	-	-		1
Parties reached understanding	-	3	-		1
Decision by Umpire	-	-	2	1	
Other	-	-	-		
Total	-	3	2	1	2

* there were also reconsideration, compliance and complaint applications

PART III. RECONSIDERATIONS

Disposition of Applications:

	2016	2017	2018	2019	2020
Dismissed	-	-	-	-	
Withdrawn	-	3 ⁷	-	-	
Review undertaken	-	-	1	-	
Total	-	3	1	-	-

Outcome of Review:

	2016	2017	2018	2019	2020
No change	-	-		-	
Initial ruling altered	-	-	1	-	
Total	-	-	1	-	-

PART IV. ASSIGNMENTS BY UMPIRE

Impact of Assignment:

	2016	2017	2018	2019	2020
No change	-	-	1	1	
Contractor's award revised	-	-	1		
Total	-	-	2	1	-

PART V. REPORTED WORK STOPPAGES

List of Work Stoppages:

No work stoppages in 2010.

No work stoppages in 2011.

No work stoppages in 2012.

No work stoppages in 2013.

No work stoppages in 2014.

No work stoppages in 2015.

No work stoppages in 2016.

No work stoppages in 2017.

No work stoppages in 2018.

No work stoppages in 2019.

No work stoppages in 2020.

⁷ In one case a hearing was held but the matter was settled and withdrawn without the Umpire needing to issue a decision

Appendix 3

List of most recent Decisions

Note: The most recent decisions are from 2015 as there were no new applications in 2016

Decision number: 15-01
Applicant Union: International Union of Operating Engineers, Local 115
Respondent Union: The International Brotherhood of Electrical Workers, Local 993
Contractor: Houle Electric Ltd.
Disputed work: Operation of Telehandlers
Umpire Decision: Based on Decisions of Record and previous Impartial Board and Umpire Rulings, the Umpire:

- 1) Left the use of telehandlers with the IBEW for direct electrical work such as cabling, use as pulleys etc.
- 2) Left the use of telehandlers to transport or hoist other than electrical items with the IUOE.
- 3) Assigned the use of telehandlers for transport or hoisting of electrical materials to the IUOE but only if the work was of sufficient quantity in certain areas to warrant almost full time use of one or more IUOE members. Intermittent and infrequent movement of such materials by telehandlers was to remain with the IBEW.

Decision number: 15-02
Applicant Union: International Union of Operating Engineers, Local 115
Respondent Union: Pile Drivers, Divers, Bridge, Dock and Wharf Builders Local Union 2404 (Non –participating)
Contractor: Vancouver Pile Driving Ltd.
Disputed work: Front End ground work associated with the ground densification, vibro-compaction and stone column construction.
Umpire Decision: Insufficient evidence to support changing Contractor’s assignment. No agreements of record; submitted decisions of record do not apply; insufficient evidence of prevailing practice.

**Jurisdictional Assignment Plan of the
BC Construction Industry**

Decision number: 15-02 R
Applicant Union: International Union of Operating Engineers, Local 115
Respondent Union: Pile Drivers, Divers, Bridge, Dock and Wharf Builders Local Union 2404
(Non –participating)
Contractor: Vancouver Pile Driving Ltd.
Disputed work: Front End ground work associated with the ground densification, vibro-compaction and stone column construction.
Umpire Decision: Umpire confirmed that work in dispute was what he had found it to be.

He also confirmed that he had insufficient evidence to support changing Contractor’s assignment. Again, he found no agreements of record; decisions of record were again submitted but did not apply; significantly more evidence about prevailing practice was provided but was still insufficient evidence of a prevailing practice.

In addition, the situation with this contractor was different than for some of the other major contractors as this contractor was organized on a craft union basis.

Decision number: 15-03 (Compliance with Plan rules and new assignment)*
Applicant Union: The International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers, Local 97
Respondent Union: United Brotherhood of Carpenters and Joiners of America, Millwrights, Local 2736
Contractor: Bantrel Constructors
Disputed work: Installation of overhead crane rails.
Umpire Decision: The Umpire addressed, as the first issue, whether work had been reassigned, contrary to the Plan rules, after it had started and without the consent of the Unions or the direction of an Umpire. He concluded that there had not been a violation of Plan rules as there was change in contractor and a change in assignment was permitted.

On the second issue, he ruled that based on an international agreement between the two unions the remaining work was properly assigned by the Contractor and left it with the Millwrights.

* See also earlier discussion under Appeals for a subsequent development in this dispute.

**Jurisdictional Assignment Plan of the
BC Construction Industry**

Decision number: 15-03 R (Compliance with Plan rules and new assignment)*
Applicant Union: The International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers, Local 97

Respondent Union: United Brotherhood of Carpenters and Joiners of America, Millwrights, Local 2736

Contractor: Bantrel Constructors

Disputed work: Installation of overhead crane rails.

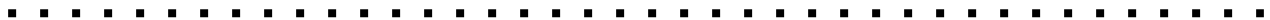
Umpire Decision: In his original decision, the Umpire addressed, as the first issue, whether work had in fact been reassigned, contrary to the Plan rules, after it had started and without the consent of the Unions or the direction of an Umpire. He concluded that there had not been a violation of Plan rules as there was change in contractor and a change in assignment was permitted.

On the second issue, he ruled that based on an international agreement between the two unions the remaining work was properly assigned by the Contractor and left it with the Millwrights.

On reconsideration, he came to the same conclusion after considering the previous and new grounds raised.

He therefore dismissed the Ironworkers application for reconsideration and uphold the intended assignment to the Millwrights in respect to the alignment, levelling and securing of the crane rail work.

* See also earlier discussion under Appeals for a subsequent development in this dispute



**Jurisdictional Assignment Plan of the
BC Construction Industry**

Decision number: 15-04 (complaint of reassignment, new application and a referral by contractor)

Applicant Union: The International Brotherhood of Boilermakers made the new application
The International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers, Local 97 filed the complaint

Respondent Union: The International Brotherhood of Boilermakers on the complaint

Contractor: Bantrel Constructors – the Contractor also referred the disputed work to the Umpire

Disputed work: Erecting fine coke silo, dust silo and baked scrap silo

Umpire Decision: The Umpire addressed, as the first issue, whether work a final assignment had been made by the previous contractor. The Umpire disagreed with the Boilermakers and the Contractor and concluded that the previous Contractor had made a final assignment.

The Umpire then concluded, as the Umpire had done in 15-03 and 15-03R that the new contractor could make a new assignment based on the wording of the BC JAplan. This was notwithstanding a recent ruling by the BTB Plan administrator (see narrative section of this report). He agreed with the Umpire’s conclusion in 15-03R that the wording in the BTB Plan was not the same as in the BC Plan and that where there were procedural conflicts in the rules in the two plans, the BC Plan must prevail. Noting that the differences in the plans were problematic, the Umpire offered suggestions to try and prevent potential problems until such time the difference in the Plan rules could be resolved.

The Umpire was also faced with the question of whether the Boilermakers could make application to the Umpire regarding the persisting dispute notwithstanding that they had been awarded the disputed work. Since the dispute was properly before the Umpire based on the Contractor’s referral, the answer to the question did not matter in this instance. However, the Umpire was of the view that the question could be answered in the affirmative given the wording of Article V 3 of the JAplan’s procedural rules.

The Umpire then dealt with the substantive question of the assignment. The Ironworkers chose not to submit on the actual disputed work, holding to their position that Umpire should not deal with work in dispute until it was returned to their union. The Umpire concluded that the evidence available supported the assignment of the work to the Boilermakers.



**Jurisdictional Assignment Plan of the
BC Construction Industry**

Decision number: 15-05 (Complaint about reassignment of work and a new application regarding the disputed work)

Applicant Union: The International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers, Local 97

Respondent Union: United Brotherhood of Carpenters and Joiners of America, Millwrights, Local 2736

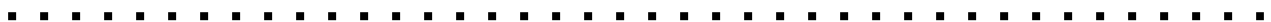
Contractor: Bantrel Constructors

Disputed work: Rigging dispute associated with the installation of metal vent pipe support brackets

Umpire Decision: The Umpire determined that the Contractor had properly assigned the work in the first instance in accordance with the 1971 agreement between these unions. This called for a composite crew of equal numbers (in this instance the Contractor started with 2 and 2). The Umpire did not consider that there was change of assignment when, as result of there bring less work left to do, the Contractor reduced the composite crew (to 1 and 1).

With so little work remaining and with consideration for efficiency and capacity to furnish construction services to the public at reasonable cost, the Umpire determined that the Contractor had made a fair attempt to live to the spirit of agreement by giving half the disputed work to the Millwrights and half to the Ironworkers.

The Contractor was cautioned, however, to ensure that the equal numbers from each union were maintained for the completion of the remainder of the disputed work.



**Jurisdictional Assignment Plan of the
BC Construction Industry**

Decision number: 15-05 R

Applicant Union: International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers, Local 97

Respondent Union: United Brotherhood of Carpenters and Joiners of America, Millwrights Local 2736

Contractor: Bantrel Constructors

Disputed work: Rigging dispute associated with the installation of metal vent pipe support brackets

Umpire Decision: The Umpire indicated that with so little work now left to do, it would be pointless to change assignment. He also determined that he did not have a basis to change the assignment in any event.

He came to same conclusion as before, namely that the 1971 agreement applied. The work in dispute was not, in the Umpire’s view, an item named in the 1968 agreement.

He noted the Contractor’s reassurance that the composite crew ratio would be maintained.



Decision number: 18-01

Applicant Union: International Union of Operating Engineers, Local 115

Respondent Union: Construction & Specialized Workers Union, Local 1611; International Brotherhood of Electrical Workers, Local 993 (did not participate)

Contractor: Frontier-Kemper/Aecon JV

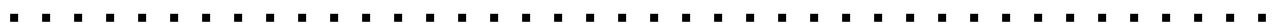
Disputed work: Operation of the Tunnel Boring Machine and Skidsteers, Telehandlers and Counter Balance Forklifts.

Umpire Decision: Based on the evidence before him, the Umpire decided that:

- neither the Joint Venture, nor Frontier-Kemper by itself, nor Aecon by itself, were CLR members,
- they did not have collective agreements with the Unions involved which contained the JAplan and
- they therefore were not participating contractors within the meaning of the Plan.

As a result, he did not have jurisdiction to resolve this particular dispute.

The Umpire also concluded he did not have jurisdiction to decide if a 2009 Poly Party agreement between the three Unions was still binding on these Unions when they take on work with Frontier Kemper Constructors U or its successors.



**Jurisdictional Assignment Plan of the
BC Construction Industry**

Decision number: 18-02
Applicant Union: International Association of Insulators and Asbestos Workers, Local 118
Respondent Union: BC Regional Council of Carpenters
Contractor: Bantrel Constructors Co. and Safway Services Canada
Disputed work: Complaint of Reassignment of Cryogenic Insulation
Umpire Decision: The Umpire decided that he did have jurisdiction to deal with the Insulators complaint.

However, on examination of the evidence, he found that that the evidence did not support the Insulators claim that they were actually awarded the work directly by Bantrel in the first instance. The evidence available to the Umpire showed that Bantrel always intended to contract the work and did indeed contract the work to Safway. Safway did the work in 2016 and 2017, using Insulators, pursuant to a PLA (between Safway, the Insulators and the Carpenters) which was in effect at the time. It was agreed that that PLA was no longer in effect in 2018 when Safway began to do the do the additional work using BCRCC members.

The Umpire concluded that although there were direct assignments of work to the Insulators by Bantrel, this particular work was not directly assigned to them. The Insulators complaint of an improper reassignment by Bantrel of assigned work was therefore dismissed.



Decision number: 18-02 R
Applicant Union: International Association of Insulators and Asbestos Workers, Local 118
Respondent Union: BC Regional Council of Carpenters
Contractor: Bantrel Constructors Co. and Safway Services Canada
Disputed work: Complaint of Reassignment of Cryogenic Insulation
Umpire Decision: In a lengthy decision, the Umpire continued to take jurisdiction and accepted an expansion of the Insulators’ original application to the effect that it was irrelevant who made the initial assignment. It was their position that one way or another there was an assignment and then a reassignment in violation of the Plan.

The Umpire continued to find that that Bantrel did not assign this work to the Insulators and therefore did not reassign it. He did find that Safway made the original assignment to the Insulators under a PLA and did offer the more recent 2018 work to them under the same PLA.

The Umpire also noted what while Insulators may have valid reasons for the position they took regarding the PLA, that was beyond his jurisdiction to decide. Additional work was offered by Safway and it was declined.

However, in order to comply with Article V, sec 4 of the Plan’s Procedural Rules, Safway needed either the agreement of both Unions or the direction of the Umpire before it could reassign the work. They didn’t have either.

In keeping with the Plan’s intention of quick resolution to these matters, he directed that Safway again offer any remaining cryogenic insulation work to the Insulators under the original PLA. If the Insulators maintained their position that they could not undertake the work under that PLA, he directed that Safway could reassign the work.

The Umpire noted that the historical information in submissions made in this case by the Insulators would be of value to Umpires in future cases.



**Jurisdictional Assignment Plan of the
BC Construction Industry**

Decision number: **Appeal Board #25**
Applicant Union: International Association of Insulators and Asbestos Workers, Local 118
Respondent Union: BC Regional Council of Carpenters
Contractor: Bantrel Constructors Co. and Safway Services Canada
Disputed work: Complaint of Reassignment of Cryogenic Insulation
Umpire Decision: The Appeal Panel indicated that were a number of factors that contributed to the final decision of the Umpire in 18-02 R and listed its findings on those ten factors.

It went on to conclude that having considering all the material submitted by the parties, along with the verbal presentations and questions and responses, the application to Appeal Decision 18-02 R was denied.



Decision number: **19-01**
Applicant Union: International Union of Painters & Allied Trades, IUPAT District Council 38
Respondent Union: Labourers International Union of North America, LIUNA Local 1611
Contractor: Wayru Contracting Ltd.
Disputed work: Complaint of Pot Tending Assigned to Labourers
Umpire Decision: Since the work is virtually complete, the Umpire left the work as assigned. However, if there is further pot tending work to be done on this particular project, the Contractor will need to assign it in accordance with Article V. section 3. This will including examining, to the best of his ability, whether there is a prevailing practice that has been clearly established and if so, following it. Failing that he is to use his best judgement in accordance with Section 3. The question of the use of local versus non-local labour is outside of the Umpire’s scope and best resolved by the parties.

