

**IN THE MATTER OF
THE *FEDERAL PUBLIC SECTOR LABOUR RELATIONS ACT*
and a Request for the Establishment of a Public Interest Commission affecting
the Public Service Alliance of Canada, as Bargaining Agent,
and the Staff of the Non-Public Funds, Canadian Forces, as Employer,
in respect of the bargaining unit composed of the Operational Category, Canadian
Forces Base, Trenton**

Before: Jesse Kugler, Chairperson,
Sébastien Huard, Employer nominee,
Joe Herbert, Bargaining Agent nominee

For the Bargaining Agent: Maxime Thibault-Gingras, National Negotiator
Darren Paccione, PSAC Senior Research Officer
Cynn Aderedi, Bargaining Team Member
Maranda McLeod, Bargaining Team Member

For the Employer: Kassandra Shushak, Senior Employment &
Labour Relations Officer
Ben Ouellet, Vice President PSP
Linda Roorda, Senior Manager Compliance and
Assurance

Heard in Ottawa, April 22, 2025. Executive session held on April 30, 2025.

I. Background

[1] This is a report of a Public Interest Commission (the “Commission”) established under the *Federal Public Sector Labour Relations Act*, S.C. 2003, c. 22, s. 2 (the “Act”) relating to the renewal of a collective agreement between the Public Service Alliance of Canada (PSAC) and the Staff of the Non-Public Funds, Canadian Forces Operational Category – Trenton (“SNPF-Trenton” or the “Employer”).

[2] The Employer’s mandate is to provide services to members of the Canadian Forces and their families to enhance the morale and welfare of the military community and contribute to the operational readiness and effectiveness of the Canadian Forces. The Employer fulfills this mandate through the delivery of three primary programs: (i) the Canadian Forces Exchange System (CANEX); (ii) SISIP Financial Services; and (iii) Personnel Support Programs.

[3] CANEX is a system of retail and food outlets operated on Canadian Forces Bases, Wings, Units and Stations for the benefit and convenience of military personnel and their families. In addition to meeting the day-to-day retail needs of the military community, CANEX supports members of the Canadian Armed Forces and their families by using a percentage of its revenue to support other morale and welfare enhancing activities. SISIP Financial Services offers life and disability insurance to members of the Canadian Armed Forces. Personnel Support Programs include a wide range of recreational, fitness and community services that improve the quality of life, morale, and fitness of the military community.

[4] The Staff of the Non-Public Funds (“SNPF”) employs approximately 4,000 employees throughout its 48 bases, Wings and Units across Canada, Europe, and internationally. The SNPF has twenty-two bargaining units across Canada. Twelve of those bargaining units are represented by the United Food and Commercial Workers International Union (the “UFCW”) and ten are represented by the PSAC.

[5] On December 5, 1984, PSAC was certified as the exclusive bargaining agent of all employees in the Administrative Category employed at CFB Trenton, save and except managers. The parties have negotiated successive collective agreements since that time and have a long and mature collective bargaining relationship.

[6] CFB Trenton is an Airforce Base located within the town of Quinte West, Ontario. Quinte West has a population of approximately 43,000 and Belleville, located approximately 13 KMs from CFB Trenton, has a population of approximately 50,000.

There are approximately 500 civilian personnel, and 4,000 military reservists and regular force personnel employed at CFB Trenton.

[7] The SNPF-Trenton bargaining unit represented by PSAC consists of approximately 20 employees, of whom 16 are full-time and 4 are part-time. The bargaining unit encompasses persons employed in the following “administrative” classifications: Front Desk Clerk, Reservation Clerk, Front Desk Supervisor, Mess Clerk, Administrative Assistant Fitness & Sports, Financial Management Clerk, Administrative Assistant Health Promotion, and Accounting Clerk.

II. This Round of Collective Bargaining

[8] The most recent collective agreement between PSAC and SNPF-Trenton expired on November 30, 2023.

[9] The PSAC issued notice to bargain a renewal collective agreement on July 31, 2023. The parties engaged in collective bargaining on July 16, 2024.

[10] On August 14, 2024, PSAC filed a request to the Federal Public Sector Labour & Employment Board to establish a Public Interest Commission and, subsequently, this Commission was constituted.

[11] There are two outstanding and related issues: (i) the term of the renewal Collective agreement; and (2) the wage increases to be awarded over the term of the renewal Collective agreement.

III. The Broader Collective Bargaining Context

[12] As noted, PSAC is the bargaining agent of 10 SNPF bargaining units.

[13] Each of the 10 PSAC/SNPF bargaining units had collective agreements that expired between February 28, 2022 and November 30, 2023. The bargaining units, and their respective expiry dates, are as follows: Ottawa NDHQ (exp. February 28, 2022), Gagetown (exp. February 28, 2022), Petawawa (exp. April 30, 2022), Goose Bay (exp. June 30, 2022), Valcartier (exp. June 30, 2022), Kingston (exp. June 30, 2022), Montreal-St. Jean (exp. October 31, 2022), Bagotville (exp. November 30, 2022), Suffield (exp. March 31, 2023) and Trenton (exp. November 30, 2023).

[14] On October 31, 2023, the Public Interest Commission chaired by Arbitrator Kaplan (the “Kaplan Commission”) released its report with respect to PSAC’s bargaining unit at SNPF-Petawawa. The only outstanding issue was wage increases over

the collective agreement's three-year term. In its report, the Kaplan Commission recommended that the collective agreement provide for 6% in 2022, 4.75% in 2023, and 3% in 2024. Not long after, other Public Interest Commissions followed suit. The Public Interest Commission appointed to address the SNPF-Kingston bargaining unit (composed of the same panel hearing this matter) (the "Kugler Commission"), released its report on November 30, 2023, endorsing the Kaplan Commission's recommendations. On December 28, 2023, Public Interest Commissions chaired by Arbitrator Schmidt released reports for SNPF-Ottawa, SNPF Montreal/St. Jean, SNPF-Bagotville, and SNPF-Valcartier, each also endorsing the Kaplan Commission's recommendations (the "Schmidt Commissions").

[15] Unfortunately, the Public Interest Commission recommendations did not resolve the collective bargaining impasses between the parties. PSAC issued notice of its intention to engage in strike action in respect of SNPF Petawawa, Kingston, Ottawa, Montreal/St. Jean, Bagotville, and Valcartier on January 12, 2024, and commenced a lawful strike thereafter on January 15, 2024.

[16] On April 12, 2024, the parties entered into a Memorandum of Settlement ending the strike and concluding collective agreements for Petawawa, Kingston, Ottawa, Montreal/St. Jean, Bagotville, and Valcartier (the "MOS"). The terms of the MOS, which followed the recommendations of the Kaplan, Kugler, and Schmidt Commissions, provided for 6% in 2022, 4.75% in 2023, and 3% in 2024. Importantly, the MOS also provided that its terms were to be "formally offered to all other PSAC SNPF bargaining units."

[17] Following the cessation of the strike, SNPF and PSAC entered into memoranda of settlement resolving the terms of the Gagetown and Goosebay renewal collective agreements that replicated the wage increases of 6%, 4.75%, and 3% established by the MOS.

[18] As noted, the UFCW is the bargaining agent of twelve other SNPF bargaining units. Collective agreements covering the UFCW's bargaining units were concluded in most cases prior to the MOS without labour disruption. The wage increases achieved by PSAC in the MOS exceeded that which was secured by UFCW.

IV. The Statutory Considerations

[19] Pursuant to section 172 of the *Act*, the Commission was established to endeavour to assist PSAC and the SNPF-Trenton to enter into a renewal collective

agreement. The *Act* contemplates that the Commission will provide such assistance by issuing a report to the Chairperson “as to its success or failure in assisting the parties to the dispute and as to its findings and recommendations.” Unless agreed to by the parties, the Commission’s report is non-binding and only serves to assist the parties in their effort to conclude a renewal collective agreement.

[20] Section 175 of the *Act* prescribes the factors that the Commission must consider in its deliberations. Section 175 of the *Act* provides as follows:

175. In the conduct of its proceedings and in making a report to the Chairperson, the public interest commission must take into account the following factors, in addition to any other factors that it considers relevant:

a) the necessity of attracting competent persons to, and retaining them in, the public service in order to meet the needs of Canadians;

b) the necessity of offering compensation and other terms and conditions of employment in the public service that are comparable to those of employees in similar occupations in the private and public sectors, including any geographic, industrial or other variations that the public interest commission considers relevant;

c) the need to maintain appropriate relationships with respect to compensation and other terms and conditions of employment as between different classification levels within an occupation and as between occupations in the public service;

d) the need to establish compensation and other terms and conditions of employment that are fair and reasonable in relation to the qualifications required, the work performed, the responsibility assumed and the nature of the services rendered; and

e) the state of the Canadian economy and the Government of Canada’s fiscal circumstances.

[21] The parties made lengthy and comprehensive written and oral submissions to the Commission addressing the application of these factors to the issues in dispute. While it is neither practical nor necessary to recite those submissions in their entirety, the Commission has thoroughly considered them prior to making its recommendations.

V. The Parties’ Positions Briefly Stated

[22] PSAC submits that the SNPF-Trenton renewal Collective agreement should follow the pattern established by the MOS: 6%, 4.75%, and 3%. PSAC submits that the

principle of replication demands that result. PSAC submits that there can be no better evidence of free collective bargaining than the outcome reached between the parties after a prolonged strike as reflected in the MOS. According to PSAC, this result is even more obvious when one recognizes the terms of the MOS *require* SNPF to offer the pattern set by the MOS *to all other* PSAC SNPF bargaining units (i.e., Trenton), and that the parties thereafter voluntarily agreed to follow the pattern established by the MOS with respect to Gagetown and Goosebay.

[23] PSAC disputes the appropriateness of the UFCW-SNPF settlements as a proper comparator. It states that there is no discernable bargaining pattern or relationship between PSAC and UFCW, a fact that has been recognized by prior Public Interest Commissions.

[24] The Employer takes the position that the SNPF-Trenton renewal Collective agreement ought to provide for a 5.5% wage increase in year 1, a 3.75% wage increase in year 2, and a 3% wage increase in year three. This outcome, it submits, is supported by the settlements it reached with the UFCW and a consideration of the broader economic context.

[25] With respect to the MOS, the Employer submits that term of the SNPF-Trenton Collective agreement does not “align” with the term of the collective agreements resolved pursuant to the MOS. Accordingly, the Employer submits that it was not the intention of the parties to apply the terms of the MOS to SNPF-Trenton.

VI. Discussion

[26] The Commission has determined that PSAC’s position should prevail.

[27] The Commission’s purpose is to make recommendations to help resolve the terms of the parties’ renewal Collective agreement, considering the material filed and the statutory factors in section 175 of the *Act*. Recommendations that replicate a freely bargained outcome are most useful. In our view, there can be no better evidence of a freely bargained outcome than that which was achieved pursuant to the MOS. The MOS are between the same bargaining agent and employer. The MOS apply to employees who perform substantially similar work to the work performed by employees in the SNPF-Trenton bargaining unit. The terms of the MOS were reached after a lengthy strike that fully leveraged the parties’ economic bargaining power. The MOS were concluded in substantially the same economic and labour relations context as that which the parties face in the present dispute. And the parties subsequently voluntarily

agreed to apply the pattern established by the MOS to two other bargaining units (i.e., Gagetown and Goosebay).

[28] The Employer, nevertheless, resists applying the terms of the MOS to the SNPF-Trenton bargaining unit. It submits that because the term of the SNPF-Trenton renewal Collective agreement (2023-2026) does not “align” with the annual wage increases agreed to in the MOS (2022-2025), it would be improper to apply the MOS to SNPF-Trenton. We are not persuaded. The material before the Commission establishes that SNPF-Trenton has historically followed the pattern established by the other PSAC/SNPF bargaining units despite such “misalignment.” Further, and notwithstanding such “misalignment,” the MOS, which we find to be unambiguous, expressly requires SNPF to offer the terms of the MOS to all other PSAC bargaining units, including Trenton. Finally, the Employer has agreed to apply the terms of the MOS to Montreal-St. Jean and Bagotville, whose collective agreements commence on November 1 and December 1, 2022, respectively. As the first year of those collective agreements fall almost exclusively in 2023, the 2022 wage increases provided under the MOS will largely be applied to 2023. In the circumstances, the Employer’s “misalignment” argument with respect to SNPF-Trenton rings hollow.

[29] The Employer also argues that the Commission should focus on settlements that it achieved with UFCW rather than those that it reached with PSAC. Again, we find this argument unpersuasive. While settlements reached between SNPF and UFCW may provide relevant context, collectively bargained outcomes between the same parties to this dispute carry significantly more weight. In 590-18-46188, 2023 CanLII 100695 (PSLREB), the Kaplan Commission commented as follows:

[...]

[13] Relevant to this process are the freely bargained - and ratified - agreements reached with UFCW. It is normal to pay attention, and to give weight to, free collective bargaining outcomes between the same employer and its other bargaining units representing employees in the very same classifications. Internal comparators matter, and UFCW represents employees at 12 of these bargaining units; PSAC at 10. UFCW has negotiated and ratified three settlements for the same term as is at issue here. This is instructive but not ultimately governing as the evidence indicates that UFCW outcomes do not dictate PSAC results and vice versa. The data over a lengthy period indicates no direct correlation between UFCW and PSAC general wage increases. In some years, UFCW results are superior to PSAC, in others, the reverse is true. It is certainly relevant that the employer’s final proposal before this Commission is superior to that negotiated with

UFCW. All this being said, our job is to assist the parties by making recommendations to facilitate - these parties - reaching a collective agreement.

[emphasis added]

[...]

[30] The comments made above apply here with equal force. To put it plainly, it is inconceivable that PSAC would voluntarily agree to depart from the terms of the PSAC/SNPF pattern, a pattern that has been applied to each of the eight renewed PSAC/SNPF collective agreements, in favour of the inferior wage increases that form part of the UFCW/SNPF settlement framework.

VII. Recommendations

[31] For the reasons above, the Commission recommends:

i. That the items agreed-to by the parties be incorporated into the renewal Collective agreement.

ii. Article 31.02 – Duration of Agreement:

31.02 This Agreement shall expire on November 30th, 2026.

iii. Wages as follows:

December 1, 2023: 3.5% GWI + 2.5% Wage Adjustment

December 1, 2024: 3% GWI + 1.75% Wage Adjustment

December 1, 2025: 2% GWI + 1% Wage Adjustment

iv. Appendix A – Pay Notes and Rates of Pay:

A. Effective December 1, 2023, the attached pay will be put into effect.

All Employees in the Bargaining Unit who are employed with the Employer on the date of ratification of this Agreement and former employees who ceased working for the Employer after the expiry of the CBA to either (i) retirement (ii) no fault termination, (iii) the posting of a military family member to another military facility or (iv) in the case of death, the allowance shall be payable to the Employee's estate shall receive full retroactive pay to date of ratification, for all hours worked and/or paid.

*Retroactive pay shall be paid to each Employee within forty-five (45) days following the Parties' ratification of this Agreement. Retroactive pay shall be issued to each such Employee by way of separate direct bank deposit from their normal earning.

Eligible Employees on layoff or an approved leave of absence will receive their retroactive payment upon their return from layoff or approved leave of absence, unless advised otherwise by the Employee.

B. Effective December 1, 2024, the attached pay grid will be put into effect.

C. Effective December 1, 2025, the attached pay grid will be put into effect.

June 26, 2025.

"Jesse Kugler"

Jesse Kugler, chairperson

"I dissent" (Dissent Attached)

Sébastien Huard, Employer Nominee

"I concur"

Joe Herbert, Bargaining Agent Nominee

Employer Representative Dissent

I am unable to endorse the Chair's final recommendations regarding wages.

Wage Increases

I would have accorded more weight to the Employer's submission that the three-year term for this renewal collective agreement does not align with the terms of the collective agreements resolved pursuant to the MOS. This collective agreement expired on November 30, 2023 and the six collective agreements subject to the MOS had expiry dates between February and November 2022.

The Employer had presented ratified collective agreements with six different UFCW bargaining units covering the period from 2023 to 2026 that more closely approximated this term. The Employer's wage proposal was based, in part, on these settlements and an assessment of the overall compensation package. While PSAC and UFCW settlements do not necessarily follow each other between locations, the UFCW settlements with the same employer are instructive and remain a persuasive indication of what these parties could agree for themselves.

For these reasons, I do not concur with the Chair's recommendation regarding wages.

Sébastien Huard,
Employer Nominee