

DATE: April 24, 2020

TO: Works Council
Executive Committee
Rick Hazelaar
Al Pedro
Dale Fleming/Chris Viau
Guy Bilodeau
Trevor Cochrane
Quarry
Bulletin Boards
Catherine Barsby

FROM: Peter Schmidt

FILE: I-36

SUBJECT: Works Council Meeting – April 24, 2020

Present:

Chris Georgei (Sawhouse)
Dave Fletcher (Pressing)
Tony Pedro (Pressing)
Brad Shoemaker (Finishing)
John Galway- (Maintenance)
Mark Trueman – (Finishing)
Ken Dairies (Quarry)

Management:

Jason Nieman
Peter Schmidt
George Azevedo
Trevor Cochrane
Dale Fleming

Absent:

Trevor Bruce (Sawhouse)

A Works Council meeting was called on April 24, 2020.

The meeting was held via conference call with some Works Council members while others were present in the conference room.

Chris Georgei was welcomed as the new Works council Chairman.

Jason Nieman welcomed everyone and opened the meeting.

Canadian Emergency Wage Subsidy:

Management – As you may know, the Federal Government is offering the Canada Emergency Wage Subsidy (CEWS) program to employers. This subsidy allows companies to keep existing employees and return laid off employees to their payroll.

The program provides financial support to employers who have had a thirty percent drop in revenue in order to keep the businesses viable and to support the health and well-being of employees. The program subsidy is 75% of an employee's average earnings from January 1 through March 15 2020 up to a maximum of \$847 per week.

For employees on lay off to participate in the program we would need to recall employees on layoff, return them to the payroll and begin paying them the subsidy.

Since the amount of pay is different than what our contract allows, an amendment would have to be made to the contract. If employees are in agreement with this amendment, we would recall laid off employees, put them back on the payroll and pay the subsidy amount to employees. If employees are not in agreement, laid off employees would continue with their current government benefits (CERB- \$500 weekly) during lay off.

We believe this subsidy will benefit employees who are laid off. There is a cost to the company with payroll taxes and pension contributions, however the benefit to the company is to see employees who are laid off have more available income and keep them on the Arriscraft payroll.

The suggested contract amendment would be:

Employees not working and taking part in the Canada Emergency Wage Subsidy (CEWS) program will be paid 75% of their average weekly earnings from January 1 through March 15, 2020 up to a maximum of \$847 per week. If employees perform work at an Arriscraft facility their wage rate will revert to the rate of the skill classification held in the department and published in the current contract.

We've prepared a list of questions that employees may have:

1. Will I receive the monthly production bonus if I am not working?
No, the CEWS program returns an employee to the payroll to allow the subsidy to be paid. It replaces the EI benefit that employees receive while on lay off. The monthly production bonus is based on hours worked, so it will not be paid if an employee isn't working.
2. Can I displace another employee who is not working?
Yes, employees who are currently working can choose to revert to the CEWS program, however if we do not have enough higher skilled employees willing to work or enough employees in total to operate current production levels, the program would be suspended.
3. What happens if Arriscraft becomes ineligible for the CEWS?
If Arriscraft becomes ineligible for the program, employees who are not working would be laid off.
4. What happens if there is another production shutdown?
If a shutdown is necessary, participation in the CEWS program would have to be reviewed.
5. How long will the CEWS program last?
The program currently ends June 6, 2020. It is unknown if the program will be renewed.
6. Will the company be topping up employees pay to 100%?
No, employees will not be topped up.

Works Council- Does this subsidy look good for employees? Is it something that will benefit them? Are there any setbacks to employees if they agree to this?

Management – We don't think that there are any setbacks. With a few exceptions, it looks like it will mean more money in employee's pockets.

The \$2000.00 CERB benefit (\$500 weekly) is not taxed on the front end, and while employees are on it, it should be noted that they are not contributing to their pensions. The CERB benefit (\$2000) will be included as income when an employee files their 2020 taxes and will subject to taxes and deductions at that time by the CRA.

The CEWS program (75% of wage) puts employees back on the payroll, so all payroll deductions, including the tax portion, CPP and pension contributions will be removed. We recognize that for some employees, the CEWS won't put a lot of extra money in their pockets, but they will be contributing to their pension and paying their payroll taxes up front.

Works Council- Are recalled employees getting health screened before they come into work? Have you looked at hiring a nurse or nursing student to screen employees when they come in before their shift?

Management – We're taking employees temperature daily as they come into work and asking everyone to self-assess and stay home if they're not feeling well. We don't believe a nurse is necessary at this time.

Works Council- Has start up manpower been arranged yet?

Management – Yes, we have 49 employees coming in. Two finishing lines are running, the sawhouse, the quarry and on Monday, April 27, we'll start up 2 presses. Are there any more questions about the CEWS and the amendment to the Works Council Agreement? If there are no more questions, we'd like you to discuss this and let us know how you'd like to proceed.

Works Council- When do you need to know by?

Management – Mid to late next week is fine, just let us know when you're ready.

Works Council- What if a laid off employee has a part time job?

Management – That's between the laid off employee and their reporting to the CRA at tax time.

Works Council- Will you consider a \$2.00 an hour wage increase/subsidy for employees who are back at work? We really want you to consider this. Employees who are returning to work are potentially being exposed to the virus and should be compensated for that.

Management – We believe the \$2.00 an hour wage increase was implemented for lower paid essential workers who are front line workers caring for individuals with COVID-19.

Works Council- If an employee is working, will they get the monthly bonus?

Management – Yes.

Works Council- Can management leave the phones so that we can continue to discuss this?

Management – Yes.

Meeting adjourned at 2:30 PM
Next Works Council meeting TBA

The Employee Assistance Program (EAP) is available to all Arriscraft Canada employee's including those currently on layoff. Their website is www.homewoodhealth.com or you may call 1-800-265-8310.



Works Council Representative



Management Representative