

Palace Casino Negotiations Continue... but the Future Remains Uncertain

Company negotiators arrived at the bargaining table for Palace Casino negotiations with the United Food & Commercial Workers Union, Local 401 on August 3rd and meetings continued until August 6th.

Union negotiators and the Union's bargaining committee commenced the process by grilling company officials with questions regarding the future of the Palace Casino and the collective bargaining process. Company officials responded by talking about a financial "restructuring" that was ongoing and that was subject to regulatory approval.

Your Union bargaining committee demanded particulars and specifics. Was the casino sold? Was the casino scheduled to be closed? Would there be some sort of merger of Palace and Baccarat into a "super casino"? Was the Katz group involved? Was this a broader restructuring that involved the whole company? Is it possible that it would have no impact on the Palace at all?

These questions and dozens more were put to company negotiators.

The company was unable to provide a lot of specifics and details in response. In fact, the company bargaining team said that they themselves did not know exactly what was going on and were in fact unable to answer most questions. The Union reminded the company negotiators that this was not satisfactory or sufficient and that they should remind their bosses in Australia and elsewhere that the company itself had an obligation to be forthcoming. The Union heard "don't shoot the messenger" but the Union negotiators would not let the company and its senior management off the hook.

On Thursday, August 5th the company provided your Union bargaining team with the following written statement:

Statement of Response to UFCW and Employee Bargaining Committee

We have the authority and are able to continue to bargain, in good faith, with the UFCW, and the Employee bargaining committee, on all matters pertaining to the Collective Agreement subject to Employer and lender group approval and can finalize a Collective Agreement subject to Employer and lender group ratification.

The financial restructuring of the Company has been a long complex process that has been ongoing for several months. While we cannot be certain of the timing of the resolution of this process due to the complex structure of the company's secured debt and large number of individual debt holders we are nearing the end of the process and would anticipate being able to communicate to you the outcome of the restructuring in the next two months.

We anticipate that, upon completion of the restructuring, the Palace Casino will continue to be a part of the Gateway portfolio of nine casinos and two hotels.

This is an exact duplicate of the document provided by the company. Unfortunately, it is vague to say the least. It does not explain what the nature of the “financial restructuring” is. It does not make it clear exactly when we might know more. While originally telling the Union that the hold up for revealing what was going on was an impending “regulatory approval”, the company document makes no reference to that.

A few things seem to be clear. Firstly, whatever the company bargains used to be subject to approval by the CEO and other members of the Board of Directors. Now, whatever the company bargains must be approved by someone or something called “the lender group”. We have asked a number of additional questions including demanding to know specifically who the lender group is and more details about the company’s ratification procedure but no answers have yet been offered.

The last paragraph seems to offer some hope that the Palace will continue to be part of the overall casino and hotel operation and not be sold off. However, the word “anticipate” does not offer any promise and the overall statement made is very general.

We will be reviewing this matter with our legal counsel in the next few weeks but the process of negotiations has recommenced. During bargaining some time was spent considering the role of those who temporarily or permanently fill managerial roles. Also, some time was spent discussing the rights of someone who works in an Acting (dual) position at the casino, i.e. someone who at times is an Employee and at times is a manager.

More bargaining dates are scheduled in September and October. Notwithstanding the uncertain future, your Union will continue to work very hard to negotiate a Collective Agreement, and pursue fair wages and benefits and job security for you. Palace Casino Employees have been through difficult times before and will survive this as well. No matter what happens be reassured that if you stick together and act and think with solidarity the best possible outcome will be achieved.

Your Union bargaining committee