

SMALL TO MODEST SIZED CASINO COLLECTIVE

Bargaining in an Environment Dominated by Large Casinos and Resorts

By Daniel Berkley

While the collective bargaining process should treat all employers with an even hand, Las Vegas locals and international affiliated unions in the gaming and hospitality industry do not follow that path. Perhaps other industries bear this out as well, with the “big dogs” setting the tone and the results; however, Las Vegas gaming and hospitality make it a high impact “sport.”

Months before the collective bargaining agreements expire, the back rooms are all busy with the national and international consortia employers huddling with the unions. There is a lot at stake, since pickets and boycotts ripple through the casinos and resorts with a wide swath if labor peace is not achieved at the table or in the back rooms. These properties are physically wide open and not defensible in the face of labor unrest. The union exploits those facts.

While the employer’s financial reports often reveal the up and down swings of the balance sheets, the union adamantly seeks the top dollar and benefit packages available. Their close ties to the casinos themselves with the ease of access to casino earnings data make the bargaining a real challenge for the employers involved. At these large employer



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early sessions, the details are hashed out and the template is designed for all. This includes a scalable template which accommodates for size and few related factors. However, the nature and needs of the particular employers are generally not accounted for in the mix.

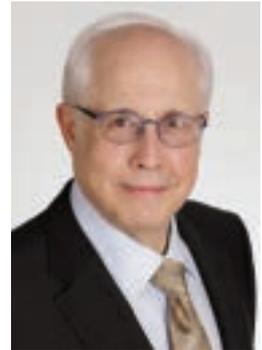
If a casino and resort are not among the high earning properties, and they need funds to maintain their status in the business, including infrastructure and innovation, those factors are generally overlooked. Bargaining takes place at the union's design, at a specific time and location and date. There is participation by the parties, universal platitudes and many caucuses. Nevertheless, employers all need to conform to the template or face strikes or boycotts or worse. That cannot be tolerated. An adventurous employer can try to cut some sort of side deals, but that will not keep the doors open. Somehow it seems to work out for many employers, but the struggles remain, and the slow decline sets in, taking the value and experience down with it.

Maybe there is a bright light somewhere in this process with a tough union and a willing big lot of employers; however, it is dark down at or near the bottom of the economic scale.

This experience does not reflect a particular employer; rather it is an amalgam of observations, experience and commentary by the author. Each employer is different and should make its own stand in the face of adversity and continue to operate at as high a level as possible.

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Now the union is turning its attention to the smaller properties to “set them up” for the agreements. They will be proposing deals crafted from the large properties with a percentage factor to take into account the smaller size and earning capacity. That is what the union says. The union fails to account for the inability of these smaller properties to recoup the expenses with, for example, special costs and surcharges and other hidden charges to defer these expensive union contracts. It is unknown now whether any of the smaller properties will challenge the union in the bargaining. If I am called in to the table, I will almost certainly see a pre-designed CBA package and told to sign it or there will be action taken. Maybe it has always been this way; however, you just need to see the decline in some of the smaller properties, including infrastructure and capital investment, to understand the union is pricing them out of the market. Slowly and gradually the edges are fraying. The properties look tired. ♣



By Daniel Berkley

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His career began as an attorney for the National Labor Relations Board, and in private practice he has amassed extensive experience in dispute resolution, collective bargaining negotiations, contract administration and grievance resolution. Daniel frequently guides the resolution of challenging employment issues in both union and non-union environments and advises clients on sexual harassment and discrimination prevention, policies and training.

Daniel regularly speaks on leading trends and developments in the labor and employment field, and is a frequent contributor to trade and educational publications. Daniel graduated from Wayne State University and earned a law degree at the University of California, Boalt Hall School of Law.

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