



OTTAWA TAX PAYERS ADVOCACY GROUP

"The Silent Majority is Silent No More"

The Ottawa Taxpayer Advocacy Group Releases Detailed Plan for 2 Year Budget Freeze – No New Money

Compensation (Salary, Overtime, Benefits)

The CFIB Municipal Wage Analysis of 2006 Census on pay disparity between city staff and the private sector shows that Ottawa had the worst record: Ottawa 15.3%, Toronto 11.6%, Kitchener 10.6%, Oshawa 10.4%, London 7.6%, Hamilton 6.8%, Barrie 6.2%, Windsor 1.7% The provincial government recently announced a wage freeze for non union staff, they also said this would be the negotiation objective for union contracts. If the City followed the same wage freeze strategy, how much would it save with non union staff? How much would it save with union staff?

It was recently reported that the number of Canadians with registered pension plans have dropped from 45% to 38%. It has also been reported that the gap between the private and public sector (pension inclusive) is 35.6%.

What is the average yearly spend per person for retiree benefits in 2001 and 2009? is it \$60,000 per person in 2009?

What is the average total life time payout per person for retiree benefits in 2001 and 2009? is it \$1 million per person?

Since amalgamation were there any changes in the retirement age for receiving a pension?

If the City was required to fully fund its pension obligations each year, what would be 2010 tax increase?

If we do not tax to fund pensions now, what is the plan to pay for it?

Do staff have multiple pensions?

Do part-time workers participate in the pension system?

There was a strike in Toronto about the way pensions are calculated, what changes can be made on how pensions are calculated and please quantify the savings attributed to each change?

With reference to the growth of benefits from 2002 to 2008 and property tax affordability,

Why benefits are growing faster than salaries?

Were there any changes to vacation pay?

Do all active workers and future retirees pay the health tax?

Are there any new benefits?

Do employees get paid for unused sick leave?

Can Council cap sick leave payouts?

Since salary and wages are growing faster than revenue and number of households, how is the shortfall being funded?

1. Total Salary Wages up 54% to \$940 million
2. Employment benefits are up 83% to \$193.8 million
3. Accumulated sick leave is up 72% to \$92 million
4. User fees are up 30% to \$583 million
5. Property taxes are up 29% to \$1,068,869,387
6. Grants from the Federal and Ontario governments are up 27% to \$391 million
7. number of taxpaying households, up 17% to 365,770

<http://csonramp.mah.gov.on.ca/fir/ViewFIR2009.htm>

The following departments are the top earners in the City.

Please provide the top 10 job classifications by total dollar value in each department?

If these top 10 job classifications were had a 10% reduction in pay, how much savings would that generate?

We are not suggesting that you can roll back wages of current employees, but we are suggesting that changing the job classification when people retire or leave the City will be an effective way of reducing the costs.

Department	employees	Wages, Benefits	Overtime	Avg Per Person
General Manager Social Services	2.00	269,000		134,500
Deputy Manager, Community & Protective Services	2.00	261,000		130,500
Deputy Manager Operations	7.00	858,000		122,571
Auditor General	8.00	929,000		116,125
Ottawa Fire Services	983.00	109,589,000	1,623,000	113,135
Deputy Manager Operating Resource	10.49	1,110,000	5,000	106,292
Ottawa Police Service	1,949.30	199,516,000	5,598,000	105,224
City Manager	20.00	1,997,000	11,000	100,400
Planning Branch (Construction, Rural)	20.00	1,923,000	21,000	97,200
Economic & Environmental Sustainability	6.00	572,000	7,000	96,500
Ottawa Paramedic Services	552.45	51,086,000	1,890,000	95,893
Real Property Asset Management	42.50	3,995,000	35,000	94,824
Employee Services	127.00	11,659,000	4,000	91,835
Deputy Manager Public Works	19.16	1,725,000	10,000	90,553
Planning & Growth Management	210.40	18,865,000	177,000	90,504
Housing	63.40	5,664,000	60,000	90,284
Organizational Development & Performance	46.00	4,145,000	6,000	90,239
Transportation Planning	34.00	3,030,000	9,000	89,382
IT Services	341.00	29,690,000	423,000	88,308
City Clerk & Legal	197.84	16,689,000	463,000	86,696
Employment & Financial Assistance	556.00	48,029,000		86,383
Environmental Sustainability	25.00	2,129,000	13,000	85,680
Infrastructure Services	294.17	24,155,000	482,000	83,751
Fleet Services	145.00	11,414,000	499,000	82,159
Building Code Services	174.65	13,899,000	325,000	81,443
Public Health	475.70	38,369,000	265,000	81,215
By-Law & Regulatory Services	164.57	12,949,000	256,000	80,239

Council could virtually eliminate overtime by ensuring that at least 20% of all staff are part time and 10% of staff could be on call part timers (perfect for retirees). If we implemented this idea, can you confirm that it will reduce overtime by over 90% or 30 million dollars?

Can you confirm that each department can implement a target of 1% of staff as volunteers and that will save 10 million dollars and reduce overtime?

Service	Overtime
Transit Services	12,172
Ottawa Police Service	5,598
Surface Operations - Integrated Road & Water	4,728
Ottawa Paramedic Services	1,890
Ottawa Fire Services	1,623
Drinking Services	1,440
Parks & Sports Buildings & Grounds	1,176
Fleet Services	499
Infrastructure Services	482
Waste Water Services	482
City Clerk & Legal	463
IT Services	423
Building Code Services	325
Public Health	265
By-Law & Regulatory Services	256
Financial Services	234
Solid Waste	193
Engineering & Technical Services	192
Planning & Growth Management	177
Parks Recreation Services	140
Forestry Services (Public Works)	101
Long Term Care	75
Communications & Customer Service	67
Housing	60
Traffic & Parking Operations	55
Ottawa Public Library	50
Real Property Asset Management	35
Office of Emergency Management / Integrated Public Safety	24
Planning Branch (Construction, Rural)	21
Environmental Sustainability	13
City Manager	11
Deputy Manager Public Works	10
Committee of Adjustment	10
Transportation Planning	9
Economic & Environmental Sustainability	7
Organizational Development & Performance	6
Deputy Manager Operating Resource	5
Employee Services	4

City Response

The CFIB analysis regarding Local Public Administration (p10) lists the occupations used for the purposes of comparison. When reviewing this list these occupations with the exception of Planners are primarily manual labourers or clerical/administrative support and would be unionized at the City of Ottawa. If the comparison included a greater proportion of managerial and professional employees, we would likely see the differential diminish from what has been reported.

City Response

On March 25, 2010, the Ontario Government tabled Bill 16, Creating the Foundation for Jobs and Growth Act, 2010. Schedule 25 of the Bill enacts the Public Sector Compensation Restraint to Protect Public Services Act, 2010. This Act freezes the compensation structures of non-bargaining and Legislative Assembly staff, as well as non-bargaining employees in the broader public sector for a period of two years between March 24, 2010 and March 31, 2012. It is important to note that this Act does not apply to Municipalities.

The 2011 projected "cost avoidance" for non-union employees was \$1,726,511. This value was based upon the assumption of a 2.5% increase for Management and Professional Exempt staff and a 2.75% increase for Supervisory and Administrative Support employees. This value increases to \$1,878,028 when Elected Officials and Councillors Assistants are included.

Cost avoidance/savings for unionized staff was not calculated since all of bargaining units with the exception of two (ATU 279, CUPE Local 5500) have agreements in place for 2010 and 2011.

City Response

As a member of the OMERS multi-employer pension plan, The City must adhere to the legislation associated with the Plan. Even though mandatory retirement was lifted in Ontario, the pension plan continues to provide for a Normal Retirement Age at 65 or 60 (Firefighters and Police) with an earliest retirement age of 55 or 50 (Firefighters and Police) with a minimum of pensionable years of service.

City Response

All full time staff are required to enrol in the Ontario Municipal Employee Retirement System as part of their terms of employment. Employees contribute to the pension plan and their contributions are matched by the Employer as per OMERS Plan funding rules. These contributions are funded from taxes or rates.

Transit Services employees have access to the former OC Transpo pension plan that was closed December 31, 1998 as well as the OMERS pension plan commencing January 1, 1999.

Part time employees are eligible to be enrolled in OMERS provided that they satisfy the criterion of working at least 700 hours or earning at least 35% of the Year's Maximum Pensionable Earnings (YMPE) in each of the two immediately preceding calendar years.

City Response

The City participates in the OMERS Pension Plan, which is governed in accordance to the rules and regulations as defined by the Ontario Municipal Employees Retirement Systems Act, 2006.

City Response

Statutory benefits such as CPP and EI are based on salaries therefore increases are proportional. The insured benefits are negotiated through the collective bargaining process and cost increases are reflected on utilization and inflation factors.

City Response

There were changes to the vacation plateaus through the collective bargaining process, but the upper and lower limits have remained unchanged. The City pays the health tax for employees within ATU Local 279 as per Collective Agreement provisions. There are no new insured benefits.

Employees who had an existing sick leave bank from an amalgamating municipality at the time of amalgamation (01 Jan 2001) had the number of days in the banks frozen (no further accruals), and the value of the frozen sick leave bank was also capped. The sick leave banks are part of former collective agreements/terms and conditions of employment. Frozen sick leave is capped at 130 days as legislated by the Municipal Act.

The "new" City of Ottawa replaced sick leave banks with a short-term disability plan that provides benefits when employees require them, but does not accrue sick days for employees that must be paid out at a later date.

City Response:

The annual estimated costs of all programs and services provided by the City to its residents are submitted to Committee and Council for review and approval through the budget process. Through this review process Council establishes the level of service that will be provided along with the funding resources through a combination of user fees and property taxes.

City Response

The value of jobs at the City of Ottawa is established by using the appropriate Job Evaluation Plan to assign a rating based upon duties and responsibilities in the areas of Skill, Effort, Responsibility and Working Conditions. This systematic approach to establishing the value for a job is necessary under the Pay Equity Act that the City of Ottawa is subject to. As an employer, the City cannot arbitrarily reduce the value of a job, without risking penalties associated with non-compliance under the Pay Equity Act.

The City of Ottawa has a rate of unionization of approximately 94 per cent. As a result, many of the jobs in the identified departments are unionized and represented by a bargaining unit. Any attempt to arbitrarily reduce the value of a unionized job would be challenged by the union.

For information purposes, we have provided the following link to the 2009 Public Sector Salary Disclosure list on the Provincial website.

<http://www.fin.gov.on.ca/en/publications/salarydisclosure/2009/munic09.pdf>

Follow Up Question: Compensation (Salary, Overtime, Benefits)

What % of staff in each department are part time and what % of staff are volunteers?

With reference to the CFIB identified gap between compensation in the City and the private sector, Ottawa had the worst record in comparison to other cities. The City's response was "these occupations with exception of Planners are primarily manual labourers or clerical / administrative support and would be unionized". Does this mean other cities have gotten better deals from unions than has Ottawa?

We asked for a dollar value on the savings if the City could freeze wages of union staff, we got no response. We heard that after the failed wage freeze vote for non union staff, many non union staff joined unions, is this true and how many? If the Province can freeze the wages of non union staff and negotiate the same with union staff, why can't City Management do the same?

Total Salary Wages up 54% to \$940 million
Employment benefits are up 83% to \$193.8 million
Accumulated sick leave is up 72% to \$92 million

As a result of the fact that benefits are growing much faster than salaries, we need more information to understand what is driving this difference. If salaries grew 54% and benefits grew 54%, we would not be asking so many questions.

What is the average yearly spend per person for retiree benefits in 2001 and 2009? Is it \$60,000 per person in 2009?

What is the average total life time payout per person for retiree benefits in 2001 and 2009? Is it \$1 million per person?

We understand that the normal retirement age is 65 or 60, what is the earliest retirement age at the City? If this figure changes depending on the department, please let us know the answer for each department?

If we raise the minimum retirement age by 2 years, how much money would that save the City?

What is the minimum pensionable years of service at amalgamation? What is it now? If for example if it is 30 years, does that mean you can join the City at age 18 and retire at age 48 and receive much more in that lifetime than someone who retired at 60?

If the City was required to fully fund its pension obligations each year, what would the tax increase in 2010 have been?

You have identified Transit as the only department with multiple pensions, is there an extra cost to manage multiple pensions? If they have only one pension plan, how much would that save the City?

With reference to your answer on the pensions of part time employees, does that mean that you can join the city at age 48, work 2 days a week for 2 years, retire at 50 and get a pension?

The 2009 CUPE strike in Toronto was about the ability of unionized workers to carry over and cash out 18 sick days a year. Your response indicated that the City had replaced sick leave banks with short-term disability plan. Does that mean that people are still able to bank sick leave, but it is paid in form of time off as opposed to cash? What is the yearly total cost of this program? Please include the increased cost of stand by staff and overtime that is needed to cover this alternative to banking sick days.

The City pays the health premium for staff of some departments, please list them?

You mentioned changes to the vacation plateaus after amalgamation, can you explain what this means and what these changes cost?

With reference to job classification changes, you mentioned that "Any attempt to arbitrarily reduce the value of a unionized job would be challenged by the union", would this still be the case if it is done by natural attrition, i.e. when someone retires? In what cases can these changes be legally made?
