



ESSC

**Emergency Services
Steering Committee**

EMERGENCY SERVICES COSTS

**Trends, Perspective and Opportunities
CAMA Conference – May 27, 2014**

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CAO - City of Greater Sudbury
ESSC Chair**

Presentation Overview

- What is ESSC and why was it needed?
- Demonstrate challenges to municipalities with the rising costs of emergency services and why status quo is no longer acceptable
- Provide a look at three different-sized municipalities to see how the problem is long term and broad-scale
- Progress to date

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- Started in 2005 in response to concerns about increasing cost of emergency services sector
- Initial effort of CAOs of larger municipal governments in Ontario and Ontario Association of Police Service Boards
- Informal, working group structure
- Volunteers from municipal human resource professionals
- Volunteer funding from municipal governments as a separate project
- Part time paid administrator and supplementary work by professional consultants (HR and communications)

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- Meetings of larger stakeholder group 3-4 times a year
- Geographic working groups throughout province
- Leadership team created as events and profile continue to pick up
- Web site (2nd generation launched)
- Backgrounders, statements, data collection
- Proactive communications on emerging issues
- Liaison with, and outreach to sponsor municipalities

What is the problem?

- Wage settlements for emergency services rising much faster than other municipal services throughout Ontario
- Increases are putting significant pressure on other services
- If this trend continues, the cumulative effect will jeopardize investments in future strategic initiatives
- Issue identified in 2005 remains evident today

How did we arrive at the problem?

Items under our control (historical issues)

- No coordination of bargaining or sharing of information among municipal employers
- Settlements influenced by political and public relations factors
- Dominance of police and fire associations

How did we arrive at the problem?

Items out of our control

- Union strategy of “Leapfrogging” of wage contract settlements
- Arbitrator valuation of Police and Fire as “equivalent” – EMS hopes to follow this trend
- Arbitration favours associations over communities – the ability to pay not being considered

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- Coordinated Bargaining Strategies
- Legislative Reform
- Communications and Education

Comparison – Three municipalities

- An analysis of three different-sized municipalities reveals a similar trend – Emergency Services costs are rising faster than average rates of remuneration
- Analysis compares:
 - Municipality A – An Ontario municipality with more than 150,000 residents
 - Municipality B – An Ontario municipality with more than 700,000 residents
 - Municipality C – An Ontario municipality with more than 1,000,000 residents*

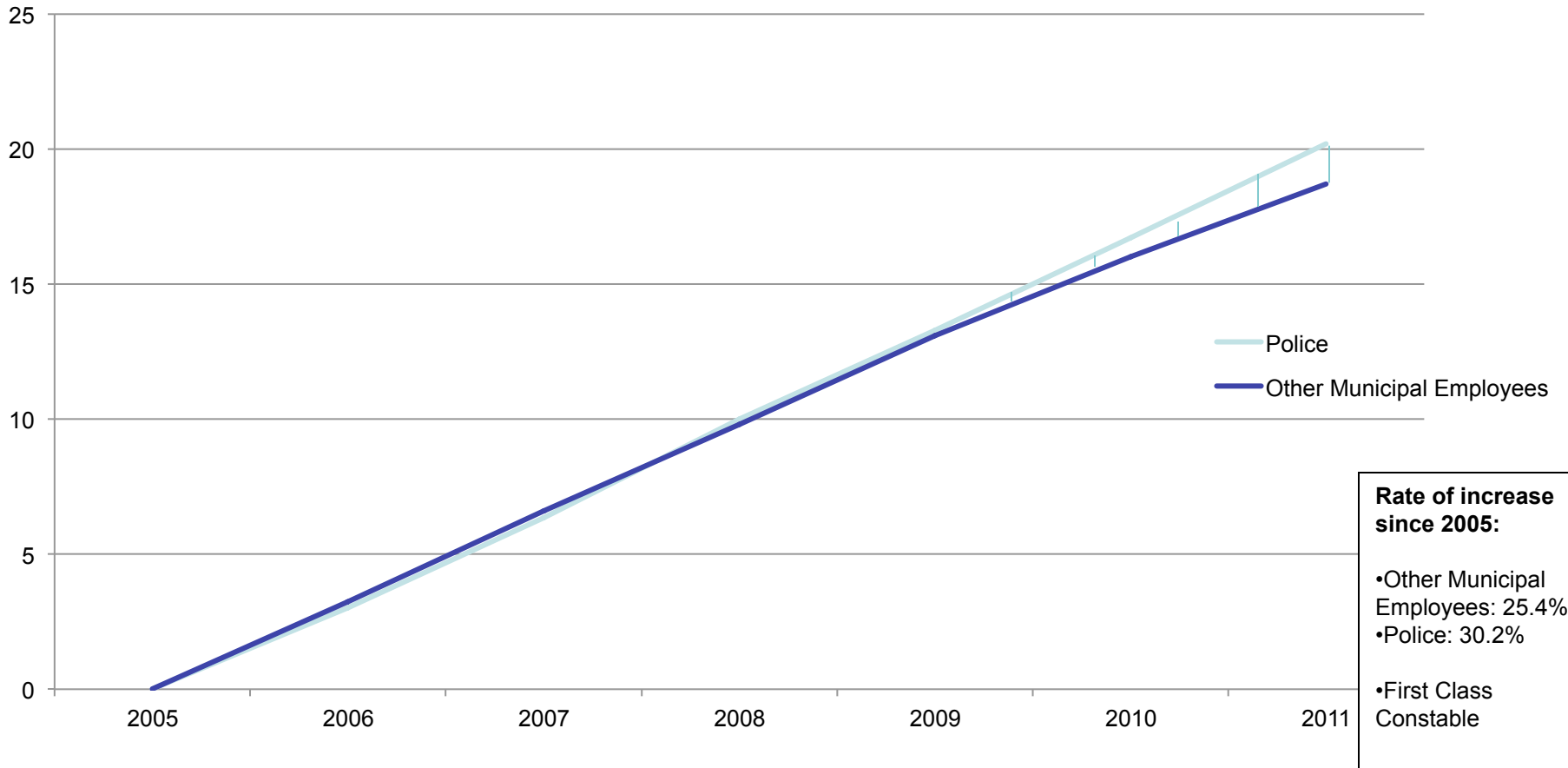
*Municipality C is two-tiered, with Fire Services representing a population approximately one-third of the total

Disclaimer ..

- “Apples -to-apples” analysis difficult
- Organizational structures different / service levels different
- Contract renewals at different times / data tracked differently
- EMS moved from Provincial responsibility to municipal in 2000
- Result: Illustrative of issue in general, not precise

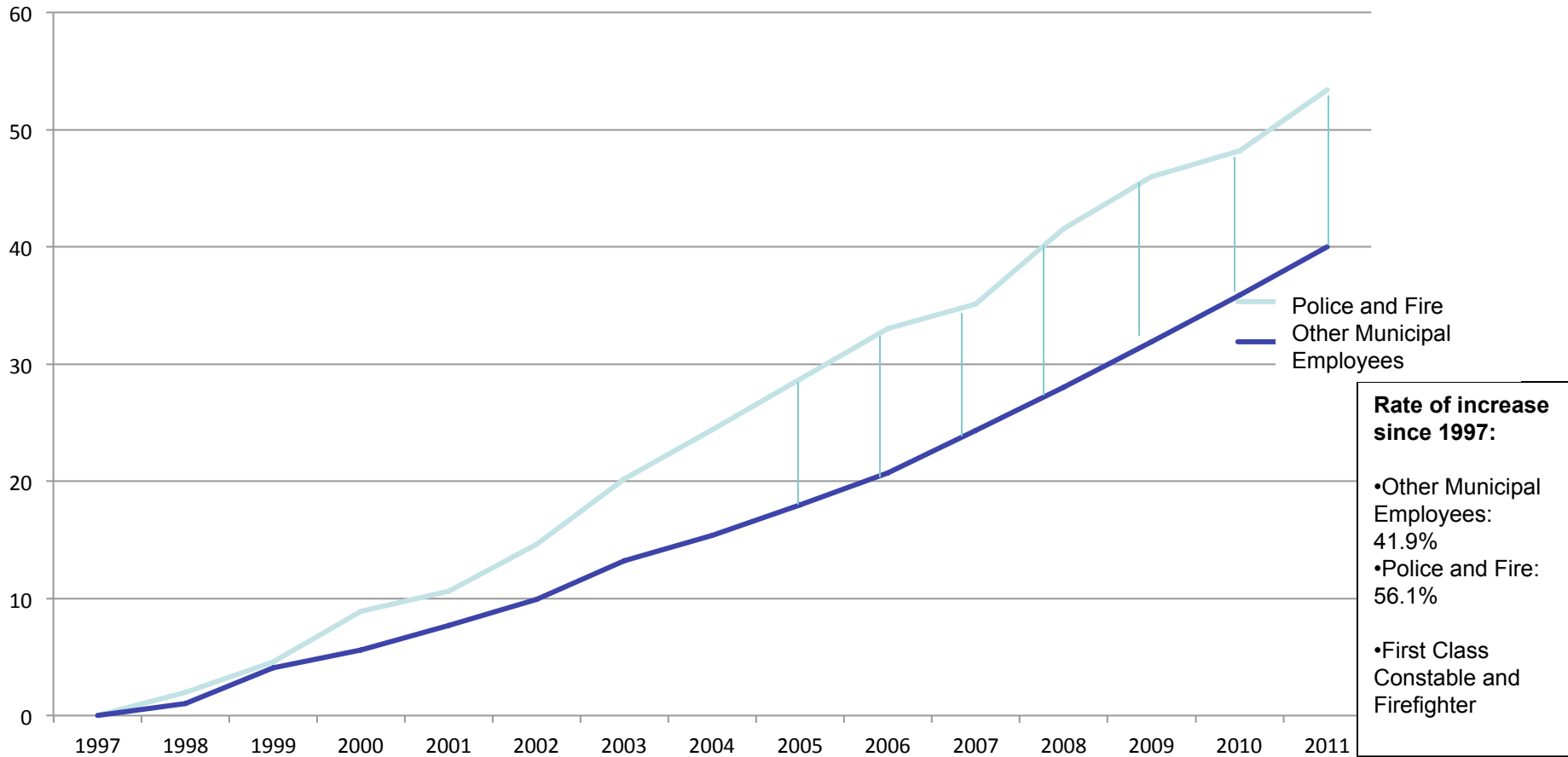
Municipality A: Police (2005-2014)

150,000+ residents



Municipality B: Police and Fire (1997-2012)

700,000+ residents

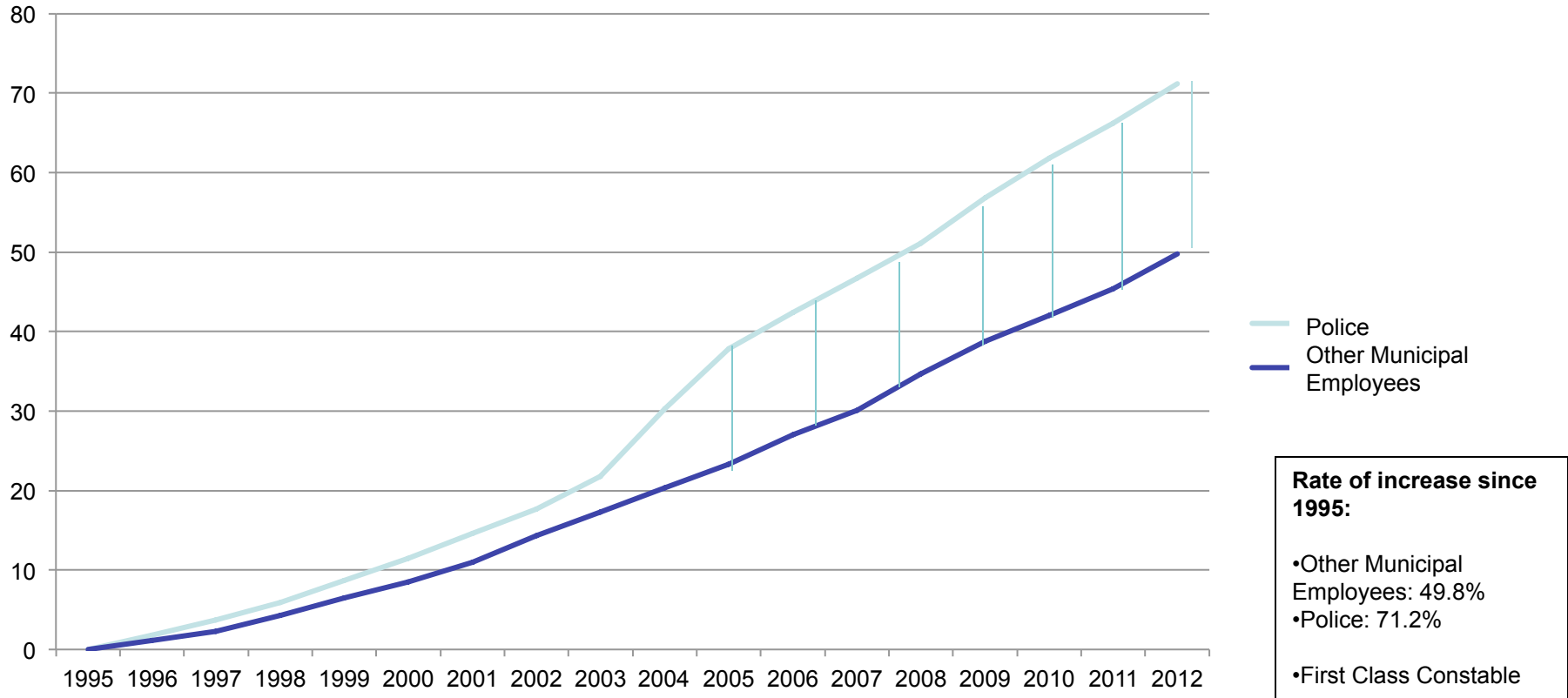


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Municipality C: Police (1995-2012)

1,000,000+ residents

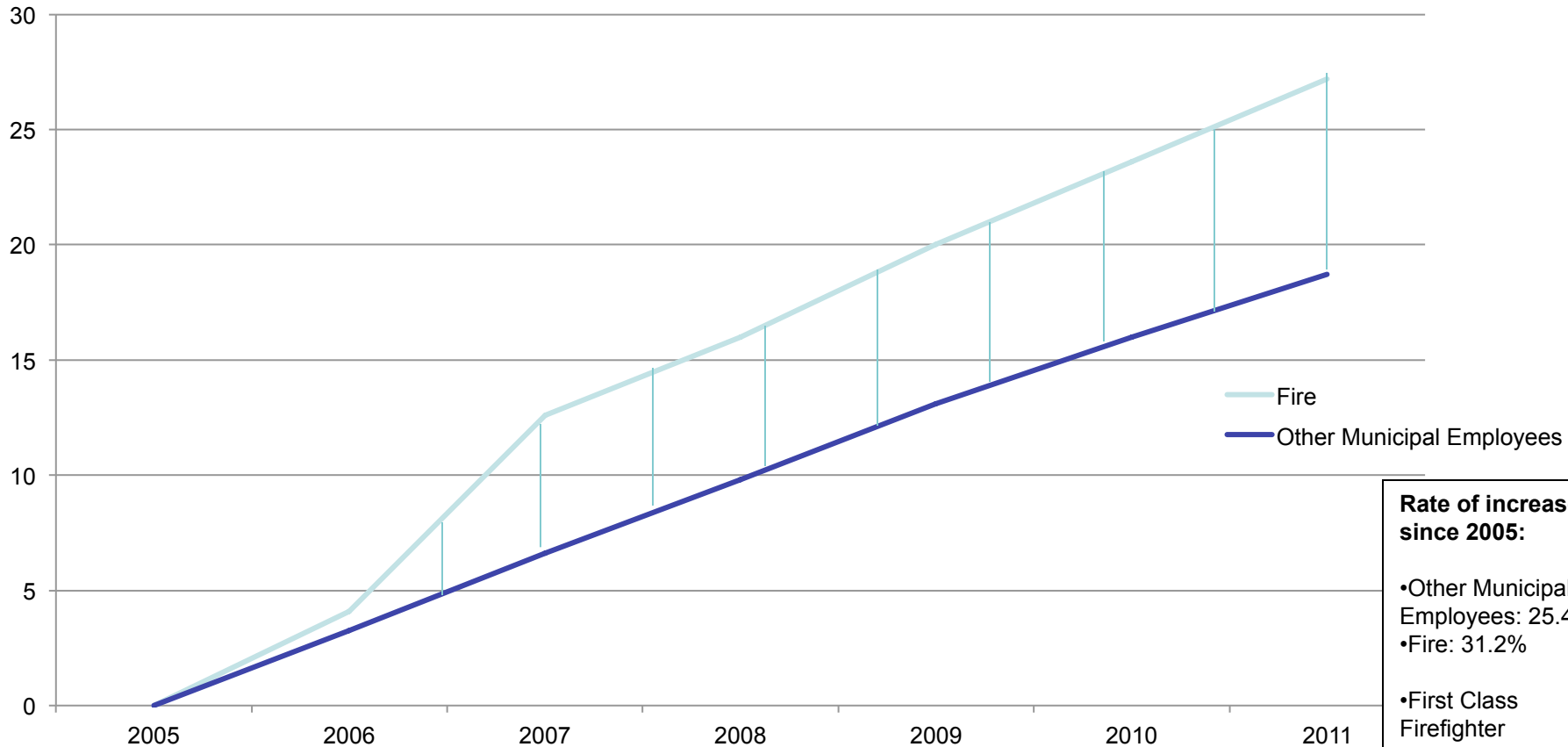


Opportunity Costs for Police

- “A” First Class Constable making \$69,000 in 2005 will make more than \$89,838 in 2014 compared to non-Emergency Services employee \$69,000 in 2005 / \$86,526 in 2014
Difference of \$3,312
- “C” First Class Constable making \$50,000 in 1995 will make nearly \$86,000 in 2012 compared to non-Emergency Services employee (\$50,000 in 1995 / \$75,000 in 2012)
Difference of more than \$10,000

Municipality A: Fire (2005-2014)

150,000+ residents

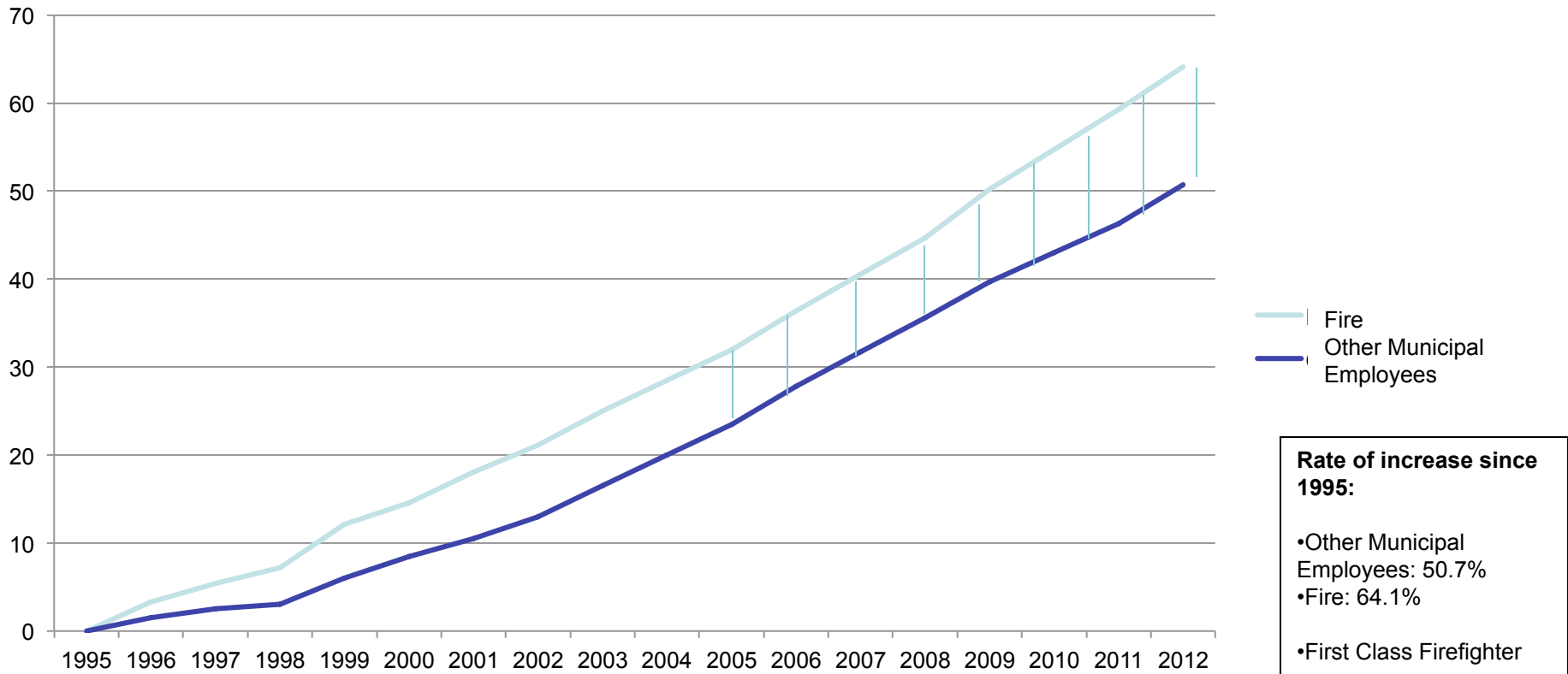


Rate of increase since 2005:

- Other Municipal Employees: 25.4%
- Fire: 31.2%
- First Class Firefighter

Municipality C: Fire (1995-2012)

1,000,000+ residents



Opportunity Costs for Fire

- “A” First Class Firefighter \$71,000 - 2005 / \$93,152 in 2014
(non-Emergency Services employee \$71,000 / \$89,034)
Difference of \$4,118
- “C” First Class Firefighter \$52,500 - 1995 / \$86,000 in 2012
(non-Emergency Services employee \$52,500 / \$79,000)
Difference of \$7,000

Opportunity Costs Police/Fire

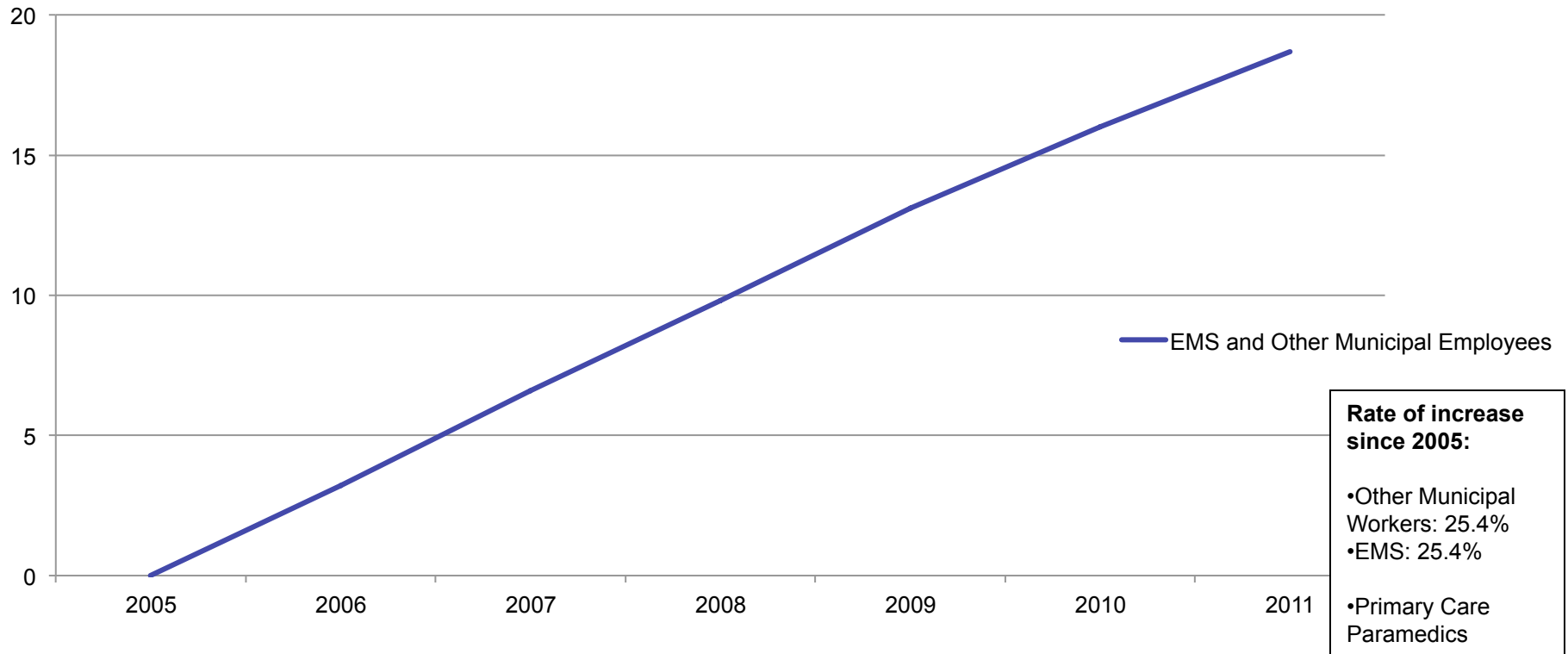
700,000+ residents

- “B” First Class Constable or First Class Firefighter making just more than \$54,000 in 1997 will have a salary of just more than \$85,619 in 2012
- A non-Emergency Services employee making just more than \$54,000 in 1997 will have a salary of just less than \$77,444 in 2012
- This is a difference of more than \$8,175 per First Class Constable or First Class Firefighter

Municipality A: EMS (2005-2014)

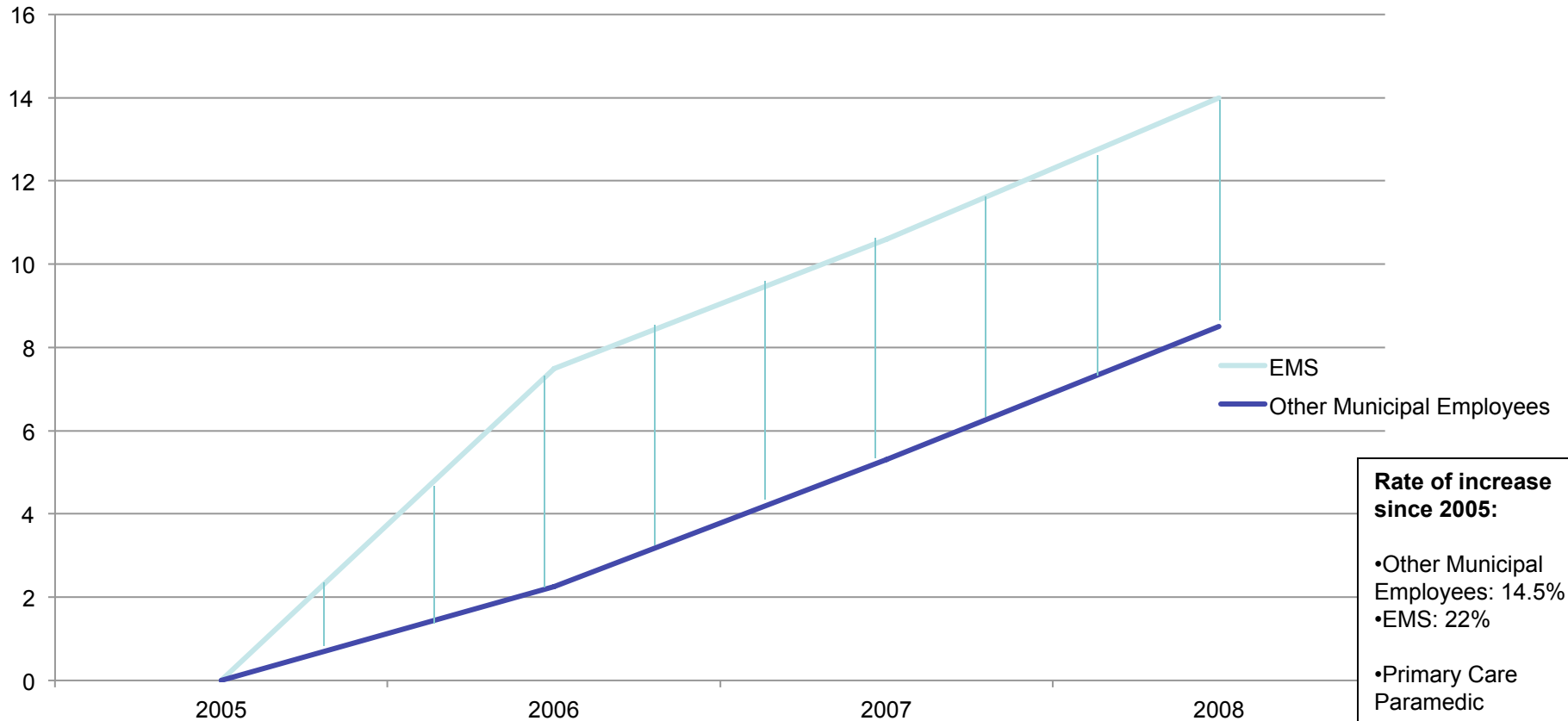
150,000+ residents

EMS and Other Municipal Employees



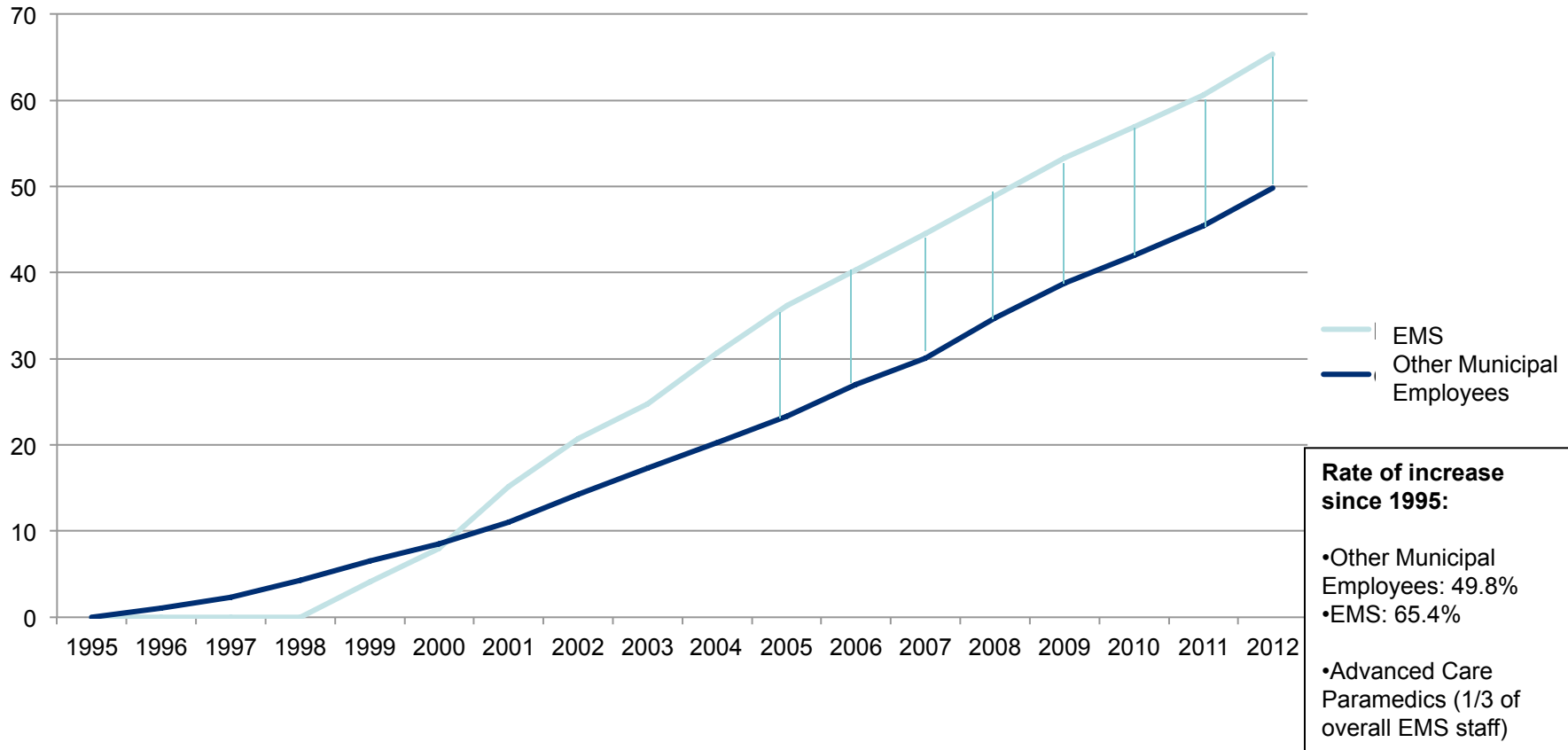
Municipality B: EMS (2005-2011)

700,000+ residents



Municipality C: EMS (1995-2012)

1,000,000+ residents



Opportunity Costs for EMS

- “A” municipalities - EMS wages to other non-Emergency Services employee wages has no difference
- “B” ACP - \$43,000 in 2000 / \$84,200 in 2011
(non-Emergency Services employee \$43,000 / \$59,000
Difference of more than \$25,200)
- “C” Adv. Care Paramedic - \$49,000 in 1995 / \$83,000 in 2013
(non-Emergency Services \$49,000 – 1995 / \$74,900 in 2013)
Difference of more than \$8,100)

What are we doing about the problem?

- Established a framework for sharing of information and discussion of bargaining strategies among municipalities
- Advocating for changes to the interest arbitration system to ensure a level playing field
 - Improve accountability and transparency by requiring consideration of capacity to pay
 - Establish clear, measurable criteria that includes the economic health of the municipality
 - Require written reasons that demonstrate the arbitrator's consideration of the criteria
- Communicate and Educate

Wage Pressures

- Since 1995, Emergency Services Sector wages have been higher than other municipal employees
- Several factors continue to pressure emergency services costs:
 - Retention pay for Police and Fire
 - First Class Firefighter parity with First Class Police Constable
 - Parity or “best paid” clauses with different police services
 - An ineffective arbitration system

Retention Pay

- Originally put in place for Metro Toronto Police Service (3 – 6 – 9 % increases based on years of service)
- Above and beyond negotiated annual increases
- Now in place for virtually all police services in Ontario
- Successfully added to Fire Services
- OPP recognizes prior service for OPP retention pay

Wage Parity

- First Class Firefighter parity with First Class Police Constable established in Toronto in 1927
- Does not reflect reality of difference in work performed within services and over the years since parity established
- Parity or “best paid” clauses with different police services
- EMS workers looking for same parity

Arbitration System

- An ineffective arbitration system
- Draft legislation proposed by two provincial parties and municipal sector (3 different proposals) prior to election
- Province attempted mediated talks to find agreement on changes to improve existing arbitration system
- No consensus achieved
- Current provincial election issue

Other Issues ...

- Proposed presumptive legislation
 - Wider scope
 - Burden of proof on municipality
 - Retroactivity
- Coordinated bargaining
 - Fire vs Police – very different
 - Service Levels for Fire established at local level vs. Police Act for Police Services
 - Cautious approach needed
 - EMS seeking parity with Police and Fire

Progress ...

- Originally taken on by CAOs of major cities and regions of Ontario
- Local politicians now speaking publicly about the unsustainable costs of emergency services and burden on municipal budgets
- Changes to arbitration system now key priority in current Ontario election from municipal perspective
- Now widely understood that status quo not sustainable

What This Is NOT About ...

- De-valuing the services provided by emergency services sector workers in our communities
- Lowering existing service levels in communities
- Centralized bargaining in sector

In Summary ...

- Cost increases of providing emergency services must be reigned in
- Increasing burden on all municipalities as a percentage of budget
- Key changes needed for effective arbitration system
- With no changes to current trajectory ... service reductions likely in future
 - *To emergency services or other municipal services*

For more information, please contact:

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