

Results of Paramedics Interest Arbitration with the Toronto Civic Employees' Union, Local 416

Date: March 5, 2019
To: Executive Committee
From: City Manager
Wards: All

SUMMARY

The purpose of this report is to provide the results of the City's Paramedic Interest Arbitration Award with the Toronto Civic Employees' Union, Local 416, as a result of the Final Award issued by Arbitrator Stout on July 30, 2018.

At its meeting on July 23, 2018 City Council adopted item EX36.4 *Delegation of Authority for the Remainder of the 2014-2018 Council Term* that provided delegated authority to the Chief Financial Officer to make the applicable budget adjustments for salary and benefit cost increases from the 2018 Approved Non-Program Expenditure Budget to the 2018 Approved Operating Budget for Toronto Paramedic Services, retroactive to January 1, 2016, should the Final Interest Arbitration Award for Local 416 Paramedics be concluded prior to December 31, 2018.

This report also fulfills the requirement to report back to the appropriate standing committee on this expenditure made under the delegated authority.

RECOMMENDATIONS

The City Manager recommends that:

1. Executive Committee receive this report for information.

FINANCIAL IMPACT

The financial impacts of this Final Interest Arbitration Award are set out below.

Financial Impact of Wage Increase

Wages (in \$millions):

Year	Effective Date	Wages Increase	Cost
2016	January 1	1.00% Base Pay	\$1.532
	July 1	0.75% Base Pay	
2017	January 1	1.00% Base Pay	\$2.311
	July 1	0.97% Base Pay	
2018	January 1	1.00% Base Pay	\$3.225
	July 1	0.75% Base Pay	
2019	January 1	1.00% Base Pay	\$2.721
	July 1	0.75% Base Pay	
TOTAL BASE COST (7.22% base pay increase awarded over 4 years)			\$9.790

Financial Impact of Benefit Enhancement (in \$millions):

Item	Effective Date	Explanation	Cost
Psychological Benefit	July 30, 2018	Increase Psychological Benefit coverage from \$300 to \$3,500 annually	\$0.636

Wages & Benefits

Over the four-year term, the changes awarded will result in overall incremental base wage costs totalling \$9.790 million. In addition, \$0.636 million is required as a result of the change in benefits.

The overall wage costs represent 7.22% base pay (7.45% compounded) increase over the four (4) year term.

Staff accrued sufficient funds that covered the retroactive payments for 2016 and 2017 for approximately \$5.500 million. A provision was made in the 2018 Approved Non-Program Expenditure Budget to fund 2018 wages and benefits costs.

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The necessary budget transfer, to fund 2018 expenditures of \$7.068 million, was executed in Q3 of 2018.

The 2019 Staff Recommended Operating Budget for Toronto Paramedic Services includes wages and benefits funding increase of \$2.721 million for paramedics based on the results of this award.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

A staff report was provided to Council with the results of the collective bargaining negotiations with TCEU, Local 416 - CUPE in order that it can ratify and approve the successfully negotiated Memorandum of Settlement between the City of Toronto and TCEU, Local 416 - CUPE.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.CC14.1>

COMMENTS

Paramedics employed by Toronto Paramedic Services (TPS) are represented by TCEU, Local 416. Most Local 416 collective agreement provisions are applicable to both outside workers and paramedics. However, the parties have historically negotiated a small number of unique provisions in Article 45 – Ambulance Appendix, which apply only to paramedics. In the 2012 round of negotiations, the parties agreed to the creation of Schedule P to the collective agreement which contains all terms and conditions of employment applicable to full-time and part-time paramedics. The parties further agreed to establish a process for the mandatory arbitration of the future terms and conditions of paramedics, in exchange for an agreement not to strike or lock-out during any future labour disputes.

At the expiry of the 2012-2015 TCEU, Local 416 collective agreement, the parties engaged in collective bargaining for a renewal collective agreement commencing on October 15, 2015, culminating in a Memorandum of Settlement dated February 19, 2016. This Memorandum established the wages for non-paramedics and amended a number of provisions of the collective agreement that apply to both non-paramedics and paramedics, including various benefits provisions. However, a number of issues related only to paramedics were not agreed upon by the parties. The parties met in August,

2016 with Mediator Kaplan in an attempt to negotiate a settlement without success. The parties were unable to reach agreement on many of these issues.

The outstanding matters between the parties were referred to Interest Arbitration. Arbitrator John Stout was appointed by the parties as Chair of the arbitration board. The City's nominee on the board was Mark Mason, a lawyer from the firm Hicks Morley, who is very experienced and knowledgeable with the issues facing paramedic services in Ontario. The Union nominee was Joe Herbert.

The parties attended arbitration on February 14 and 15, 2017, having exchanged proposals prior to this date. The Union submitted twenty-eight (28) proposals, the City, seven (7).

Following the conclusion of the two (2) days of bargaining, the Union withdrew twelve (12) of its proposals, proceeding with eleven (11) proposals including increases to wages, wage differentials, meal breaks and the Psychological Benefit. The City maintained its proposals, including an increase to the Part-Time Ratio (which determines the number of part-time Paramedics that Toronto Paramedic Services can employ). Subsequent to these dates the parties met on 3 additional occasions. Two (2) outstanding issues remained, Wages and Part-Time Ratio, and these matters were referred to Arbitration on November 21 and 22, 2017.

Wages

The Union's position was that paramedics should be appropriately compensated relative to others (non-paramedics) in the bargaining unit, relative to their provincial counterparts and relative to other first responders (Fire and Police Services). While acknowledging that the paramedics were amongst the highest paid in the Province (second to the Municipality of Durham) based on the complexity of the work performed, it was the Union's position that Toronto paramedics should be the highest paid in the Province and country. In addition, historically in 1999, 2002 and 2005, TCEU, Local 416 achieved greater increases to paramedic wages than those freely negotiated for its non-paramedic members.

Part-Time Ratio

During the 2012-2015 round of negotiations, the Parties reached agreement on the introduction of the classification of part-time paramedics into the TCEU, Local 416 bargaining unit. Prior to this, there were no part-time classifications within the bargaining unit, including in the Paramedic Service. TCEU, Local 416 has long opposed the creation of part-time positions. The purpose of introducing the part-time paramedic classification was to permit operational flexibility in scheduling to better match emergency call demand and to cover for planned absences of full-time paramedics, thereby alleviating the need for full-time paramedics to work excessive overtime hours. Part-time paramedics are scheduled for planned (vacation, lieu time usage, leaves of absence, training, union leaves) and unplanned (absence due to illness, medical accommodation and WSIB) absences of full-time paramedics and unpredictable, short-term increases in demand. A fixed ratio of 1:5 was agreed to by the parties resulting in one (1) part-time paramedic hired for every five (5) full-time paramedics. Since 2014,

the number of part-time paramedics has reached the maximum allowable under the ratio. To respond to the ever growing service demands on Toronto Paramedic Services and to provide greater scheduling flexibility to meet operational needs, the City sought to decrease the ratio to 1:2, thus increasing its ability to hire additional part-time paramedics. TCEU, Local 416 strongly objected to any change to the staffing ratio.

The Toronto Paramedics Interest Arbitration Award

In contrast to the wages that were freely negotiated between the City of Toronto and TCEU, Local 416 for non-paramedics, Arbitrator Stout, in his decision dated July 30, 2018, awarded higher wage increases, premised on the principle that Toronto paramedics should not fall further behind Durham and ought to retain their relative position as being among one of the highest paid group of paramedics in the Province. However, the arbitrator also acknowledged that Durham paramedic wages evolved through a job evaluation process and in a different labour relations environment and that arbitrators have not previously followed the Durham wage rates. As a result, Arbitrator Stout awarded, as follows:

TCEU, Local 416 Paramedic Interest Arbitration Award			Negotiated TCEU, Local 416 Wage Increases	
Effective Date	Salary (Paramedic Level 1)	Percentage Increase	Effective Date	Percentage Increase
January 1, 2016	\$39.56	1.0% added to base	January 1, 2016	0.75% added to base
July 1, 2016	\$39.86	0.75% added to base	July 1, 2016	0.50% added to base
January 1, 2017	\$40.26	1.0% added to base	January 1, 2017	0.75% added to base
July 1, 2017	\$40.65	0.97% added to base	July 1, 2017	0.50% added to base
January 1, 2018	\$41.06	1.0% added to base	January 1, 2018	0.75% added to base
July 1, 2019	\$41.37	0.75% added to base	July 1, 2019	0.50% added to base
January 1, 2019	\$41.78	1.0% added to base	January 1, 2019	0.75% added to base and 0.25% Lump Sum
July 1, 2019	\$42.09	0.75% added to base	July 1, 2019	0.50% added to the base
		7.22% (7.45% compounded)		

The Arbitrator agreed that the City was able to provide evidence of a demonstrated need to increase the part-time ratio to address staffing demands associated with planned absences of full-time paramedics, and unpredictable, short-term increases in demand. However, the Arbitrator did not award the 1:2 ratio that the City sought, instead awarding an improvement in the ratio from 1:5 to 1:4. In addition, the Award requires that no current full-time paramedic position(s) can be converted or replaced by a part-time paramedic position(s). The improvement in the ratio will allow the City to hire approximately 50 more part-time paramedics than was previously permissible under the collective agreement, subject to budget limitations, which will assist TPS with meeting operational needs.

In addition to the terms and conditions applicable to paramedics, agreed to by the parties in the round of negotiations concluded in February, 2016, beyond the wage and

ratio component of the arbitrator's award, it amends the collective agreement between the City and the TCEU, Local 416 as follows:

- It renews the Memorandum Item Only providing for 12 Hour Shifts as the normal shift for full-time paramedics;
- It increases the value of the psychological benefit coverage to be provided to full-time paramedics and their families from \$300 to \$3,500*, annually;
- It provides a penalty of four (4) hours pay where the shift of a part-time paramedic is cancelled or changed with less than forty-eight (48) hours' notice;
- It provides, through a Memorandum Item Only, the ability for the parties to review the Peer Resource Team.

*As a result of this award, increased psychological benefit coverage is also provided to Local 79 Emergency Medical Dispatchers in the Central Ambulance Communications Centre (CACC), as per the Memorandum of Settlement with Local 79.

This decision results in a wages award that exceeds the wages freely negotiated with the TCEU, Local 416 in 2016. Given the percentage of the TPS operating budget that is consumed by paramedic salaries, this will have budgetary impacts for TPS and the City, which have been included in the proposed 2019 operating budget.

CONTACT

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SIGNATURE

Chris Murray
City Manager

ATTACHMENTS

Attachment 1: Final Interest Arbitration Award between the City of Toronto and the Toronto Civic Employees' Union, Local 416, dated July 30, 2018.