

For Toronto, a longer strike would mean larger savings

Vancouver's three-month long strike generated \$11.8-million in savings, leading to a one-time reduction in property taxes

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From Friday's Globe and Mail Last updated on Friday, Jul. 24, 2009 03:18AM EDT

Measured in dollars and cents, the longer the garbage bags fester, the pools stay closed and the vermin prosper and multiply, the better it is for Toronto's bottom line.

A longer strike, according to history, strike experts and politicians and their spreadsheets, is a more affordable one.



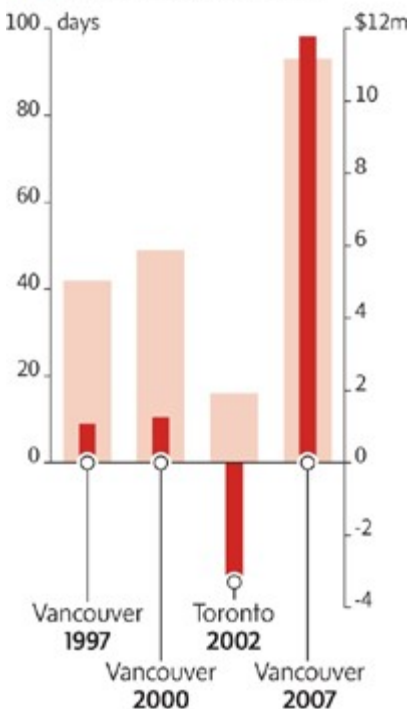
Toronto's municipal workers strike is in its fifth week, and the city seems on track to avoid the \$3.3-million loss associated with the 2002 strike. If residents could just hold their noses for another month or two, Toronto could enjoy the same cash windfall as Vancouver did from a 2007 strike that dragged on for three months. That labour disruption generated \$11.8-million in savings, and a one-time 2.32-per-cent reduction in property taxes the following year.

Mayor David Miller has said the city won't provide compensation through property taxes no matter how long the strike drags on. Some are beginning to wonder just how much the strike could save the Toronto.

Time is money

The longer the strike, the bigger the boost to a city's bottom line.

Days on strike (left scale)
Gain or loss (right scale)



THE GLOBE AND MAIL | SOURCES: CITY OF VANCOUVER, VANCOUVER SUN

Mr. Miller has declined to discuss numbers.

“We can only calculate that afterwards,” he said at a strike briefing on Wednesday. “The 2002 strike cost the city \$3-million. There [are] obvious costs and savings and we won't know until after. It is just not possible to add those figures.”

However, it is possible to make some educated guesses.

During the 2002 strike, the city said it was saving \$8.9-million a week in payroll costs.

Given the pay raises in the last two contracts and the growth in the number of unionized employees, payroll savings are likely in the ballpark of \$20-million a week this time around.

“There are a lot of one-time costs that eat up those savings,” said Anil Verma, a professor of industrial relations and human resource management at the University of Toronto's Rotman School of Management and Centre for Industrial Relations.

But a longer strike generates more savings in wages to offset one-time costs, he

said.

Though the city is saving millions on unionized employees, overtime slips for the approximately 3,900 managers who remain on the job are piling up just like the garbage bags. Estimates are that about 90 per cent of them are working longer hours than their usual 35- to 40-hour work weeks, and being paid time and a half.

The city has also had to hire more security staff, a cost CUPE Local 79 president Ann Dembinski has estimated at around \$1-million.

And once the strike ends, there will be costs such as that of the cleanup, which in 2002 cost about \$4-million.

A source knowledgeable about the city budget said that costs such as fencing, security cameras, security staff and management overtime could exceed \$1-million a day.

“At any time, it would be difficult to gauge the savings,” said Councillor Case Ootes (Ward 29, Toronto-Danforth), deputy mayor during the 2002 strike. “One would expect savings to increase the longer the strike goes on. But it is probably a lot less than people expect because of the requirement to catch up on the backlog [of garbage collection and other city services.]”

A staff report submitted to the city's policy and finance committee following the 2002 strike blamed the \$3.3-million cost on “significant revenue losses that total \$8.7-million.”

That included \$2.7-million in solid waste tipping fees and \$5.8-million in lost revenue to the department of economic development, culture and tourism.

The now-shuttered Keele Valley landfill was closed during the 2002 strike. That meant tipping fees – the money other municipalities and companies paid Toronto to dump their trash at Keele Valley – dried up during the labour dispute.

This time, Green Lane, the city's new landfill located outside London, Ont., has remained open and tipping fees have not been disrupted, according to Councillor Shelley Carroll (Ward 33, Don Valley East), chair of the budget committee.

Events that generate revenue for the department of economic development, culture and tourism are being assessed on a case-by-case basis and losses or gains in that area are harder to gauge, she said.

“I don't say to myself, ‘Oh, we're saving X amount of dollars a day,’ because over time it comes back to us in the far-reaching effects of having gone through this experience,” Ms. Carroll said. “So I want it to end.”