

Miller faces heat for backing down

Controversial on sick-day perk remains in tentative deal for current employees; workers may be back on the job Thursday morning after ratification vote

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Last updated on Wednesday, Jul. 29, 2009 09:35AM EDT

A controversial perk that allows unionized City of Toronto employees to accumulate sick days remains in a tentative deal to end their lengthy strike, The Globe and Mail has learned.

While the proposed agreement would eliminate the practice for new employees, a gain for the city, Mayor David Miller had tabled a public offer in early July that would have partly bought out banked sick days of current workers. Union leaders branded that an unfair “takeaway.”

The benefit, a key issue in the labour dispute, is rare in the private sector.

“The mayor's going to have a lot to answer for”

The tentative deal reached earlier this week would allow people already working for the city to bank 18 sick days a year and cash them out as the equivalent of six months pay at retirement. As the unions prepared for ratification votes Wednesday and continued to battle the city on when they'll return to work, news of the deal's specifics drew fire from one business community.

“There is absolutely no justification for increasing wages or leaving those benefits intact,” said Satinder Chera, Ontario director of the Canadian Federation of Independent Business, who accused the mayor and the city of caving in to union negotiators five weeks into the strike. “The mayor's going to have a lot to answer for,” he said.





Toronto Mayor David Miller, flanked by city manager Joe Pennachetti, confirms at a news conference Monday that the city has come to a tentative agreement with CUPE locals 416 and 79.

Sources say the tentative deal has advantages for the Toronto municipal government, which is desperate to find savings. For one thing, new hires would be covered by a short-term disability plan common in private business, without the risk of future unfunded liabilities.

As important, existing employees would have the option to cash in their banked sick days immediately. These employees would also join the short-term disability plan as part of a deal that also would give workers a 1.75-per-cent raise this year, a 2-per-cent raise next year and a 2.25-per-cent raise in 2011.

The city's decision to grandfather the controversial sick-day benefit mirrors what has happened in York Region, Mississauga and Hamilton.

Even one of Mr. Miller's toughest council critics, former Etobicoke mayor Doug Holyday, concedes that taking the benefit away from current employees would have been next to impossible.

“The sick-plan settlement is not as good as we had hoped for, but it's still doing the right thing,” he said. “To turn around and get nothing would have been worse.”

Wednesday, with the terms of a tentative settlement still officially under wraps, ratification votes are scheduled by Locals 79 and 416 of the Canadian Union of Public Employees to end the strike that began on June 22.

The pay proposal for union members does not sit well with the group that represents non-union employees, who received a salary freeze this year, and 1 per cent in 2010, from council last year.

Richard Majkot, executive director of the Administrative, Professional and Supervisory Association, wants council to “revisit” the decision.

But it is the issue of banked sick days that has stirred the most controversy.

At City Hall, without discussing details of the proposed deal, Mr. Miller cited the strategies of other municipalities to phase out sick days, adding that any reform would be “virtually impossible” if the dispute had gone to provincial arbitration. “We were seeking to modernize the collective agreement to have a short-term disability plan, and the only way to do that was through negotiations,” he said.



Fernando Morales/The Globe and Mail

A father and his two daughters ride their bikes past a temporary garbage dump at Christie Pits Park, north of Bloor Street, in Toronto.

Several members of council are miffed they won't learn details of the city's offer until a Friday council meeting. "I'm not prepared to endorse a deal that Mayor David Miller's made if the strike was for naught," said Councillor Case Ootes (Ward 29, Toronto-Danforth), leader of council's right-leaning minority. "But at this point we don't know for sure what's in there."

He and other councillors met with the mayor Tuesday, but said they were rebuffed in calls for a full briefing on Wednesday. Councillor Suzan Hall (Ward 1, Etobicoke North) said it's frustrating to be in the dark until Friday, adding that her "biggest concern" is sick pay.

Meanwhile, the timing of a return of city services remains unclear as both the city and its unions continued their posturing Tuesday night.

Around 9:30 p.m., Local 79 president Ann Dembinski said her members could return to work Thursday morning, after Wednesday's ratification vote, but have been told by the city to wait until after council votes on the deal Friday. The delay flies in the face of previous agreements, in which workers have been back on the job without delay.

"It's certainly different from what happened in the past. There's no reason for our workers not to be back on the job first thing Thursday morning. Absolutely no reason," Ms. Dembinski said Tuesday night. "Our members are anxious to get back to work."

Nearly two hours later, the City of Toronto released a statement saying it is "pleased that Local 79 has accepted the City's offer to allow their members to return to work" Thursday morning. City spokesman Kevin Sack declined to say why Ms. Dembinski had been under the impression, only two hours earlier, that her workers couldn't do just that.

"The city has stated to both union locals that the city will welcome all staff back as quickly and efficiently as possible as part of the orderly resumption of the city's services. The city would also welcome the return of Local 416 staff immediately after they have ratified the new contract," said the city's statement, which was attributed to Mr. Miller.

The city's announcement appears to have caught the unions off guard.

"We're working through those issues now," Local 416 president Mark Ferguson told The Globe just before midnight, when asked if his members would be back at work Thursday in the event of approving the tentative deal. He directed

further questions to CUPE Ontario's top spokeswoman Pat Daley, who said the union wasn't yet ready to say whether they will return to work.

With a report from Josh Wingrove

THE DEAL

Wage increases

- 2009: 1.75 per cent
- 2010: 2 per cent
- 2011: 2.25 per cent

Sick bank

- Current employees: Can either (a) cash out now and switch to a short-term disability plan or (b) keep the existing plan and continue to accumulate sick days at the rate of 18 per year, cashing out a maximum of six-months worth at retirement.
- New hires: Can't bank sick days.

Sick banks for other Toronto workers

- Police: 18 days a year, with unused days rolled over annually. Those who resign or retire with at least 10 years service can, depending on the number of accumulated sick days, receive up to three months salary. At most, those with 35 years service could earn a payout of up to nine months salary.
- Firefighters: Same as police. Maximum payout of six months for those with 25 years service who have accumulated a year's worth of sick days.
- Transit workers: No banked sick days. Short-term disability plan provides 130 days (six months), with workers at 75 per cent of their pay. After that, workers receive employment insurance benefits for 15 weeks, and must exhaust vacation days before being eligible for long-term disability benefits.
- Toronto Community Housing Corporation: 18 days a year, with unused days rolled over annually. In April, an arbitrator ruled that the policy should also cover 168 employees who had previously belonged to a provincial public sector union.
- Toronto Parking Authority: About 15 years ago, the agency moved to a short-term disability program that pays 80 per cent of wages from the first day of illness to a maximum of 26 weeks. A long-term disability plan goes into effect after that.