

Any city victory will be a pittance

Terence Corcoran, *National Post* Published: Tuesday, July 28, 2009

The truth will set you free.

John 8:32

Since we have no truth on the table, Toronto taxpayers cannot yet claim to be free in the wake of the city's 37-day-old garbage strike. A settlement has been reached, they say, but no whiff of fact or scent of detail was released. Even after workers get back to work, and the truth is known, the whole rotten affair may still leave a dank fiscal pall over the city.

By far the biggest untruth landed yesterday from the lips of Mark Ferguson, the New Wave mystic president of the Canadian Union of Public Employees Local 416, who claimed that the union had fought back "all of the concessions" demanded by the city. When Local 416 spokeswoman Pat Daley was asked whether that meant the union had beat back all of the city's 118 pages of concession demands, she said: "Yes."

Maybe Ms. Daley is undergoing an Akashic Experience as described in one of the metaphysical texts Mr. Ferguson reportedly consults on such subjects as human interaction with the cosmic memory field that can transmit information to people without having to go through the senses. (For details, see *The Akashic Experience: Science and the Cosmic Memory Field*). If you think all those concessions were absorbed into the cosmos, then maybe they were.

Taxpayers can only hope that Mr. Ferguson is in another world, where spin is king and truth is a transcendental experience not verifiable on the city's financial statements. More likely he was doing what union leaders do best, which is spin themselves out of what looks to have been a long and unproductive confrontation with the city. His probable intent was to say that they fought back on all concessions, but didn't win them all.

Mayor David Miller seemed to have his feet more firmly on the ground. While he also gave no details, he did say he thought Mr. Ferguson's concept of a concession-free contract may be different from the city's concept.

The Mayor is walking a fine line. His political future rides on these contracts. If the unions can claim victory, then he is a lame duck. But the unions also know that their future political clout rides with David Miller, the only pro-labour mayoral candidate they are going to get in any coming election. As a result, post-ratification reconciliation between Mr. Miller and the unions seems likely.

But is any reconciliation with taxpayers possible? At the end of it all, the city is going to have to prove that it made significant gains in making the city a more efficient and less union-dominated operation. From what we know now, there will be little to show for this 37-day strike.

It is certain that the unions will have accepted wage increases not much different from the city's offer of 7.2% over four years. Above all, the unions will also have accepted a winding down of their notorious sick-leave regimes. The existing sick leave scheme, one of many union-won fiscal boondoggles, is going to be history. The question is how it becomes history, and when. The city has already said it is willing to buy out city workers entitled to the accumulated sick benefits, a cash settlement that will drain tens of millions of dollars out of the city's already depleting reserve funds.

A city victory over the sick leave benefit, while widely touted, is actually a small one. The city has an unfunded sick-leave liability associated with CUPE Locals 416 and 79 of about \$140-million. The net gain to the city's balance sheet from eliminating that liability and draining a reserve fund will be tiny compared with the massive unfunded liability for all employee benefits still on the city books. That black cloud -- at \$2.3-billion at the end of 2007 -- is the future cost of benefits to police forces, fire services, TTC workers and employees at scores of city agencies and corporations. It's one of the biggest reasons Toronto is drifting into financial trouble.

The gain on sick leave to the 30,000 CUPE locals will therefore be minor compared with what could have been and what the city needs. A real win for the city and taxpayers would have been achieved if Mr. Miller had been willing to force the union to relax job security rules that make it nearly impossible for the city to introduce significant competition in the delivery of garbage services. Some contracting out is possible, but only in increments.

More broadly, across the city's base of activities, from the TTC to its ties to the construction unions, Toronto needs major reforms. The city did not get major reforms in these new contracts, and it is unlikely to get them from Mr. Miller. But since we are all linked in the great cosmos of senses-free sharing of intelligence and experience, there's always going to be a next time.