



Date: October 5, 2012

City Council Committee Report

To: Mayor Canfield & Members of Council

Fr: Sharen McDowall

Re: Arbitration Reform

Recommendation:

Whereas the Council of the City of Kenora is pleased that both the Liberal government and the PC party have kept the issue of interest arbitration reform at the forefront of major policy discussions; and

Whereas the City of Kenora supports the overall intention of interest arbitration reform; and

Whereas a preliminary review indicates that there appears to be room for improvement in both pieces of draft legislation before the legislature; and

Whereas the City of Kenora trusts that through further consultation these issues can be resolved; and

Whereas the City of Kenora is aware that AMO and the Emergency Services Steering Committee are reviewing these issues and look forward to further discussion and input;

Now Therefore the Council of the City of Kenora hereby requests that the legislature work collectively in the best interests of Ontario municipalities and Ontario taxpayers on this important issue of interest arbitration reform.

Background:

According to the following AMO news:

AMO and its members have sought changes to interest arbitration that would improve accountability and transparency for municipal taxpayers, employees and employers alike. A long track record of evidence backs up AMO's view that Ontario's current system is unbalanced and unresponsive to legitimate taxpayer concerns.

Better processes, such as timely and written reasons for decisions, and more clearly defined criteria for the arbitrator's consideration, are needed to ensure that arbitrated settlements are fair, balanced, transparent and accountable. It is particularly important that settlements are affordable and appropriate for individual communities.

There is broad recognition across the Ontario Legislature that arbitration reform is needed. The government and the Official Opposition have both proposed changes to our current arbitration system. Municipalities finally have an opportunity to get the changes that we need, provided that we are consulted with. In particular, municipalities have an interest in

making sure that appropriate criteria will guide an arbitrator's review of a municipality's ability to pay a given settlement.

On September 28, AMO's Board directed staff to work with external legal counsel, Hicks Morley, and the Emergency Services Steering Committee (ESSC) develop any necessary changes to advance municipal interests and report back soon to the AMO Executive and Board with recommendations.

In the meantime, AMO would encourage municipal councils to consider the Township of Scugog's recent resolution on this matter. Local councils are encouraged to either support it, or to use it as a basis for its own resolution.

It is essential that broad support for arbitration reform is translated into prudent legislation. Through consultation with AMO, Ontario's municipalities will have an opportunity to make sure the legislation achieves its intended outcomes. We have important expertise to share, particularly around ability to pay criteria, and it is essential that the Ontario Legislature get this legislation right. Ontario communities cannot afford the consequences of getting it wrong.

Communication Plan/Notice By-law Requirements:

As per resolution.