

A Deal that Taxpayers Cannot Afford

July 30, 2009 (Toronto): The Responsible Government Group announced today that they will not vote in favour of the settlement, saying it is a deal that does not relieve the tax burden on residents but in fact, increases it. The Group believes the Mayor has failed to uphold the commitment he made to Council and to residents to achieve a labour agreement that is affordable to the City. As such, residents endured a 38-day strike for nothing.

“This settlement is nothing but a tax anchor on residents,” said Councillor Brian Ashton. “The Mayor continues to spend money we do not have. And he continues to make financial commitments years into the future – until the last employee of these unions retire,” he said.

The Responsible Government Group estimates that every percent increase in wages adds approximately \$30 million annually in costs to the City. Over the three-year contract, the City will need to find \$180 million additional dollars. In addition, the continuation of the sick bank benefit does little to address the \$186 million unfunded liability.

“Given that the Mayor is aware of the \$400 million dollar shortfall in our budget and that the Province is in no position to bail us out, why would he continue to spend taxpayers money in this fashion?” asked Councillor Peter Milczyn. “We supported the Mayor to stand firm and look after our financial house but he didn’t.”

Councillors Cliff Jenkins and Francis Nunziata are members of the Employee and Labour Relations Committee and they state that the settlement exceeds the bargaining mandate put forth by the Committee:

“The Mayor is incorrect in saying that the wage increase is within the bargaining mandate approved by the Employee and Labour Relations Committee. Reports indicate a settlement of 6% over three years - that exceeds the bargaining mandate,” said Councillor Jenkins.

“Moreover, the Committee's mandate did not allow any further accumulation of sick days, period,” added Councillor Nunziata.

The members of the Responsible Government Group are fast approaching 1000 e-mails and calls from residents, demanding that they do not support the settlement.

“This is a deal that has not protected the interests of the people who live and work in Toronto,” said Councillor Karen Stintz. “It is not the deal we needed, expected or can afford – it is not a deal for Toronto”.