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**Subject:** FW: AMO Policy Update - Interest Arbitration Update  
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## TO THE IMMEDIATE ATTENTION OF THE CLERK AND COUNCIL

April 1, 2014

### AMO's INTEREST ARBITRATION UPDATE

As you will recall, in late November 2013, the Minister of Labour called on both municipal employers (through AMO and the Emergency Services Steering Committee) and employee associations (e.g. POA, OPPA, OPFFA) to come together and try to achieve an agreement on changes to the interest arbitration system. This was in response to the 2013 Throne Speech which stated, "As your government moves forward, Ontario's labour force will be treated fairly and with respect. It will sit down with its partners across all sectors to build a sustainable model for wage negotiation, respectful of both collective bargaining and a fair and transparent interest arbitration process, so that the brightness of our shared future is not clouded by the indisputable economic realities of our time".

Over the past several months, the employer and employee groups have met and exchanged proposals on what they believe interest arbitration legislation should look like. The employer group worked hard to find common ground and a meaningful solution to several matters, particularly capacity to pay.

Unfortunately, the parties have been unable to come to a consensus. Accordingly, it appears necessary to resume our efforts to seek necessary and meaningful legislative change through political advocacy. AMO and ESSC will continue to work together in these efforts. We appreciate the support of several local Chambers of Commerce, the Ontario Chamber itself along with others that seek changes to the interest arbitration system. AMO's members are reminded of the various resources we have produced previously on this topic, including a [video](#) that in plain language describes the interest arbitration process and what is happening to costs.

Yesterday, a report, "[The Blue Line or the Bottom Line of Police Services in Canada](#)" by Christian Leuprecht was released. Leuprecht was a panelist along with municipal and OPP representatives on the March 27th TVO segment, "[Badges and Balancing Acts](#)". It focused on the 'leap frog and me, too' approach of interest arbitration as it relates to the cost of service. The public and media are also seeing this week the annual "Sunshine List" that shows public sector employees earning more than \$100,000. As noted with the release of the Leuprecht report, of the 96,500 broader public sector employees who made the 2013 list, almost 75% were police, fire, and ambulance.

AMO's Board of Directors believes the time for legislative action to support the interests of property taxpayers and the financial well-being of municipal governments is now. Ontario communities cannot fund emergency services at the expense of other programs that also keep communities safe and strong. The Government of Ontario has a moral and practical responsibility to help ensure that emergency service costs are affordable and sustainable.

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