

**From:** AMO Communications [<mailto:communicate@amo.on.ca>]  
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**To:** Bill White  
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October 4, 2016

### **Arbitrated Settlement with the OPPA**

An arbitrated decision has been reached between the Government of Ontario and the Ontario Provincial Police Association (OPPA). Over three hundred small municipal governments across Ontario use the services of the OPP and this award will have significant budgetary impacts for these municipal governments against a backdrop of limited municipal revenues.

Although of no solace to those small municipal governments facing new fiscal impacts, the salary award is in line with the Toronto Police Service contract, which reduced the previous salary rate increases to less than 3%, which was generally the previous pattern. As fire services have been holding up the police sector as its comparator, it will be interesting to see where fire services land in the arbitration process.

The accumulated arbitrated wage settlement for the OPPA's increases, by calendar year, are as follows:

2015: 2.65% 2016: 1.95% 2017: 1.90% 2018: 1.75%.

For comparison, previous wage settlements for the OPPA were:

2011: 5.075% 2012: 0.0% 2013: 0.0% 2015: 8.55%.

The October 3<sup>rd</sup> arbitrated settlement, among other issues, also:

- Delays salary progression from 4<sup>th</sup> to 1<sup>st</sup> class officers by two months (with a cumulative impact);
- Provides for posting renewal incentives, (up to \$30,039 for 4 years);
- Eliminates pay in lieu of vacation;
- Reduces overtime banking for civilian employees (from 100 to 40 hours); and
- New employees (effective January 1, 2017) will not be entitled to termination pay.

The settlement also provides for the establishment of a committee to examine shift scheduling. Shift scheduling had been identified by the Auditor General in multiple reports,

as a key opportunity for efficiency improvements of up to \$10 million. It remains to be determined whether the shift scheduling committee will deliver any service efficiencies. Other service efficiencies identified in the Auditor General's value-for-money audit of 2012 include updating the staff deployment model to better balance workloads between detachments; assigning more corporate service functions to civilians, and improving the management of overtime costs.

## **Billing**

On September 8th, the OPP wrote to municipalities advising of the salary rate estimates upon which 2017 Annual Billing Statements would be made. Those estimated rate increases for 2015 to 2017 were:

2015: 1.50% 2016: 2.64% 2017: 2.54%.

In addition, the OPP advised estimate to actual cost reconciliation for 2015 and 2016 would not be completed until the 2018 Annual Billing Statement. In other words, if municipalities were billed more than originally estimated in 2015, it could take three years for that difference to be reconciled. In addition, the differences between the arbitrated settlement and the estimated future increases also needs to be reconciled. AMO will be pursuing this rather one-sided accounting and billing system. Service systems should be much more responsive.

**Contact:** Matthew Wilson, Senior Advisor, [mwilson@amo.on.ca](mailto:mwilson@amo.on.ca) or 416-971-9856 Ext.323.