

**NBTA - Wages and Benefits presentation – May 2, 2016
(See also PowerPoint – Wage Increases 2009 – 2016)**

Here tonight to discuss the increasing level of wage and benefit costs that citizens of North Bay are being asked to fund through their taxes and ask council to take concrete action to reverse this trend.

(First slide)

What we are pointing out here is the fact that over the last seven years, City wage and benefits, excluding Police, ABC's and water departments have increased by almost \$8 million which appears in the bottom left of the slide. That percentage represents a 25.17% increase over that time period.

Does anyone in this room feel that taxpayers are receiving 25% better service than we did seven years ago? Is there anyone who feels we are receiving, as taxpayers, 25% more services than we did seven years ago? Does anyone want to argue that these increases represent value for money spent?

Is there anyone that can justify this level of increase in the tax burden to North Bay taxpayers? The standard, throw away, answer from bureaucrats and union types is rising inflation.

You will notice that this argument fails completely in the City's case because, if you look at the yellow square, and compare the % increase in wages to the % increase in inflation for the same period, you find the wage increases at 25% are over 2.5 times as large as the inflation increases.

So if we aren't getting more services and we aren't getting any better service and inflation could only be argued to account for about 40% of the increases, what are the reasons for this situation?

In 2011 - 2012 there were 24 positions lost at Canadore. In 2014, Arclin Resins shut down its plant in North Bay citing changing market conditions. In 2015, 157 employees at the Regional hospital received layoff notices because of funding shortfalls. This brought total job losses to over 300 for the previous four years. Also, in 2015, Boart Longyear laid off 22 employees with no set return date. Ontario Northland recently endured an extended strike in an effort to control employee costs. National companies

continue to cut thousands of positions to stem losses in order to adapt to changing conditions

Here in North Bay, we are apparently in a time warp where council refuses to change its ways. Instead their plan is to gird their loins in support of the status quo and stand ready to sacrifice North Bay taxpayers to support their position.

North Bay's fire and policing costs, which are 90% salaries and benefits, when compared to provincial figures are dismal. The figures from 2013, which seem to be the latest available, indicate that North Bay's fire services costs are 45% above the provincial average and policing costs are 74% above.

Meanwhile, anyone who dares to suggest that we actually significantly reduce staff numbers is metaphorically tarred and feathered.

During a budget session this year, a council member suggested freezing salaries for non-union employees as a way to reduce expenses. You could have heard a pin drop in that room for about 10 seconds. To say that suggestion was dropped would be a misnomer. It literally never got off the ground!

And the ultimate insult to taxpayers; after passing a budget that included \$1.5 million in borrowings to pay for operating expenses, a majority of councillors not only chose to hire a \$113,000 information officer but increase their own pay as well.

(next slide)

If we look at the next slide we see that the plan for the next seven years is to allow wages to increase by another 16.25% which, if inflation continues at its present pace, would be 70% higher than the rate of inflation.

It appears evident from these figures that there are no plans by council to change attitude or direction on wages. As a matter of fact, Council's main thrust now seems to be attacking the messenger while ignoring their role to protect the interests of the public.

Many ordinary hard working taxpayers haven't seen a wage increase in years and we presume some have been forced to accept wages cuts in order to retain their jobs. What council is asking taxpayers to do is accept a decrease in their standard of living, through higher taxes, so that the public sector can continue to increase their standard of living well beyond the norm.

It is time for council to stop pretending that taxpayers are receiving value for money spent and that there is any real justification for the current wage levels.

The current union labour contract ends this year. Council needs to take the opportunity to affect real change by reducing wages, cutting staff and reigning in the continuous wage increases and most importantly the outdated defined benefit pensions still offered by OMERS and still demanded by union leaders and their supporters.

Currently, many are basking in the hope offered by the recent Baylor study which has made a number of suggestions aimed at increasing North Bay's assessment base. This would, of course, result an increase in tax revenues without a corresponding increases in individual taxes. This would not, it should be noted, reduce the tax levy increases North Bay taxpayers have been experiencing even though City staff insists on erroneously claiming that it will.

The City has tried many of these types of initiatives in the past which have not produced the desired results.

Meanwhile council is in the "hope" mode waiting for that magic bullet which will have dozens of businesses and hundreds of people coming to North Bay to increase our economic base. In the meantime, the City is increasing taxes as if that magic bullet is already a reality or is just around the corner.

Attempting to promote and grow North Bay is part of the role of council. However, even before that and more importantly than that is the role to look after the interests of current taxpayers which means delivering essential services in a cost effective manner.

This presentation tonight illustrates a specific area where council has ignored its role in protecting taxpayers who clearly are not receiving value for money spent.

I am ready to answer any questions which pertain to clarification of anything that I have said here tonight so if anyone has any questions, I'll be happy to take them.