In the Matter of an Interest Arbitration

Pursuant to the *Fire Protection and Preventions Act, 1997 and as amended*

Between:

THE CORPORATION OF THE CITY OF VAUGHAN
(the "Employer" or the "City")

- and –

VAUGHAN PROFESSIONAL FIREFIGHTERS ASSOCIATION
INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS LOCAL 1595
(the "Association")

A W A R D

Paula Knopf – Arbitrator

Appearances:

For the Employer:	John Saunders, Counsel Jordynne Hislop, Counsel Andrew Zvanitajs, Fire Chief Jeremey McLeish, Legal Counsel Eric Lane, Paralegal Mark Bond, Chief Human Resources Officer Gina Lijoi, Manager of Human Resources Mina Leone, Human Resources Business Partner
For the Association:	Mike Palachik, Advocate Jeffrey Sack, K.C., Counsel Wassim Garzouzi, Counsel Nicole Whitmarsh, Counsel Andrew Anthony, Advocate Assistant

The hearing of this matter was held via video conferencing, at the Parties request, on April 21, 2025

This Award resolves the outstanding collective bargaining issues between the City of Vaughan (the “Employer” or the “City”) and the Vaughan Professional Fire Fighters’ Association, International Association of Fire Fighters, Local 1595 (the “Association”). Their previous Collective Agreement expired on December 31, 2023.

The purpose of this Award is to resolve the terms and conditions of employment that the Parties have not yet been able to resolve on their own. Since fire prevention and the duties related to this service are essential to a community, there is no right to strike or lockout. Accordingly, interest arbitration is the dispute resolution process that is designed to bring closure to the dispute by attempting to replicate what the parties would be expected to have achieved through free collective bargaining.

The Parties did engage in collective bargaining in an effort to achieve a mutually acceptable Collective Agreement. They reached agreement on many, but not all issues. After reaching an impasse, they could not agree upon a choice of arbitrators to resolve the outstanding issues. As a result, their dispute was referred to the Ministry of Labour whose Dispute Resolution office appointed me to arbitrate and resolve the dispute. My jurisdiction and authority have not been challenged by the Parties.

Vaughan is a Municipality with a population of approximately 353,071. It provides various services to the amalgamated communities of Thornhill, Woodbridge, Concord, Maple and Kleinberg. The City is situated in the Region of York on the northern boundary of Canada’s the Greater Toronto Area. The Region of York includes, in part, the City of Richmond Hill and the Towns of Newmarket, Aurora, and Markham.

The residents of Vaughan are served by the Vaughan Fire and Rescue Service with ten fire stations that are staffed solely by full-time career firefighters. In addition to fire suppression services, the Operations Division provides specialized services including technical rescue, medical assistance including defibrillation, auto extrication and response to hazardous materials emergencies. Further, the Fire Service is responsible for ensuring all buildings within its jurisdiction meet the Ontario Fire Code. This Service

comments on building permits submitted for renovations and alterations and undertakes inspections of work upon completion. It's "Fire Prevention Program" provides services to the business community which includes fire extinguisher training for employees and presentations about fire prevention.

In addition to the firefighter bargaining unit, the City also has collective agreements with CUPE Locals 905.22, CUPE 905.21 and CUPE 905.20. While those contracts are relevant to the Employer's considerations, they are not the traditional comparators that firefighters' associations, municipalities and arbitrators use for purposes of negotiations or interest arbitrations. This is because the best indicators for comparability are the patterns set by similar workplaces, working conditions and venues. That is why firefighters are historically compared to firefighters and police services. The Vaughan Firefighters have a long-standing pattern of comparison with the York Regional Police Services Board which provides policing services to the City of Vaughan. The other comparators that were relied upon by the Parties in this case include: Barrie, Brampton, Central York, Markham, Mississauga, Oakville, and Richmond Hill.

The City's stated goal in this interest arbitration process was to "ensure financial sustainability and demonstrate effective governance". It stressed that expenditures have to be justified " having regard to factors such as the City's means and circumstances, the terms and conditions of employment applicable to other employees in the public and private sectors, and the City's ability to attract and retain qualified firefighters." With those goals in mind, the Employer forcefully advocated for the elimination of lifetime benefits for retirees and amendments to the vacation and statutory holiday accumulations in the event of long-term absences while a firefighter received WSIB or LTD benefits related absences. The Association adamantly rejected these proposals, submitting that the *status quo* reflects negotiated rights that should not be removed when the Employer is offering nothing in return.

The Association's stated goal in this process was to maintain existing rights and seek improvements to wages, benefits, protections for employees on leave, and several other

monetary and non-monetary items". Further, the Association advocated for the improvements to retiree benefits.

This arbitrator's responsibility is to resolve the outstanding issues that pertain to their Collective Agreement in accordance with the statutory and well-established arbitral principles. The basic principles that apply to this process are well known to the Parties. Therefore, there is no need to set out a long recital or review of the caselaw that was cited in the Parties' briefs.

However, it is important to acknowledge the governing principles that apply to the Parties' dispute. First and foremost, the "duty" of an interest arbitrator is to apply the criteria set out in Ontario's *Fire Protection and Preventions Act;*

> **Criteria**
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> (2) In making a decision, the arbitrator shall take into consideration all factors the arbitrator considers relevant, including the following criteria:
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> 1. A comparison, as between the employees and other employees in the public and private sectors, of the terms and conditions of employment.
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> 2. A comparison of collective bargaining settlements reached in the same municipality and in comparable municipalities, including those reached by employees in bargaining units to which the *Labour Relations Act, 1995* applies, having regard to the relative economic health of the municipalities.
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> 3. The economic health of Ontario and the municipality, including, but not limited to, changes to labour market characteristics, property tax characteristics and socio-economic characteristics.
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> 4. The employer's ability to attract and retain qualified firefighters.
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> 5. The interest and welfare of the community served by the fire department.
>
> 6. Any local factors affecting the community.

In order to fulfill this responsibility in the case at hand, I have applied these criteria to the Parties' extensive briefs, the supporting materials they supplied, and their fulsome submissions. Together, this has provided sufficient evidence to enable me to compare the changes each Party is seeking in relation to what similar bargaining units in similar circumstances have achieved through free collective bargaining. This included looking

at Fire Services and Police Services of similar size and in the same geographic areas. Traditionally, the most relevant comparators for this service have been Richmond Hill, Markham, Central York Fire Services and York Police. I have also tried to ensure that the resulting Collective Agreement respects both the realities of collective bargaining and establishes working conditions and compensation that serve them and their community responsibly. Finally, I have applied the statutory criteria and applied the factors of comparability, demonstrated need and total compensation. To that end, the evidence concerning voluntary agreements with comparable parties have been given considerable weight. These are the factors that interest arbitrators must apply to achieve the goal of replicating what the parties could be expected to achieve through free and principled collective bargaining.

Before addressing the changes to the Collective Agreement, the Parties deserve to have an explanation for my decision with regard to the Retiree Benefits.

I was advised that Vaughan is one of the only two municipalities in this province that still offer firefighters lifetime retiree benefits. The Employer is seeking to bring an end to this benefit by proposing the removal of “benefits for life” for retirees and replacing it with a Health Care Spending Account (“HCSA”). The City’s proposal would provide its retirees with a benefit which is normative in this sector and consistent with the City’s comparator municipalities and other internal bargaining unit. It was made clear that the City’s proposal is intended to apply “on a go forward basis”, so as not to impact any current employees.

The Employer’s justification for the change is the fact that lifetime benefits are not the norm in this sector and represent a significant cost that is not warranted or needed for retention or recruitment. The Association resists this significant change, pointing out that lifetime benefits are a negotiated benefit in this Collective Agreement. It was stressed that similar provisions have only been eliminated voluntarily in other bargaining units in exchange for another significant benefit(s) or when arbitrators were provided with a strong contextual reason for the change. The Association further advocated for

significant improvements for retirees up to the age of 65 and improvements to lifetime benefits, arguing that they are not meeting the firefighters' needs or are in keeping with other relevant comparators.

In support of its arguments for the removal of the life-time benefit, the Employer cited several cases. Their rationale is very instructive. In 2013 Arbitrator Burkett was faced with a similar request in *Toronto (City) v Toronto Professional Fire Fighters Association, Local 3888*, 2013 CanLII 62276 (ON LA). It arose after the amalgamation of Metropolitan Toronto's various bargaining units into one with the City of Toronto. The former North York firefighters had been "grandfathered" with retiree benefits frozen, regardless of age or years of service, as a result of a 2008 arbitration award. Arbitrator Burkett explained the reasons for the outcome:

> The Association urged that the grandfathered post-65 benefits be extended to all fire fighters but, if that request was denied, made an alternative proposal in respect of post-65 benefits. Keeping in mind that the fire fighters who were employed with the former North York and City of Toronto (pre-amalgamation) were grandfathered with frozen post-65 retiree benefits regardless of age or years of service in a 2008 arbitration award, the Association proposed that these post-65 retiree benefits be extended to all current Toronto fire fighters or alternatively that the Board award a "health care spending account" for all Toronto fire fighters, subject to a one-time status quo option for the grandfathered former North York and City of Toronto members. . . .
>
> We have decided to standardize post-65 benefits (exclusive of life insurance) on the basis of a $3,000/year health care spending account. Our award will be that a $3,000/year health care spending account be implemented for all bargaining unit fire fighters on the same basis as the Toronto Police health care spending account. The effect will be to create a "win/win." A standardized post-65 health care spending account applying to all Toronto Fire Service fire fighters (subject to the time-limited option extended to the grandfathered North York and Toronto fire fighters discussed below) constitutes, on balance, a much better post-65 benefit arrangement for bargaining unit fire fighters than presently exists
>
> Because we are attempting to replicate the Toronto Police pattern, the quantum of the Employer savings generated by the harmonization of post-65 benefits is an important consideration. . . .

It is significant to note that in this *City of Toronto* case, the rationale for the elimination of the lifetime benefits was to achieve replication of the Toronto Police agreement and the need to harmonize post-65 benefits within the amalgamated Firefighters bargaining unit.

One should also note that the Toronto Firefighters Association had proposed the Health Care Spending account as a viable option. None of these factors apply to the case at hand, except for the savings that would have been generated by the change.

In *The Corporation of The City of Windsor v Windsor Professional Fire Fighters' Association*, 2024 CanLII 379 (ON LA) Arbitrator Burkett explained the history of his elimination of the retiree benefits for life in 2013 for that City's Firefighter's bargaining unit. That happened in the context of replicating the City's Firefighters with its Police, where that latter's lifetime benefit had been eliminated earlier in an award by Arbitrator Kaplan:

> The retiree benefits issue is a complicated one. Historically the City of Windsor provided, atypically, active member benefits for life to all of their retirees including fire fighters and police officers. Given that this put these fire fighter retirees in an advantaged position relative to their fire sector comparators, the City tabled a demand in the renegotiation of the collective agreement between the parties that expired December 31, 2005 that existing employees be grandfathered for purposes of retiree benefits so that a less generous more normative retiree benefit arrangement could be put in place for future employees. In the interest award dated October 25, 2013 renewing the collective agreement that expired December 31, 2005, this arbitrator, mindful that the fire sector standard is a health care spending account to age 75, expressly opted to follow arbitrator Kaplan's *Windsor Police* award that grandfathered existing employees for the purpose of maintaining their lifetime retiree benefit entitlement while capping retiree benefits for future employees at age 75. The award was that "existing members (including retirees and members hired up to the date hereof) shall be grandfathered <u>as per the current collective agreement</u>; it is agreed and understood that the eligibility for post-retirement benefits under the current collective agreement, <u>but not the nature or quantum of these benefits</u>…will not be the subject of future negotiations. <u>Members hired on or after the date hereof shall have the then active member retirement benefits until the age of 75.</u>" (emphasis added) The City, therefore, obtained a significant concession in the form of the age 75 cutoff of post-65 retiree benefits for employees hired after October 25, 2013, with the pre-October 25, 2013 employees keeping what they had in regard to retiree benefits under the existing collective agreement, with the right to negotiate future improvements. [sic]

In *Port Colborne (Corporation of the City) v Port Colborne Professional Firefighters' Association*, 2023 CanLII 29342 (ON LA), Arbitrator Stout was also asked by the Employer to "grandparent" benefits for life. The City's rationale was based on the lack of comparable lifetime benefits in other municipalities and the cost savings. The context

in that situation was the introduction for the Firefighters' of a 24-hour shift. Arbitrator Stout explained and concluded:

> [8] The City's main proposal in this round of bargaining involves a move towards a "normative benefits structure" through the grandparenting of benefits for life. There is no dispute that the situation in Port Colborne is unique, and the current benefit package has no relevant comparator. None of the acknowledged comparators set out in the Collective Agreement have benefits for life and they all have much richer benefit plans for current firefighters.
>
> [9] My award reflects what I consider to be fair and reasonable, having regard to relevant comparators, as well as appropriate trade-offs that the parties would be inclined to make in free collective bargaining. I am ending the benefits for life and replacing them with a more normative benefits structure.
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> . . . . .
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> A **Health Care Spending Account (HCSA)** will be introduced at $3,250 for retired members between ages 65-75, including their spouse but with no survivorship benefit. This HCSA is not extended to those already in receipt of benefits for life, as that benefit remains unchanged for those persons and frozen at the current entitlement. For clarity, the HCSA is to be granted to any firefighter who retired after January 1, 2020. Those firefighters will not be entitled to benefits for life.
>
> - **Pre 65 Benefits:** Firefighters who retire prior to age 65 will be entitled to all the benefits enjoyed by active members until age 65. After age 65 the only entitlement will be the HCSA.

One has to conclude that the "trade-offs" that took place in the context of that hearing were a decisive factor.

Applying this caselaw and the arbitral criteria to the facts of this case lead to the conclusion that it is not appropriate to make a change to the Parties' Collective Agreement with respect to the lifetime benefits. I acknowledge that lifetime benefits are not the norm in the Fire Sector. I have also mentioned above that I subscribe to the importance of replication in performing the function of an interest arbitrator. However, replication involves more than simply mirroring other contracts. It also involves paying heed to the realities of collective bargaining by recognizing that changes are

incremental and normally occur in exchange for something else or where there are other special circumstances.

The retiree benefits for life in this Collective Agreement exist as a result of the Parties past bargaining history. In all the cases where benefits for life were voluntarily removed from Firefighters' contracts, the members gained something of significance to that bargaining unit in return. In all the cases cited above where arbitrators have acceded to an Employer's request to remove the lifetime benefit, there were specific reasons for doing so, such as harmonization with an internal or an historical comparator, or it was done in the context of a significant "trade-off" that benefited that bargaining unit. None of those factors are present in this case now. Accordingly, I have declined the Employer's request to remove the life-time retiree benefits. On the other hand, I have not awarded any of the Association's requested improvements to their existing Life Time Retiree benefits.

The Award that follows details the items that shall become changes to the Parties Collective Agreement. Any proposals that were put forward but are not contained in this Award were not ignored. They have been dismissed, without comment, to enable the Parties to address them afresh and without prejudice in subsequent negotiations, should the Parties choose to do so.

Accordingly, I award that the Collective Agreement should be amended to reflect the following changes.

Article 6.02 – Vacation Selection

Delete item (b) relating to the "encouragement" to staff regarding the selection of calendar weeks or blocks.

Article 7 – Lieu Days

7.01: Statutory or Declared Holiday

Effective the date of this Award:

Article 7.01 shall be amended to provide that any additional day(s) proclaimed and declared by the Federal or Provincial Governments as a statutory holiday will be deemed to be added to the designated holidays listed under Article 7.02.
Further, amend Article 7.02 to allow firefighters to two credit lieu days to the time bank in accordance with Article 10.04.

Article 9 – Cumulative Sick Leave

9.03: Medical Notes and Critical Sick Leave

Effective the date of this Award:

The requirement to provide a “Medical Note” in all cases of accident or illnesses after three days shall be amended to after five (5) days.

Employees shall be allowed time off from work for unforeseen critical personal needs with the approval of the Fire Chief and use up to a maximum of five (5) accumulated sick days per year for such purposes.

Pro-rated Leave:

- Should an employee leave work within the first 6 hours of their 24-hour shift, they will be deducted 2 critical days
- Should an employee leave work within the first 12 hours of their 24-hour shift, they will be deducted 1.5 critical days
- Should an employee leave work within the first 18 hours of their 24-hour shift, they will be deducted 1 critical days
- Should an employee leave work after the first 18 hours of their 24-hour shift, they will be deducted 0.5 critical days.

Article 10 – Salaries

10.01(a) Scale of Salaries

The differentials shall be amended as follows:

Platoon Chief	135%
District Chief	133%
Chief Training Officer	133%
Chief Fire Prevention	133%
Chief Mechanical Officer	133%

10.02(B) Annual Salaries

The first-class firefighter's annual salary shall be:

Effective	January 1, 2024	$113,651
Effective	January 1, 2025	$117,230
Effective	July 1, 2025	$119,281
Effective	January 1, 2026	$121,369
Effective	July 1, 2026	$123,493

10.09 Premium Pay and LOU on Platoon Instructors

Effective the date of this Award, the Premium Pay shall be increased to 115% for Platoon Instructors.

Further, I remit to the Parties the requirement to meet and discuss what further in-house training programs should be added to the existing list, based on factors such as expertise, frequency and need. If they fail to reach an agreement within six months from the date of this Award, the matter can be remitted back to me for resolution by way of an expedited hearing.

Article 12 – Bereavement Leave

12.02 Bereavement Leave

Effective the date of this Award, amend to add:

> At the discretion of the Fire Chief, additional time may be granted on compassionate grounds, in the case of the loss of a member's spouse or child.
>
> In the event an employee is required to travel more than 250 kilometers (one way) to attend a funeral, one additional day of bereavement leave may be granted at the discretion of the Fire Chief. The employee shall provide verification of such attendance satisfactory to the Fire Chief, within five (5) calendar days after returning to work.
>
> Where an employee suffers a bereavement leave during a period of scheduled vacation/lieu days, the days the employee would have been scheduled to work had they not been on vacation/lieu days, will be substituted with bereavement leave in accordance with the provisions of the clause.

Article 13 – Pension, Insurance Hospitalization

Effective the date of this Award:

> **Group Life –** amend to two (2) times salary and remove the maximum

Accidental Death - amend to clarify that the benefit is payable in the event of a line of duty death due to occupational disease, whether or not the death occurs during or following active employment, as determined by the Workplace Safety and Insurance Board.

Prescription Drugs – amend to provide that non-generic drugs shall be covered, without prior authorization, when prescribed by a medical practitioner with the notation "no substitution".

Vision Care – amend to provide a maximum of $650 every two (2) calendar years

Psychological Services - amend to provide a maximum of $5000 per year.

Chiropractic - amend to $70.00 per visit

Physiotherapy – amend to $70.00 per visit

Article 14 – Uniforms

Effective the date of this Award, Article 14.01(b) shall be amended to provide the maximum of 325 point regarding uniform and work clothing to Firefighters who are "actively employed in the workplace". For those returning from a leave of absence of more than six months, due to occupational or non-occupational injury or illness, their allotment may be pro-rated or adjusted according to needs and circumstance. Further, members who retire with a requisition outstanding, will be entitled only to the delivery of the dress uniform.

Estoppel Notices

The Employer issued a number of "estoppel notices" setting forth its intention to administer the Collective Agreement differently. In response, the Association suggested Collective Agreement amendments that were said to either "clarify" or improve the situation for members of this bargaining unit.

An interest arbitration process is not the best vehicle to address the merits of each of the Employer's estoppel notices and/or the Association's criticisms or counter proposals. However, given s. 86(1) of the *Labour Relations Act*, and my concerns about changes in practices during bargaining, I declare that none of the Employer's or Union's

proposals shall take effect without consent. Therefore, the Parties' dispute over these issues shall be remitted to them for further discussion, ideally by way of a joint committee. Failing agreement within six months of the date of this Award, any of these items remaining in dispute concerning the contractual interpretation, violation, application or administration of existing language may be referred to arbitration by either Party. However, to be clear, they do not remain as part of my retained or residual jurisdiction.

Retroactivity: Unless expressly stated above, all salary and compensation increases arising from this Award are to be paid retroactive to all bargaining unit employees who have been employed in the period January 1, 2024, to the date of implementation of the salary increases. Payment is to be made within 60 days of the date of the Award.

Any employees who have left the employ of the City since January 1, 2024 are to be notified in writing at the address on file within 30 days of the date of this Award and are to respond within a further period of 30 days. Payment to these employees is to be made within 45 days of the City receiving notice from such employees of their desire to accept the retroactive payments. Any failure of the employee to respond within the 30 day time period will be deemed to be a waiver of such payments.

Any retroactive payments will take into account any amounts paid as interim increases.

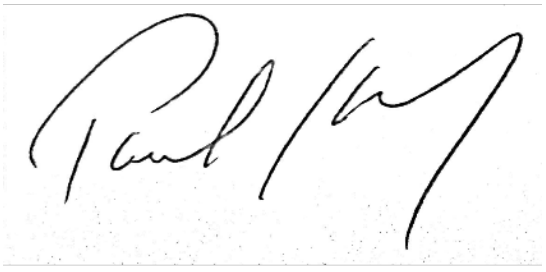
Implementation: Except as otherwise provided, all awarded changes to the Collective Agreement will be effective from the date of the Award. Unless specifically addressed in this Award, any other outstanding proposals are dismissed**.** I remain seized until such time as the parties have signed a Collective Agreement.

Conclusion:

The Parties are ordered to enter into a Collective Agreement that incorporates all their agreed upon provisions and all the changes mandated by this Award.

I thank the Parties and their able advocates for the time and care that they invested in preparing their extensive briefs and responding to the issues raised in this proceeding. However, I strongly encourage the Parties to endeavor to achieve a negotiated settlement when this contract expires. While I believe in the interest arbitration process, it should only be seen as a last resort. No arbitrator can craft a collective agreement that would be better than one achieved by the parties themselves. Further, even when parties come to an impasse, they are better served by bringing forward a focused and limited number of issues to an arbitration hearing, rather than expecting an arbitrator to deal with an excessive list of outstanding issues from each party. These comments are not intended to criticize the Parties to this case, although there were several items tabled at this hearing. These comments are directed to the parties in this sector and to any other parties who are subject to the interest arbitration process. The sad truth is that a referral to arbitration results in delays, expenses and Awards such as this one, being issued almost two years (or in other cases more), after their collective agreement expired. This defeats the purpose of arbitration, which was designed to be a cost effective and efficient method of resolving labour disputes.

Dated at Toronto this 15th day of September, 2025.



Paula Knopf - Arbitrator