Minute No. 371
Report – Executive Policy Committee – March 22, 2006

Item No. 3 **Memorandum of Agreement - Canadian Union of Public Employees, Local 500**
File GU-4.1

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the Memorandum of Agreement agreed to by the negotiating committees of the City and the Canadian Union of Public Employees (CUPE) Local 500 be ratified.

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the Canadian Union of Public Employees (CUPE) Local 500 consistent with the terms of the Memorandum of Agreement.

Report – Executive Policy Committee – March 22, 2006

DECISION MAKING HISTORY:

Moved by His Worship Mayor Katz,
That the recommendation of the Executive Policy Committee be adopted.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 22, 2006, the Executive Policy Committee concurred in the administrative recommendation and submitted the matter to Council.

Re: NEGOTIATIONS BETWEEN THE CITY OF WINNIPEG AND CANADIAN UNION OF PUBLIC EMPLOYEES LOCAL 500 (CUPE LOCAL 500)

For submission to: EXECUTIVE POLICY COMMITTEE

Original report signed by: Cliff Jeffers
Acting Chief of Human Resources & Corporate Services

Report date: March 20, 2006

RECOMMENDATION(S):

1. That City Council ratify the Memorandum of Agreement agreed to by the negotiating committees of the City and the CUPE Local 500.
2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the CUPE Local 500 consistent with the terms of the Memorandum of Agreement.

Summary

KEY ISSUES:

The Agreement recommended by the Administration includes changes involving significant terms and material costs as follows:

1. Term of Agreement – December 31, 2005 to December 30, 2007 (24 months)
2. Salary Adjustments:
   - Effective PP1 2006 – 1.75%
   - Effective PP1 2007 – 2.25%
3. Renewal of the Education, Training and Staff Development fund in the amount of $0.3 million in 2006 and $0.6 million in 2007 totalling $0.9 million.

Other Significant Issues:

1. Employment security as per Article 4.2 is extended for permanent employees for the term of the revised agreement (to December 30, 2007).
2. Increase the annual family leave provision from three days to four days.
3. Adjust the rate of pay for Refuse Foreman Disposal from Foreman I to Foreman II at a total cost of $6,397.
4. The City has agreed to new provisions to facilitate access to Employment Insurance Compassionate Care Benefits.

5. Historically, City Council has extended CUPE wages and benefits to CUPE-Exempt employees. The incremental cost of extending the terms of this Agreement to CUPE-Exempt employees is $46,896.
6. Amendments to Letters of Understanding RE: Staffing Changes and Change initiatives:
   - Combine the two Letters of Understanding.
   - Simplify the process.
   - Eliminate the joint CUPE-Council committee process and replace with CUPE having a contractual right to make direct submissions to EPC and provide CUPE the right to make in-camera submissions in April and October annually.
7. Amend the Letter of Understanding RE: Redeployment
   - Simplify the process.
   - Establish clear timeframes for reference from the Department to the Corporate Joint Placement Committee.
   - Effectively eliminate the bumping option by restricting bumping only if the City does not make a reasonable offer of alternative employment within 12 months. Further, there is no job security if a reasonable offer of alternative employment is refused.

IMPLICATIONS OF THE RECOMMENDATION(S):

General Implications

	None
X	For the organization overall and/or for other departments
X	For the community and/or organizations external to the City of Winnipeg
X	Involves a multi-year contract

Comment(s): Ratification of the proposed Agreement will, in part, determine wage and benefit increases to other Civic bargaining units.

Policy Implications

X	None
	Yes

Environmental Implications

X	None
	Yes

Human Resources Implications

	None
X	Yes

Comment(s): The wage increases provided to CUPE may have an impact on wage increases provided to other bargaining units.

Financial Implications

X	The proposed Agreement is within proposed current and/or capital budget subject to final approval by Council.
	Current and/or capital budget adjustment required

Comment(s): The costing does not include CUPE EXEMPT. The impact of the cost of CUPE EXEMPT is $46,896 over the term of the agreement. There are sufficient funds to cover these costs.

REASON FOR THE REPORT:

It is required that the Executive Policy Committee provide a negotiations mandate to the Administration and that City Council ratify all Collective Agreements entered into by the City of Winnipeg and Civic Unions/Associations.

HISTORY:

1. The prior Agreement between the City of Winnipeg and CUPE Local 500 expired on December 30, 2005.
2. Collective bargaining commenced in December 2005 and negotiations continued through February 2006.
3. A tentative settlement was reached on March 2, 2006.

DISCUSSION:

1. The proposed agreement provides for a change in the timing of annual wage increases from PP8 to PP1.
2. In determining an appropriate general wage increase and benefit improvements to members of CUPE Local 500, consideration was given to:
   - The financial impact on the City
   - Negotiated settlements with other Civic bargaining units.
   - Negotiated settlements in comparable organizations with comparable employees in other jurisdictions.
   - Negotiated settlements in the local market.

3. **Financial Impact:** The cost of the proposed terms of agreement over the two years 2006 – 2007 is approximately $ 10.22 million.

4. **Negotiated Settlements in the Local Market:** Wage increases for major Manitoba employers have been in the range of 2.0% - 2.5%.

5. **Arbitration Awards:** The latest arbitration awards for police and firefighters have resulted in annual wage increases of 3.5% annually.

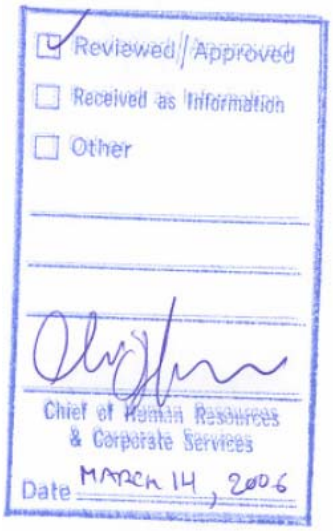
6. **Negotiated Settlements with other Civic Bargaining Units:** Recent agreements with other civic units include the WPA at 4.75% for 2005 and 2.25% for 2006 and WFPSOA at 2.0% in 2006. Other civic agreements for 2005 ranged from 3.0% - 3.5%.

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY THE CITY TREASURER'S OFFICE AS TO THE BUDGET INFORMATION PROVIDED IN THIS PROPOSAL:

Name Jo-Anne Ferrier
Title City Treasurer
Department Corporate Finance Department

THIS REPORT SUBMITTED BY:

Department Corporate Services Department
Division Labour Relations and Compensation
Prepared By: Sudhir Sandhu, Senior Labour Relations Specialist
File No.



Negotiations between the City of Winnipeg and Canadian Union of Public Employees Local 500 (CUPE Local 500)

Financial Impact Statement

Date: March 20, 2006

Project Name: **First Year of Program** **2006**

CUPE 2006-2007 Negotiations - Memorandum of Settlement (Unaudited)

$Million	2006	2007	2008	2009	Total
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 2.81	$ 6.51	$ -	$ -	$ 9.32
Cupe Training Fund	$ 0.30	$ 0.60	$ -	$ -	$ 0.90
Less: Incremental Revenue/Recovery	$ -	$ -	$ -	$ -	$ -
Net Cost/(Benefit)	$ 3.11	$ 7.11	$ -	$ -	$ 10.22
Less: Existing Budget/Available Amounts	$ 3.33	$ 6.89	$ -	$ -	$ 10.22
Net Budget Adjustment Required	$ (0.22)	$ 0.22	$ -	$ -	$ -

Additional Comments:

1. In addition to the existing budget amounts for salaries and benefit increases, the existing budget/available amounts include a provision for a Cupe Training Fund as well as available amounts in the Water and Waste Utilities.

2. Existing Budget Amounts provided by Financial Planning & Review, Corp. Finance Dept. These amounts are based on 2006 Preliminary Operating Budget, subject to change pending final Council adoption.

3. The costing above does not include CUPE EXEMPT.

4. The impact of the cost of CUPE EXEMPT is $46,896 over the term of the agreement. There are sufficient funds to cover these costs.

for

Radhika Abeysekera
Manager of Finance & Administration
CSD & CIT

Negotiations between the City of Winnipeg and Canadian Union of Public Employees Local 500 (CUPE Local 500)

CUPE - Negotiations

Incremental Cost - Memorandum of Agreement

Term of Agreement December 31, 2005 - December 30, 2007

Wage Adjustments	**Year**	**PP #**	**Negotiated % Increase**
	2006	1	1.75%
		1	0.00%
	2007	1	2.25%
		1	0.00%
Cumulative			**4.0%**

Base Wage Negotiated Costs:		**2006**	**2007**	**Total**
Incremental Wage Adjustments[1]		2,806,810	3,696,529	6,503,339
Roll Over Effect[2]		-	-	-
Annual Incremental financial impact		**2,806,810**	**3,696,529**	**6,503,339**
Cumulative financial Impact For Fiscal Year		**2,806,810**	**6,503,339**	**9,310,149**
Base Wage[3]	**$160,389,158**	**1.7%**	**4.1%**	
Blue Cross Benefit Improvements:				
		-	-	-
Annual Incremental financial impact		-	-	-
Cumulative financial Impact For Fiscal Year		-	-	-
Other Significant Benefit Improvements:				
		-	-	-
Annual Incremental financial impact		-	-	-
Cumulative financial Impact For Fiscal Year		-	-	-
Other Negotiated Items:				
Pay rate adjustment for Refuse Disposal Foreman		6,397	-	6,397
		-	-	-
		-	-	-
Annual Incremental financial impact		**6,397**	-	**6,397**
Cumulative financial Impact For Fiscal Year		**6,397**	**6,397**	**12,794**
Net Financial Impact of Negotiations		2,813,207	6,509,736	**9,322,943**
Cupe Training Fund		300,000	600,000	**900,000**
Total Financial Impact		**3,113,207**	**7,109,736**	**10,222,943**

Notes:

See attached list of notes and assumptions used in the calculation.

1) The Incremental Wage Adjustment does not include the step increases which were previously negotiated. It includes the incremental cost of benefits.

2) Adjustment required to reflect the full year effect of prior year salary and benefit increases.

3) The Base Wage is a combination of 2006 Budget (B) and 2005 Actual (A) for the following items: Gross Annual Pay (B), Civic Pension (B), EI (B), CPP (B), Grp Life (B), Overtime (B), Stand-by Pay (A), Acting Pay (A), Stat. Pay (A), Holiday Prem. (A), Vac. Pay (A). The budgeted items were provided by Budget Planning & Review, Corporate Finance Department.

CUPE 2006-2007
Incremental Cost – Memorandum of Agreement
Notes & Assumptions

1. *The Memorandum of Agreement stipulates CPI increases and contribution to the CUPE Training Fund as follows:*

    - *Pay Period 1 2006 – 1.75%*
    - *Pay Period 1 2007 – 2.25%*

    - *Cupe Training Fund 2006 – 0.30 million*
    - *Cupe Training Fund 2007 – 0.60 million*

2. *Step adjustments have been estimated at 0.56% for 2006 and 0.38% for 2007; and have been applied.*

3. *The Base Wage is comprised of the 2006 Budget for the following items:*

    a. *Gross Annual Pay*
    b. *Civic Pension*
    c. *Employment Insurance*
    d. *CPP*
    e. *Group Life Insurance*
    f. *Overtime*

    as well as the 2005 Actuals for the following salary related benefits:

    g. *Stand-by Pay*
    h. *Acting Pay*
    i. *Statutory Pay*
    j. *Holiday Premium*
    k. *Vacation Pay*

    The Base Wage was provided by Financial Planning & Review, Corporate Finance Dept.

4. *This agreement includes pay rate adjustment from Refuse Disposal Foreman I to Refuse Disposal Foreman II. The estimated incremental cost was provided by Labour Relations & Compensation Division, Corporate Services Dept.*

5. *This costing assumes that the number of staff from the base year remains constant throughout the term of the agreement.*