Minute No. 372
Report – Executive Policy Committee – March 22, 2006

Item No. 4 **Memorandum of Agreement - Winnipeg Fire Paramedic Senior Officers Association**
File GU-4.9

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 Winnipeg Fire Paramedic Senior Officers Association (WFPSOA) be ratified.

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the Winnipeg Fire Paramedic Senior Officers Association (WFPSOA) 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 WINNIPEG FIRE PARAMEDIC SENIOR OFFICERS ASSOCIATIONS (WFPSOA)

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 WFPSOA.
2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the WFPSOA 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 – February 23, 2004 to February 22, 2007 (36 months)
2. Salary Adjustments:
   - Effective PP4, 2004 – 2.0% plus the difference between the general wage increase awarded to PPAW at the Werier arbitration and 2.0%.
   - Effective PP4, 2005 – 2.0% plus the difference between the general wage increase awarded to PPAW at the Werier arbitration and 2.0%.
   - Effective PP4, 2006 – 2.0%
3. Benefit Improvements in accordance with enhancements provided to various other bargaining units as follows at a cost of approximately $ 2,800 per year:
   - **Dental Plan:** Effective the date of ratification, the City shall increase the maximum annual benefit for Basic and Major dental services from $1,200 to $1,500 per eligible person, and increase the lifetime maximum for Orthodontic services from $1,200 to $1,500 per eligible person.
   - **Vision Care:** Effective the date of ratification, the City shall increase the maximum benefit for Vision Care from $175 to $225 per eligible person in a 24 month period.
   - **Vision Care:** Effective the date of ratification, the City shall provide $50 per eligible person in a 24 month period for covering the cost of eye examinations.

Other Significant Issues:

The City will conduct a bargaining unit wide review of all classifications and to redesign the bargaining unit to better meet operational requirements. The review may lead to upgrades, downgrades or deletion of bargaining unit positions.

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 WFPSOA may have an impact on wage increases provided to other bargaining units.

Financial Implications

	Within approved current and/or capital budget
X	Current and/or capital budget adjustment required

Comment(s): Depending upon the general wage increases awarded to PPAW, for the years 2004 and 2005, a budget adjustment of up to $ 46,000 may be required.

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 WFPSOA expired on February 22, 2004.
2. Collective bargaining commenced in July 18, 2005 and negotiations and a tentative agreement was reached on February 28, 2006.
3. This bargaining unit includes personnel who supervise members of the PPAW unit. Historically, wage increases for WFPSOA have reflected those of PPAW.
4. The last PPAW contract expired in February 2004 and PPAW has filed for arbitration pursuant to the *Firefighters and Paramedics Arbitrations Act*. The hearing is scheduled for August 2006 and will determine PPAW wage increases for 2004-2007.
5. The best estimate of the City's maximum exposure at arbitration is 3.5% for each of 2004 and 2005.

DISCUSSION:

1. In determining an appropriate general wage increase and benefit improvements to members of WFPSOA, 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.
   - The historical relationship between PPAW and WFPSOA.

2. **Financial Impact:** The estimated maximum cost of the proposed agreement over three years (2004 – 2007) is $ 0.565 million based upon the assumption respecting the PPAW award. The actual impact will vary depending upon the award.

   The Financial Impact Statement **(see attached)** reports a potential budget shortfall of $ 0.046 million over the three-year Agreement. Actual impact will depend upon the wage award to PPAW for the years 2004 and 2005.

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

4. **Arbitration Awards:** Latest arbitration awards for police and firefighters have resulted in annual wage increases of 3.5% for 2004 and 2005.

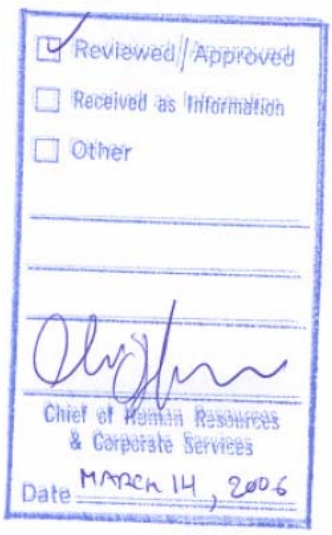
5. **Negotiated Settlements with other Civic Bargaining Units:** Recent agreements with other civic units include CUPE at 1.75% for 2006 and 2.25% for 2007 and WPA at 4.75% for 2005 and 2.25% for 2006.

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 Winnipeg Fire Paramedic Senior Officers Associations (WFPSOA)

FINANCIAL IMPACT STATEMENT:

Project Name: **WFPSOA Memorandum of Agreement**

Date: **March 20, 2006** First Year of Program **2004**

	2004	2005	2006	2007	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	$ 60,999	$ 133,265	$ 182,591	$ 188,475	$ 565,330
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ 60,999	$ 133,265	$ 182,591	$ 188,475	$ 565,330
Less: Existing Budget Amounts	56,568	79,840	186,854	196,110	519,372
Net Budget Adjustment Required	$ 4,431	$ 53,425	$ (4,263)	$ (7,635)	$ 45,958

Additional Comments:

1. For purposes of this costing it is assumed that the Werier Arbitration award in August 2006 is 3.5%. The shortfall of $45,958 will be greater if the award is higher.

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. At the minimum level, this agreement would have a total cost of $0.356 million over the three-year term. The budget impact would be a surplus of $0.164 million.

for

Radhika Abeysekera
Manager of Finance & Administration
CSD & CIT

Negotiations between the City of Winnipeg and Winnipeg Fire Paramedic Senior Officers Associations (WFPSOA)

WFPSOA - Negotiations

Incremental Cost - Memorandum of Agreement

Term of Agreement February 23, 2004 - February 22, 2007

Wage Adjustments	Year	PP #	Negotiated % Increase
	2004	4	3.50%
		1	0.00%
	2005	4	3.50%
		1	0.00%
	2006	4	2.00%
		1	0.00%
Cumulative			**9.3%**

Base Wage Negotiated Costs:		2004	2005	2006	2007	Total
Incremental Wage Adjustment[1]		60,999	64,378	39,159	-	164,536
Roll Over Effect[2]		-	7,888	8,308	4,954	21,150
Annual Incremental financial impact		**60,999**	**72,266**	**47,467**	**4,954**	**185,686**
Cumulative financial Impact For Fiscal Year		**60,999**	**133,265**	**180,732**	**185,686**	**560,682**
Base Wage [3]	**$1,968,208**	**3.1%**	**6.8%**	**9.2%**	**9.4%**	
Blue Cross Benefit Improvements						
Vision Care		-	-	676	338	**1,014**
Eye Exam		-	-	333	167	**500**
Dental		-	-	850	425	**1,275**
		-	-	-	-	-
Annual Incremental financial impact		**-**	**-**	**1,859**	**930**	**2,789**
Cumulative financial Impact For Fiscal Year		**-**	**-**	**1,859**	**2,789**	**4,648**
Other Significant Benefit Improvements:						
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
Annual Incremental financial impact		-	-	-	-	-
Cumulative financial Impact For Fiscal Year		-	-	-	-	-
Total Financial Impact		**60,999**	**133,265**	**182,591**	**188,475**	**565,330**

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 the 2004 actual gross annual pay and includes the following salary related benefits: civic pension, group insurance, overtime, acting pay and statutory pay

Negotiations between the City of Winnipeg and Winnipeg Fire Paramedic Senior Officers Associations (WFPSOA)

WFPSOA 2004-2007
Memorandum of Agreement
Notes and Assumptions

1. The Memorandum of Agreement stipulates the following increases:

Minimum

- Pay Period 4 2004 2.00%
- Pay Period 4 2005 2.00%
- Pay Period 4 2006 2.00%

Estimated Maximum

- Pay Period 4 2004 3.50%*
- Pay Period 4 2005 3.50%
- Pay Period 4 2006 2.00%

* For purposes of this costing it is assumed that the Werier Arbitration award in August 2006 is 3.5%

2. The Base Wage consists of the following:

   i) The 2004 actual gross annual pay including the step increases for 2004
   ii) The 2004 actual salary related benefits for civic pension, group insurance, overtime, acting pay and statutory pay.
   iii) Salary related benefits for EI and CPP have been excluded as all the employees have reached their maximum.

3. Step adjustments have been estimated as follows:

   2005: .99%
   2006: .83%

   No step increase applied to 2004 as it is included in the Base Wage

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

5. Blue Cross benefits based on information provided by Blue Cross for the Mandate in February 2006. For purposes of this costing it was assumed that this contract will be ratified on May 1 2006.

6. This costing does not include the financial impact of the change in the method of payment for cashout of accumulated sick leave. Specifically, from eligible number of hours multiplied by the hourly wage at which they were accumulated to eligible number of hours multiplied by the hourly rate of pay in effect at the time of retirement. This item was not costed as the financial impact was deemed to be immaterial.