Report – Executive Policy Committee – July 19, 2006

Item No. 15 Negotiations between the City of Winnipeg and the Winnipeg Police Senior Officers Association
File GU-4.3.10

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 19, 2006, the Executive Policy Committee concurred in the administrative recommendation and submits the following to Council:

1. That the Memorandum of Agreement agreed to by the negotiating committee of the City and the Winnipeg Police Senior Officers Association (WPSOA) be ratified.

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the WPSOA consistent with the terms of the Memorandum of Agreement.

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DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 19, 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 POLICE SENIOR OFFICERS' ASSOCIATION (WPSOA)

For submission to: EXECUTIVE POLICY COMMITTEE

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

Report date: July 14, 2006

RECOMMENDATION(S):

1. That City Council ratify the Memorandum of Agreement agreed to by the negotiating committees of the City and the WPSOA.
2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the WPSOA 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 20, 2004 to December 19, 2006 (24 months)

2. Salary Adjustments:
   - Effective PP1, 2005 – 3.5%
   - Effective PP1, 2006 – 2.0%

3. Top Rate Adjustment – Effective June 22, 2006, increase the top step of each bargaining unit classification by 1.5%

4. Inspector Salary Scale – Effective pay period 14, implement a revised salary schedule for the Inspector Rank as follows:

Step 1	$ 89,315
Step 2	$ 92,500
Step 3	$ 94,500
Step 4	$ 96,500
Step 5	$ 98,500
Step 6	$ 103,000

5. Night Shift Premium – Effective pay period 15, 2006, increase the night shift premium from $ 0.60 to $ 0.75 per hour.

Other Significant Issues:

The City is introducing a severance process for a civilian position declared redundant by the WPS. Current employees will be provided severance in accordance with the WAPSO plan. New employees will receive lower severance payments.

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

Regulatory Implications

X	None
	Eliminates or reduces regulatory impact
	Proposes regulatory impact

Environmental Implications

X	None
	Yes

Human Resources Implications

	None
X	Yes

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

Financial Implications

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

Comment(s): The estimated cost of the proposed agreement over the two year term (2005 – 2006) is $ 0.295 million. There are sufficient budgeted funds to cover the cost of the Agreement.

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 WPSOA expired on December 20, 2004.
2. Collective bargaining commenced in May 19, 2006 and a tentative agreement was reached on June 13, 2006.
3. This bargaining unit includes personnel who supervise members of the WPA unit. Historically, wage increases for WPSOA have reflected those of WPA.
4. The last WPA contract was settled in December 2005 and provided general wage increases in excess of those being provided to the WPSOA.

DISCUSSION:

1. In determining an appropriate general wage increase and benefit improvements to members of WPSOA, consideration was given to:
   - The financial impact on the City
   - Negotiated settlements with other Civic bargaining units and in particular, the settlement with the WPA.
   - Negotiated settlements in comparable organizations with comparable employees in other jurisdictions.
   - Negotiated settlements in the local market.
   - The historical relationship between WPA and WPSOA.

2. **Financial Impact:** The estimated cost of the proposed agreement over the two year term (2005 – 2006) is $ 0.295 million. There are sufficient budgeted funds to cover the cost of the Agreement.

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:** There are no current arbitration awards covering the term of this Agreement.

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.

6. **Public Sector Settlement Patterns:** Based on recent public settlements of varying durations across Canada, the average wage increases in the first year of agreements is 2.5%, 2.9% in the second year and 3.0% in the third year.

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

City Treasurer's Office as to the budget information providing in this proposal
City Auditor

External Consultation With:

External Auditor – Ernst & Young

THIS REPORT SUBMITTED BY:

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

Financial Impact Statement

Date: July 4, 2006

Project Name: **First Year of Program** **2005**

WPSOA/WPSOA Exempt-Combined 2005-2006 - Memorandum of Settlement

($Thousands)	2005	2006	2007	2008	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	$ 106	$ 189	$ -	$ -	$ 295
Less: Incremental Revenue/Recovery	$ -	$ -	$ -	$ -	$ -
Net Cost/(Benefit)	$ 106	$ 189	$ -	$ -	$ 295
Less: Existing Budget Amounts	$ 106	$ 189	$ -	$ -	$ 295
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. There is sufficient budget provision to cover the cost of the Settlement. These costs include the impact of the change in the Inspector salary scale of $8,822 in 2006, as well as, the cost of 1.50% increase to the Top Step of each classification.

2. The costs resulting from the change in the Inspector salary scale which fall beyond the term of the contract are as follows:

	2007	2008	2009	2010	2011	2012
Annual incremental financial impact	$24,022	$20,194	$17,776	$38,643	$21,504	$5,305

Total $127,444 Beyond 2012: $331.57 per year for each Inspector at the top step.

3. The 1.50% increase to the top step of each classification has a roll-over effect of $9,747 for an annualized cost of $19,494.

4. Existing budget amounts provided by Financial Planning & Review, Corporate Finance. These amounts are based on 2006 Adopted Operating Budget.

Radhika Abeysekera
Manager of Finance & Administration
CSD & CIT Dept.

WPSOA/WPSOA Exempt Combined - Negotiations

Incremental Cost - Memorandum of Settlement

Proposed Term of Agreement December 20, 2004 - December 19, 2006

Wage Adjustments	Year	PP #	Negotiated % Increase
	2005	1	3.50%
		1	0.00%
	2006	1	2.00%
		1	0.00%
Cumulative			**5.6%**

Base Wage Negotiated Costs:		**2005**	**2006**	**Total**
Incremental Wage Adjustments[1]		106,344	63,594	169,938
Roll Over Effect[2]		-	-	-
Annual Incremental financial impact		**106,344**	**63,594**	**169,938**
Cumulative financial Impact For Fiscal Year		**106,344**	**169,938**	**276,282**
Base Wage[3]	**$3,038,407**	**3.5%**	**5.6%**	
Blue Cross Benefit Improvements:				
		-	-	-
		-	-	-
Annual Incremental financial impact		-	-	-
Cumulative financial Impact For Fiscal Year		-	-	-
Other Significant Benefit Improvements:				
Night Shift Premium		-	288	288
		-	-	-
Annual Incremental financial impact		-	288	288
Cumulative financial Impact For Fiscal Year		-	288	288
Inspector Salary Scale[4]		-	8,822	8,822
Wage Increase of 1.50% to staff at Top Step[5]		-	9,747	9,747
Total		-	18,569	18,569
Total Financial Impact		106,344	188,795	295,139

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 consists of the 2005 Actual Gross Annual Pay and the following salary related benefits: Pension, EI, CPP and Grp Life, OT, Acting Pay, Stat Pay, and Court Time. These amounts were extracted from the City of Winnipeg PeopleSoft HR System.

4) The costs resulting from the change in the Inspector salary scale which fall beyond the term of the contract are as follows:
2007:**$24,022** 2008:**$20,194** 2009:**$17,776** 2010:**$38,643** 2011:**$21,504** 2012: **$5,305** Total:**$127,444**
Beyond 2012: $331.57 for each Inspector at the top rate.

5) The roll-over effect of the Wage Increase of 1.50% to staff at top step into 2007 is $9,747 for an annualized cost of $19,494.

WPSOA - Costing of Memo of Settlement.xls
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