Minute No. 784
Report - Executive Policy Committee – September 27, 2006

Item No. 1 **Memorandum of Agreement - Amalgamated Transit Union, Local 1505**
File GU-4.5

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 Amalgamated Transit Union, Local 1505 be ratified.

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the Amalgamated Transit Union, Local 1505 consistent with the terms of the Memorandum of Agreement.

Report - Executive Policy Committee – September 27, 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 September 27, 2006, the Executive Policy Committee concurred in the administrative recommendation and submitted the matter to Council.

Re: NEGOTIATIONS BETWEEN THE CITY OF WINNIPEG AND THE AMALGAMATED TRANSIT UNION LOCAL 1505 (ATU LOCAL 1505)

For submission to: EXECUTIVE POLICY COMMITTEE

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

Report date: September 26, 2006

RECOMMENDATION(S):

1. That City Council ratify the Memorandum of Agreement agreed to by the Negotiating Committees of the City and the ATU Local 1505.
2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the ATU Local 1505 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 – January 12, 2006 to January 12, 2008 (24 months)
2. Salary Adjustments:
   - Effective PP 3 2006 – 2.0%
   - Effective PP 3 2007 – 2.0%
3. An additional payment of $ 0.30 per hour for classifications requiring a Technician or Licensed Certified Journeyman Trades Designation.

Other Significant Issues:

1. The City has agreed to new provisions to facilitate access to Employment Insurance Compassionate Care Benefits.
2. The City has agreed to allow the use of up to two days of accumulated sick leave to attend to ill family members.
3. Provide for salary continuance for WCB claimants after a waiting period of five working days.

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

Financial Implications

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

Comment(s): The cost of the settlement exceeds budget provision by $ 0.534 million over the term 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 ATU Local 1505 expired on January 11, 2006.
2. Collective bargaining commenced in March 2006 and negotiations continued through September 2006.
3. A tentative settlement was reached on September 21, 2006.

DISCUSSION:

1. The proposed agreement provides for a change in the timing of annual wage increases from PP8 to PP3.
2. In determining an appropriate general wage increase and benefit improvements to members of ATU Local 1505, consideration was given to:
   - The financial impact on the City
   - Negotiated settlements with other Civic bargaining units.
   - The historical relationship between wage increases provided to CUPE and ATU members.
   - 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 $ 3.175 million. The budget provision for the same period is $ 2.641 million resulting in a net shortfall of $ 0.534 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:** There are no recent arbitration awards for any civic employee group.

6. **Negotiated Settlements with other Civic Bargaining Units:** Recent agreements with other civic units include the following:

   - CUPE at 1.75 and 2.25% for 2006 and 2007 respectively
   - WPA at 4.75% for 2005 and 2.25% for 2006
   - WFPSOA at 2.0% in 2006
   - WPSOA at 2.0% for 2006

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

City Treasurer's Office as to the budget information provided 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, Acting Manager, Labour Relations
File No.	

Financial Impact Statement

Date: September 22, 2006

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

ATU 2006-2007 Negotiations - Memorandum of Agreement

$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	$ 1.003	$ 2.172	$ -	$ -	$ 3.175
Less: Incremental Revenue/Recovery	$ -	$ -	$ -	$ -	$ -
Net Cost/(Benefit)	$ 1.003	$ 2.172	$ -	$ -	$ 3.175
Less: Existing Budget/Available Amounts	$ 0.787	$ 1.854	$ -	$ -	$ 2.641
Net Budget Adjustment Required	$ 0.216	$ 0.318	$ -	$ -	$ 0.534

Additional Comments:

1. The annualized cost of this Memorandum of Agreement in 2008 is $2.256 million for a total cost of $5.431 million over the 3-year period. The budget provision for 2008 is $2.113 million resulting in a shortfall in 2008 of $0.143 million.

2. The net budget adjustment required for the period 2006-2007 is $0.534 million.

3. Existing Budget Amounts were provided by Financial Planning & Review, Corp. Finance Dept. These amounts are based on 2006 Adopted Operating Budget.

for

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

ATU - Negotiations

Incremental Cost - Memorandum of Agreement

Term of Agreement January 12, 2006 - January 12, 2008

Wage Adjustments	Year	PP #	Negotiated % Increase
	2006	3	2.00%
		1	0.00%
	2007	3	2.00%
		1	0.00%
Cumulative			**4.0%**

Base Wage Negotiated Costs:		**2006**	**2007**	**2008**	**Total**
Incremental Wage Adjustments[1]		984,060	1,004,890	-	1,988,950
Roll Over Effect[2]		-	82,005	83,358	165,363
Annual Incremental financial impact		**984,060**	**1,086,895**	**83,358**	**2,154,313**
Cumulative financial Impact For Fiscal Year		**984,060**	**2,070,955**	**2,154,313**	**5,209,328**
Base Wage[3]	**$53,303,276**	**1.8%**	**3.9%**	**4.0%**	
Benefit Improvements:					
		-	-	-	-
		-	-	-	-
Annual Incremental financial impact		-	-	-	-
Cumulative financial Impact For Fiscal Year		-	-	-	-
Other Significant Benefit Improvements:					
Wage increase for Technicians and Licensed employees		19,014	82,394	-	101,408
					-
Annual Incremental financial impact		**19,014**	**82,394**	**-**	**101,408**
Cumulative financial Impact For Fiscal Year		**19,014**	**101,408**	**101,408**	**221,829**
Total Financial Impact		**1,003,074**	**2,172,363**	**2,255,721**	**5,431,157**

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 2006 Adopted Budget for salaries and basic benefits (Pension, EI, CPP, Grp Life) plus the 2005 Actual for OT, Acting Pay, Stat Pay, Holiday Prem., and Court Time. The salaries and basic benefits were provided by Financial Planning & Review, Corporate Finance. The 2005 Actuals were extracted from the City of Wpg. PeopleSoft HR System.

ATU
Incremental Cost – Memorandum of Agreement
Notes and Assumptions

1. *The Memorandum of Agreement stipulates the following increases:*

   Pay Period 3, 2006 2.00%
   Pay Period 3, 2007 2.00%

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

   a. *Salaries*
   b. *Civic Pension*
   c. *Employment Insurance*
   d. *CPP*
   e. *Group Life Insurance*

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

   f. *Overtime*
   g. *Acting Pay*
   h. *Statutory Pay*
   i. *Holiday Premium*
   j. *Court Time*

   Items (a) to (e) were provided by Financial Planning & Review, Corporate Finance Dept. Items (f) to (j) were extracted from the City of Winnipeg PeopleSoft HR System.

3. *The Base Wage was adjusted to exclude CPP and EI based on the percentage of employees who have reached the maximum rate.*

4. *Step adjustments have been estimated as follows and have been applied effective Pay Period 1:*

   2006: 0.173%
   2007: 0.040%

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

6. *The following items were not included in the costing due to immateriality of the cost:*

   a. *Meal Allowance – Plant & Equipment Articles – Article 1-16*
   b. *Interview Pay – General Articles – Article 23*
   c. *Maternity Uniform – Bus Operator Articles – Article 6-5*
   d. *Fare Box Handlers and Downtown Service Clerks uniform – Plant & Equipment Articles – Article 4-3*
   e. *New Article – Emergency Daycare Facilities – study and analysis*