Minute No. 428
Report – Executive Policy Committee – May 16, 2007

Item No. 1 **Winnipeg Fire Paramedic Service - Negotiations between the City of Winnipeg and the United Fire Fighters of Winnipeg**
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 Settlement agreed to by the Negotiating Committees of the City and the United Fire Fighters of Winnipeg be ratified, and the Fire Paramedic Service By-law No. 6311/94 be amended accordingly.

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with United Fire Fighters of Winnipeg consistent with the terms of the Memorandum of Settlement.

Report – Executive Policy Committee – May 16, 2007

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 May 16, 2007, the Executive Policy Committee concurred in the administrative recommendation, with the following amendment:

- Recommendation 1
  Add the following words "and the Fire Paramedic Service By-law No. 6311/94 be amended accordingly",

and submitted the matter to Council.

RE: Winnipeg Fire Paramedic Service – Negotiations between the City of Winnipeg and the United Fire Fighters of Winnipeg (UFFW)

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

ORIGINAL REPORT SIGNED BY: Cliff Jeffers, Acting Director of Internal Services

REPORT DATE: May 15, 2007

RECOMMENDATION(S):

1. That City Council ratify the Memorandum of Settlement agreed to by the Negotiating Committees of the City and the United Fire Fighters of Winnipeg (UFFW).

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

Summary

KEY ISSUES:

The settlement proposed by the Administration includes changes involving significant terms and material costs as follows:

1. Financial Adjustments: The City will adjust the rate of pay for firefighter ranks as follows:

    - Increase the rank differential for Lieutenants to 117%
    - Increase the rank differential for Captains to 127%.
    - Provide a two (2%) premium to Firefighter PCP's who elect to maintain a PCP license beyond 6 years of service.

2. Operational Issues – The City has negotiated changes whereby fire apparatus will include dual trained PCP Firefighters.

3. Reduce the progression to First Class Firefighter rate from five years and three months to five years.

IMPLICATIONS OF THE RECOMMENDATION(S):

General Implications

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

Comment(s): Ratification of the proposed Agreement will resolve key and difficult issues that have been in dispute for almost a decade.

Policy Implications

√	None
	Yes

Regulatory Implications

√	None
	Eliminates or reduces regulatory impact
	Proposes regulatory impact

Environmental Implications

√	None
	Yes

Human Resources Implications

	None
√	Yes

Comment(s): The proposed settlement would resolve a longstanding and contentious dispute between the parties.

Financial Implications

√	Current and/or capital budget adjustment required.
√	There is no budget provision for the projected annual cost of $ 0.335 million upon full implementation in 2009 and each year thereafter.

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. Efforts to integrate the Fire and Ambulance Departments commenced in 1998.
2. Protracted discussion and negotiations over several years have failed to produce a settlement.
3. Working relationships between all the parties have been adversely impacted by the level of uncertainty caused by events over the past ten years.
4. The parties were engaged in a series of legal disputes both at the Labour Board and by way of grievances that were at various stages of litigation.
5. On February 21, 2007, the Labour Board ruled that it would hear the City's application to review the appropriateness of existing bargaining units in light of overlapping duties as alleged by the City. This would have required over 30 days of hearings involving several parties.
6. Over the past few weeks and particularly following the February 21 ruling, the parties had been engaged in informal discussions towards reaching a negotiated settlement of outstanding issues.
7. On April 25 the City reached a tentative settlement with PPAW and UFFW to resolve all outstanding issues arising from integration efforts.

DISCUSSION:

1. In determining the proposed salary and benefit revisions, due consideration was given to:
   - The financial impact on the City.
   - The operational efficiencies required by the WFPS.
   - Expected concessions and enhancements sought by the Unions, as expressed during the informal discussions.
   - The expenditure necessary to address material issues and to increase the likelihood of a negotiated settlement.
   - The necessity of ending exhausting disputes and resulting litigation that has distracted from the essential and critical work of the WFPS.

2. **Financial Impact:** The annual cost of the proposed terms of settlement after full implementation in 2009 $ 0.335 million per year.

3. **Market Survey –** The City of Winnipeg is the first Canadian jurisdiction to negotiate comprehensive work sharing agreements between firefighters and paramedics. Therefore, there is no comparator market data available.

Financial Impact Statement

Date: May 9, 2007

Project Name: **First Year of Program** **2007**

WFPS - UFFW Negotiations 2007 - Memorandum of Settlement

(in $Millions)	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	$ 0.218	$ 0.312	$ 0.335	$ 0.865
Less: Incremental Rev/Recovery	$ -	$ -	$ -	$ -
Net Cost/(Benefit)	$ 0.218	$ 0.312	$ 0.335	$ 0.865
Less: Existing Budget Amounts	$ -	$ -	$ -	$ -
Net Budget Adjustment Required	$ 0.218	$ 0.312	$ 0.335	$ 0.865

Additional Comments:

1. The costs, which are outside the period 2007-2009, resulting from changes in the progression of Firefighters to First Class Firefighter are as follows: 2010: **$23,315** 2011: **$61,618** 2012: **$49,961.** The annual costs remain constant after 2012.

2. As per the terms of the agreement, the financial impact of the 2% premium for Firefighter PCP (FF PCP) does not start until 2012 as this is the first year that the FF PCP's qualify for the premium. The costs for the period 2012 - 2014 are as follows: 2012: **$53,519** 2013: **$92,320** 2014: **$124,216**. It is assumed, on an annual basis, that 30 Firefighters will move into their 7th year and 50% will choose to maintain their PCP license. Therefore, starting 2014, the number of FF PCP increases by 15 each year. No assumptions were made with regard to those who leave the "FF PCP 2% premium group".

3. As per the terms of the agreement, renaming the fire suppression branch of Fire Paramedic Service to "Winnipeg Fire Department" could result in additional costs for replacing WFPS crests on all Fire Apparatus, Uniforms, Hat Badges, and all other identifiers issued to or worn by members of UFFW. The impact of this change is to be minimized through a planned phased in approach. The associated costs have not been quantified and, therefore, not included in the costs above.

4. As per the terms of the agreement, removing the requirement for clothing to be "union made" and purchase of Firefighter lieu days, potentially, could result in savings. These potential savings are not reflected in the reported costs above as reasonable estimates could not be made.

5. There is no budget provision for this agreement.

Radhika Abeysekera
Manager of Finance & Administration
Corporate Services Dept.

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

City Treasurer's Office as to the budget implications of this proposal.

External Consultation With:

External Auditor – Ernst & Young

THIS REPORT SUBMITTED BY:

Department	Internal Services
Division	Labour Relations and Compensation
Prepared By:	Sudhir Sandhu, Acting Manager, Labour Relations
File No.	

WFPS - UFFW Negotiations 2007

Incremental Cost - Memorandum of Settlement (Minutes of Settlement)

Effective Date of Agreement May 16, 2007

Wage Adjustments	Year	PP #	Negotiated % Increase
	2007	1	0.00%
		1	0.00%
	2008	1	0.00%
		1	0.00%
	2009	1	0.00%
		1	0.00%
Cumulative			**0.0%**

Base Wage Negotiated Costs:	**2007**	**2008**	**2009**	**Total**
Incremental Wage Adjustment	-	-	-	-
Roll Over Effect	-	-	-	-
Annual Incremental financial impact	**-**	**-**	**-**	**-**
Cumulative financial Impact For Fiscal Year	**-**	**-**	**-**	**-**
Base Wage	**0.0%**	**0.0%**	**0.0%**	

Blue Cross Benefit Improvements				
	-	-	-	-
Annual Incremental financial impact	**-**	**-**	**-**	**-**
Cumulative financial Impact For Fiscal Year	**-**	**-**	**-**	**-**

Other Significant Benefit Improvements:				
Change Firefighter progression to First Class Firefighter from 5 yrs 3 mths to 5 yrs. (Note 1, 2, 4)	71,512	49,880	63,283	184,675
Lieutenants to be paid 117% of First Class Firefighter (Note 1&2)	53,814	96,542	99,921	250,276
Captains to be paid 127% of First Class Firefighter (Note 1&2)	92,380	165,730	171,531	429,641
Firefighter PCP 2% Premium beginning the first day of 7th Year as PCP (Note 1, 2, 3)	-	-	-	
Annual Incremental financial impact	**217,706**	**312,151**	**334,734**	**864,592**

Notes:

1) The effective date of the premium increase is the ratification date, which is assumed to be May 16, 2007 and the costs for 2007 are prorated accordingly.

2) The above costs include 17.89% benefits (based on 2006 Actual) and an estimated annual 3.5% CPI increase.

3) As per the terms of the agreement, the financial impact of the 2% premium for Firefighter PCP (FF PCP) does not start until 2012 as this is the first year that the FF PCP's qualify for the premium. The costs for the period 2012 - 2014 are as follows: 2012: $53,519 2013: $92,320 2014: $124,216. It is assumed, on an annual basis, that 30 Firefighters will move into their 7th year and 50% will choose to maintain their PCP license. Therefore, starting 2014, the number of FF PCP increases by 15 each year. No assumptions were made with regard to those who leave the "FF PCP 2% premium group".

4) The costs, which are outside the period 2007-2009, resulting from changes in the progression of Firefighters to First Class Firefighter are as follows: 2010: $23,315 2011: $61,618 2012: $49,961. The annual costs remain constant after 2012.

5) As per the terms of the agreement, removing the requirement for clothing to be "union made" and purchase of Firefighter lieu days, potentially, could result in savings. These potential savings are not reflected in the reported costs above as reasonable estimates could not be made.

6) As per the terms of the agreement, renaming the fire suppression branch of Fire Paramedic Service to "Winnipeg Fire Department" could result in additional costs for replacing WFPS crests on all Fire Apparatus, Uniforms, Hat Badges, and all other identifiers issued to or worn by members of UFFW. The impact of this change is to be minimized through a planned phased in approach. The associated costs have not been quantified and, therefore, not included in the costs above.

WFPS – UFFW Negotiations 2007
Memorandum of Settlement (Minutes of Settlement)
Notes and Assumptions

1. *The Memorandum of Settlement includes the following items which have financial implications:*

    - *Change Firefighter progression to First Class Firefighter from 5 years and 3 months to 5 years.*
    - *Lieutenants moved to 117% of First Class Firefighter rate*
    - *Captains moved to 127% of First Class Firefighter rate*
    - *Firefighter PCP to receive a 2% premium beginning the first day of their 7th year as PCP*
    - *Remove requirement for clothing to be "union made".*
    - *Purchase of Firefighter lieu days*

2. *Wages have been upgraded to 2007 level, with the assumption of a 3.50% CPI increase for 2006, prior to the application of wage increases.*

3. *Wherever appropriate, the following assumptions were applied:*

    a. *The effective date of wage increases is the ratification date, which is assumed to be May 16, 2007 (Pay Period 12). The costs for 2007 were prorated accordingly.*

    b. *CPI increases: 2006:* ***3.50%*** *2007:* ***3.50%*** *2008:* ***3.50%*** *2009:* ***3.50%***

    c. *A benefits rate of 17.89% based on 2006 Actual for UFFW.*

4. *It is assumed that 50% of Firefighter PCP will choose to maintain their PCP license after six years of service to receive the 2% premium.*

5. *The removal of the requirement for clothing to be "union made"; and the purchase of Firefighter lieu days, potentially, could result in savings. These savings have not been reflected on the reported costs as reasonable estimates could not be made.*

6. *A current list of Firefighter PCP's indicate that the first Firefighter to qualify for the 2% premium after six years as PCP will be paid the premium in 2012. Therefore, there are no financial impact on the years being reported (2007-2009). The costs for this provision start in 2012.*

7. *Renaming the fire suppression branch of Fire Paramedic Service to "Winnipeg Fire Department" could result in additional costs for replacing WFPS crests on all Fire Apparatus, Uniforms, Hat Badges, and all other identifiers issued to or worn by members of UFFW. The impact of this change is to be minimized through a planned phased in approach. The associated costs have not been quantified and, therefore, not included in the costs above.*