Minute No. 117
Report – Executive Policy Committee - December 19, 2007

Item No. 1 **Negotiations between the City of Winnipeg and the Winnipeg Association of Public Service Officers (including WAPSO Exempt) – Memorandum of Settlement**
File GU-4.6

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 Winnipeg Association of Public Service Officers (WAPSO) 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 Association of Public Service Officers consistent with the terms of the Memorandum of Agreement.

3. That the City be authorized to extend the general wage increases and other changes to terms and conditions of employment to WAPSO Exempt and Senior Management employees as may be appropriate given existing individual contracts.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

Report – Executive Policy Committee - December 19, 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 December 19, 2007, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

RE: Negotiations Between the City of Winnipeg and the Winnipeg Association of Public Service Officers (WAPSO) (including WAPSO Exempt)

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

ORIGINAL REPORT SIGNED BY: Director of Internal Services

REPORT DATE: December 12, 2007

RECOMMENDATION(S):

1. That City Council ratify the Memorandum of Agreement agreed to by the negotiating committees of the City and WAPSO.

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

3. That City Council authorize the City to extend the general wage increases and other changes to terms and conditions of employment to WAPSO Exempt and Senior Management employees as may be appropriate given existing individual contracts.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing.

Report Summary

Key Issues:

The Memorandum of Agreement between the City and the Winnipeg Association of Public Service Officers includes changes involving significant and material costs as follows:

1. Term of Agreement – October 12, 2006 to October 11, 2008 (24 months)

2. Salary Adjustments:

   - Effective PP 22, 2007 - 2.0%
   - Effective PP 26, 2007 - $1100 lump sum payment per employee
   - Effective PP 10, 2008 – 2.0%

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
(**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 WAPSO 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): See attached financial impact statement

REASON FOR THE REPORT:

It is required that City Council ratify all Collective Agreements entered into by the City of Winnipeg and Civic Unions/Associations.

HISTORY:

1. The Collective Agreement between the City of Winnipeg and the Winnipeg Association of Public Service Officers expired October 11, 2006.
2. Collective bargaining commenced in November 2006 and negotiations commenced at the end of January 2007.
3. A Memorandum of Agreement was reached on December 5, 2007.

DISCUSSION:

1. In determining an appropriate general wage and benefit increase to members of the Winnipeg Association of Public Service Officers bargaining unit, consideration was given to:

   - The financial impact on the City.
   - The negotiated settlement with CUPE Local 500 and ATU Local 1505.
   - Negotiated settlements in comparable organizations with comparable employees in other jurisdictions.
   - Negotiated settlements in the local market.

2. **Financial Impact:** The cost of the proposed terms of agreement over the two years (October 2006 to October 2008) is $3.3 million. There is sufficient budget provision to cover the cost of this agreement.

3. **Negotiated Settlements in the Local Market:** Wage increases for major Manitoba employers have been in the range of 2.5% - 3.0%.

4. **Arbitration Awards:** There are no recent arbitration awards for any bargaining unit of a comparable nature. The recent arbitration award for the United Fire Fighters of Winnipeg (UFFW) resulted in a wage increase of 3.5% for 2007.

5. **Negotiated Settlements with other Civic Bargaining Units:** Agreements with other civic units include:

   - CUPE at 2.25% for 2007.
   - ATU at 2.0% for 2007.

Financial Impact Statement

Date: December 12, 2007

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

WAPSO & WAPSO EXEMPT - Memorandum of Agreement (October 12, 2006 - October 11, 2008)

(in $Millions)	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	$ -	$ 1.1	$ 2.2	$ -	$ 3.3
Less: Incremental Revenue/Recovery	$ -	$ -	$ -	$ -	$ -
Net Cost/(Benefit)	$ -	$ 1.1	$ 2.2	$ -	$ 3.3
Less: Existing Budget Amounts	$ -	$ 1.1	$ 2.2	$ -	$ 3.3
Net Budget Adjustment Required	$ -	$ 0.0	$ 0.0	$ -	$ 0.0

Additional Comments:

1. Annualized costs of the agreement in 2009 are $2.6 million for a total agreement cost of $5.9 million over a 4-year period.

2. Existing Budget Amounts provided by Financial Planning & Review, Corp. Finance Dept. These amounts are based on the 2007 Adopted Operating Budget and the 2008 administrative forecast. The Existing Budget is sufficient to cover this agreement. It should be noted that the 2008 administrative forecast contains significant overall shortfalls and will require modification to balance.

Radhika Abeysekera
Manager of Finance & Administration
Internal 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
Audit Department

External Consultation With:

External Auditor – Ernst & Young

THIS REPORT SUBMITTED BY:

Department	Internal Services
Division	Labour Relations and Compensation
Prepared by:	Sudhir Sandhu, Labour Relations Branch
File No.	

Winnipeg

Audit Department • Service de vérification

December 7 2007

His Worship Mayor Sam Katz
The City of Winnipeg
Council Building
510 Main Street
Winnipeg, Manitoba
R3B 1B9

Dear Mayor Katz:

Re: Review of the Memorandum of Agreement between the City of Winnipeg and the Winnipeg Association of Public Service Officers (WAPSO)

Pursuant to the motion adopted by Council on March 26, 1997, "The City of Winnipeg Collective Bargaining Agreements and the Involvement of Internal and External Auditors", we have reviewed the attached *Incremental Cost of the Memorandum of Agreement* prepared by the Internal Services Department. The purpose of our review was to provide certain assurances as to the completeness of the anticipated changes in the financial cost to the City of Winnipeg as a result of the Memorandum of Agreement between the City of Winnipeg and the Winnipeg Association of Public Service Officers dated December 5, 2007. The term of the agreement covers the period from October 12, 2006 – October 11, 2008.

Our review included an assessment of the Memorandum of Agreement, and based upon the knowledge obtained from this assessment, ensuring that the net incremental costs and/or savings to the City of Winnipeg have been completely and appropriately identified, calculated and summarized and that all significant assumptions used by the Finance and Administration Division to prepare the *Incremental Cost of the Memorandum of Agreement* are disclosed. In addition, we met with personnel from the Internal Services Department to review the process and details provided in the cost analysis.

The *Incremental Cost of the Memorandum of Agreement* represents the net incremental costs or savings projected to be incurred by the City of Winnipeg as a direct result of the Memorandum of Agreement. Since the analysis is based on the disclosed assumptions regarding future events, actual results for the agreement period will vary from those calculated. Accordingly, we do not express any opinion as to whether the estimated net incremental costs for the Agreement will be realized.

Based on this review, we concur that this analysis has been prepared in an appropriate manner for the consideration of City Council. Our External Auditor, Ernst & Young, supported our review. A copy of the Ernst & Young report is attached.

Sincerely,



Shannon Hunt, CGA, CFE
City Auditor

ERNST & YOUNG

Ernst & Young LLP
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2700 Commodity Exchange Tower
360 Main Street
Winnipeg, Canada R3C 4G9

Phone: 204 947-6519
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December 10, 2007

PRIVATE AND CONFIDENTIAL

The Council
The City of Winnipeg
Council Building, Civic Centre
510 Main Street
Winnipeg, Manitoba
R3B 1B9

Dear Sirs:

Re: Review of the Memorandum of Agreement between the Winnipeg Association of Public Service Officers and the City of Winnipeg

Pursuant to the motion adopted by Council on March 26, 1997, "The City of Winnipeg Collective Bargaining Agreements and the Involvement of Internal and External Auditors", we have reviewed the Incremental Cost of the Memorandum of Agreement (December 5, 2007) prepared by the Internal Services Department.

Our role in the review of the Memorandum of Agreement between the City of Winnipeg and the Winnipeg Association of Public Service Officers supported that of the City's Internal Audit Department. A copy of the City's Internal Audit Department review of the Memorandum Agreement is attached.

We concur with the Internal Audit Department's assessment dated December 7, 2007 of the Incremental Cost of the Memorandum of Agreement (December 5, 2007) prepared by the Internal Services Department.

Yours sincerely,

Ernst & Young LLP

J.K.A. Campbell, FCA

Enclosure