Minute No. 273
Report – Executive Policy Committee - March 19, 2008

Item No. 1 **Memorandum of Agreement – United Fire Fighters of Winnipeg, Local 867**
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 United Fire Fighters of Winnipeg, Local 867 be ratified.

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the United Fire Fighters of Winnipeg, Local 867 consistent with the terms of the Memorandum of Agreement.

Report – Executive Policy Committee - March 19, 2008

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 19, 2008, 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 United Firefighters of Winnipeg (UFFW) Local 867

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

ORIGINAL REPORT SIGNED BY: Director of Internal Services

REPORT DATE: March 19, 2008

RECOMMENDATION(S):

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

Summary

KEY ISSUES:

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

1. Term of Agreement – December 27, 2007 to December 26, 2009 (24 months)

2. General Wage Increases:

   - Effective PP 1, 2008 – 2.0%
   - Effective PP 1, 2009 – 2.0%

3. UFFW retains the right to refer residual wage issues to arbitration and an arbitrator may award wages in excess of the payments in Part 2 above.

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 UFFW 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 current collective agreement between the parties expired on December 26, 2007.

2. The parties exchanged proposals on November 1, 2007 and have been engaged in productive discussions on a number of operational issues.

3. The parties have resolved the last three collective agreements at arbitration. These Awards have provided for significant wage increases and the City has been unsuccessful at achieving operational gains with the exception of one issue.

4. The parties agree that there is no likelihood of resolving financial issues through negotiations. They have further agreed to resolve some key operational issues and refer wages to arbitration.

DISCUSSION:

1. **Operational Gains**: In return for an interim wage increase, the WFPS can achieve operational gains that address critical issues while reducing some undue overtime costs.

2. **Efficiency of Settlement**: In the past, wage issues have detracted from any meaningful discussion on operational issues. Typically, Arbitrators have granted wage increases and avoided decisions on operational issues. Further, process delays result in Agreements that are seldom in effect for more than a few months. The lengthy delays have been of concern to both parties and this will have a positive impact on the working relationships.

3. **Financial Impact:** The cost of the interim settlement is $4.57 million over the two years term. Following the increases, the UFFW payroll will increase by $3.0 million.

4. **Market Information:** At arbitration, UFFW wages have been mostly driven by comparison to WPA increases. The 2007 wage award for the WPA is pending. The City has agreements with CUPE and WAPSO for 2007 and 2008 providing each union with approximately 2.0% increases per year.

Financial Impact Statement

Date: March 12, 2008

Project Name: **First Year of Program** **2008**

UFFW 2008-2009 Negotiations - Memorandum of Agreement

$Million	2008	2009	2010	2011	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	$ 1.53	$ 3.04	$ -	$ -	$ 4.57
Less: Incremental Revenue/Recovery	$ -	$ -	$ -	$ -	$ -
Net Cost/(Benefit)	$ 1.53	$ 3.04	$ -	$ -	$ 4.57
Less: Existing Budget/Available Amounts	$ 1.53	$ 3.04	$ -	$ -	$ 4.57
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. Existing Budget Amounts provided by Financial Planning & Review, Corp. Finance Dept. These amounts are based on the 2008 budget and 2009 Administrative Forecast from the 2008 Preliminary Budget.

2. The Existing Budget is sufficient to cover this agreement.

3. It should be noted that the 2009 Administrative Forecast contains a significant overall shortfall 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

March 13, 2008

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 United Fire Fighters of Winnipeg, Local 867

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 United Fire Fighters of Winnipeg Local 867 dated February 27, 2008. The term of the agreement covers the period from December 27, 2007 – December 26, 2009.

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.

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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
Chartered Accountants
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360 Main Street
Winnipeg, Manitoba R3C 4G9

Phone: 204 947-6519
Fax: 204 956-0138

March 17, 2008

PRIVATE AND CONFIDENTIAL

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

Dear Sirs/Mesdames:

Re: Review of the Memorandum of Agreement between the City of Winnipeg and The United Fire Fighters of Winnipeg, Local 867 of International Association of Fire Fighters

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 prepared by the Internal Services Department.

Our role is to support the review by the City Auditor of the Memorandum of Agreement between the City of Winnipeg and the United Fire Fighters of Winnipeg, Local 867. A copy of the City Auditor's review of the Memorandum of Agreement is attached.

We concur with the City Auditor's assessment dated March 13, 2008 of the Incremental Cost of the Memorandum of Agreement prepared by the Internal Services Department.

Yours sincerely,

Ernst & Young LLP

Gus Campbell

Enclosure