Addendum – Council – April 23, 2008

Report - Executive Policy Committee - April 21, 2008

Item No. 6 Winnipeg Police Service Officers Association - Memorandum of Settlement
File GU-4.3.9

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On April 21, 2008, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That the Memorandum of Agreement agreed to by the negotiating committees 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 Winnipeg Police Senior Officers Association consistent with the terms of the Memorandum of Agreement.

Addendum – Council – April 23, 2008

Report - Executive Policy Committee - April 21, 2008

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On April 21, 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 Winnipeg Police Senior Officers Association (WPSOA)

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

ORIGINAL REPORT SIGNED BY: Director, Internal Services

REPORT DATE: April 21, 2008

RECOMMENDATION(S):

3. That City Council ratify the Memorandum of Agreement agreed to by the negotiating committees of the City and the Winnipeg Police Senior Officers Association (WPSOA).

4. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with WPSOA 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 20, 2006 to December 19, 2008 (24 months)

2. General Wage Increases:

   - Effective PP 1, 2007 – 3.5%
   - Effective PP 1, 2008 – 2.0%
   - Effective PP 15, 2008 – 2.0%

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): 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 prior Agreement between the City of Winnipeg and WPSOA expired on December 19, 2006.

2. The parties held negotiations pending negotiations and subsequent resolution of WPA at arbitration for the same contract duration. The WPA Award was issued on March 26, 2008.

3. WPSOA represents police officers above the rank of Staff Sergeant and some civilian managers. Due to potential salary compression issues between supervisors and WPA subordinates, the City extends wage increases exactly in accordance with those negotiated with or awarded to the WPA.

DISCUSSION:

1. **Financial Impact:** The incremental cost of the proposed terms of agreement over two years 2007 – 2008 is $ 0.33 million. The annualized cost (payroll growth) of the agreement by 2009 is $0.26 million.

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

3. **Arbitration Awards:** The March 26, 2008 WPA Arbitration Award provided for identical wage increases.

Financial Impact Statement

Date: April 21, 2008

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

WPSOA 2007-2008 - Memorandum of Agreement

$Million	2007	2008	2009	2010	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	$ 0.115	$ 0.217	$ -	$ -	$ 0.332
Less: Incremental Revenue/Recovery	$ -	$ -	$ -	$ -	$ -
Net Cost/(Benefit)	$ 0.115	$ 0.217	$ -	$ -	$ 0.332
Less: Existing Budget/Available Amounts	$ 0.115	$ 0.217	$ -	$ -	$ 0.332
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. The annualized cost of this agreement in 2009 is $0.255 million for a total cost of $0.587 million over a 3-year period.

2. Existing Budget Amounts provided by Financial Planning & Review, Corp. Finance Dept. These amounts are based on the 2007 wage accrual and the 2008 Adopted Budget for this bargaining group.

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

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

April 15, 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 Winnipeg Police Senior Officers' Association

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 Police Senior Officers Association dated March 14, 2008. The term of the agreement covers the period from December 20, 2006 – December 19, 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.

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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
2700 Commodity Exchange Tower
360 Main Street
Winnipeg, Manitoba R3C 4G9

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

April 16, 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 Winnipeg Police Senior Officers' Association

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 Winnipeg Police Senior Officers' Association. A copy of the City Auditor's review of the Memorandum of Agreement is attached.

We concur with the City Auditor's assessment dated April 15, 2008 of the Memorandum of Agreement prepared by the Internal Services Department.

Yours sincerely,

Ernst & Young LLP

J.K.A. Campbell, FCA

Enclosure