Minute No. 558
Report - Executive Policy Committee – August 6, 2008

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 Amalgamated Transit Union (ATU) be ratified.

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

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

Report - Executive Policy Committee – August 6, 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 August 6, 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 Amalgamated Transit Union (ATU) Local 1505

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

ORIGINAL REPORT SIGNED BY: Director, Internal Services

REPORT DATE: August 6, 2008

RECOMMENDATION(S):

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

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

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

Summary

KEY ISSUES:
The Memorandum of Agreement between the City and the Amalgamated Transit Union, Local 1505 includes changes involving significant terms and material costs as follows:

1. Term of Agreement – January 13, 2008 to January 15, 2011 (36 months)

2. General Wage Increases:

   - Effective PP 3, 2008 - 2.0%
   - Effective PP 3, 2009 - 2.2%
   - Effective PP 3, 2010 - 3.0%

3. Special Adjustments:

   A. Bus Operator

   Effective Pay Period 11, 2008, remove the first step of the Bus Operator (Hourly) Salary Scale and add $0.25 to the top step.

   B. Truck/Transport Mechanic
      - Effective PP # 11, 2008: Increase hourly rates by $0.50 per hour.
      - Effective PP # 1, 2011: Increase hourly rates by $0.50 per hour.

   C. Blacksmith
      - Effective Pay Period #11, 2008: Increase hourly rate by $0.30 per hour.

   D. Loops and Bus Stops In Charge
      - Effective Pay Period #11, 2008: Increase hourly rate by $1.00 per hour.

4. Benefits

   - Dental Plan – Increase the lifetime orthodontic maximum to $2,200.00.
   - Vision Care Plan – Increase entitlement for full-time employees and eligible dependents to $250.00 and increase entitlement for part-time employees and eligible dependents to $125.00 in a twenty-four (24) month period.
   - Increase allowance for eye exams to $65.00 in a twenty-four (24) month period.

5. Spread Premiums

   - Increase spread premiums at an annual cost of $64,380.

6. Paid Education Leave for Apprentices:

   - The City will top up EI payments received by Apprentice Trades during annual periods of study in accordance with EI Regulations.

7. Tool Allowances

   - Increase tool allowances for trades classifications.

8. Other Significant Issues

   - The parties have agreed to refer the one outstanding bargaining issue, changes to Sunday shifts, to arbitration.

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 this 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

	Within approved current and/or capital budget
X	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 ATU expired on January 12, 2008.
2. Collective bargaining commenced on March 18, 2008 and a tentative settlement was reached by the parties April 25, 2008, however ATU members rejected the settlement in a ratification vote held May 30, 2008.
3. The parties returned to negotiations and jointly agreed to mediation.
4. On July 3, 2008, the Provincial Conciliation Officer issued a report recommending that both parties ratify the City's revised settlement offer. In a ratification vote held July 23, 2008, members rejected the City's second contract offer.
5. ATU commenced strike action effective July 25, by refusing overtime.
6. The parties returned to mediation and agreement on the terms of settlement was reached on July 30, 2008.

DISCUSSION:

1. 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 of Winnipeg.
   - 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.

2. **Financial Impact:** The cost of the proposed terms of agreement over the three years January 13, 2008 – January 15, 2011 is $ 11.366 million. The budget provision for the same period is $8.545 million resulting in a net shortfall of $2.821 million.

3. **Negotiated Settlements in the Local Market:** Wage increases for major Manitoba employers have been in the range of 2.5% - 5.0%.

4. **Arbitration Awards:** There are no recent arbitration awards for any bargaining unit of a comparable nature.

Financial Impact Statement

Date: July 31, 2008

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

ATU 2008-2010 Negotiations - Memorandum of Settlement (July 30th 2008)

$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 - Wage Adjustments **(Note 1)**	$ 1.054	$ 2.359	$ 4.180	$ -	$ 7.593
Direct Costs - B.C. Benefit Improvements	$ 0.054	$ 0.054	$ 0.054	$ -	$ 0.162
Direct Costs - Other Provisions	$ 0.617	$ 1.311	$ 1.683	$ -	$ 3.611
Less: Incremental Revenue/Recovery	$ -	$ -	$ -	$ -	$ -
Net Cost/(Benefit)	$ 1.725	$ 3.724	$ 5.917	$ -	$ 11.366
Less: Existing Budget/Available Amounts	$ 1.368	$ 2.832	$ 4.345	$ -	$ 8.545
Net Budget Adjustment Required	$ 0.357	$ 0.892	$ 1.572	$ -	$ 2.821

Additional Comments:

1. The roll over effect of the wage adjustment and the overall annualized cost in 2011 are $0.140 million and $6.529 million, respectively. The annualized budget projection for 2011 is $4.419 million.

2. Existing budget amounts provided by Financial Planning & Review, Corp. Finance Dept. These amounts are based on the 2008 Adopted Budget and the 2009 and 2010 Administrative Forecasts for this bargaining group.

3. The Existing Budget is not sufficient to cover the Settlement.

4. It should also be noted that the 2009 and 2010 Administrative Forecasts contain significant overall shortfalls and will require modification to balance.

original signed by R. Abeysekera

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

August 1, 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 Settlement between the City of Winnipeg and the Amalgamated Transit Union

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 Settlement* 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 Settlement between the City of Winnipeg and the Amalgamated Transit Union dated July 30, 2008. The term of the agreement covers the period from January 13, 2008 – January 15, 2011.

Our review included an assessment of the Memorandum of Settlement, 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 Settlement* 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 Settlement* 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.

Winnipeg

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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,

S. Hunt

Shannon Hunt, CGA, CFE
City Auditor

ERNST & YOUNG

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August 5, 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 Settlement between the City of Winnipeg and the Amalgamated Transit Union Local 1505

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 Settlement prepared by the Internal Services Department.

Our role is to support the review by the City Auditor of the Memorandum of Settlement between The City of Winnipeg and the Amalgamated Transit Union Local 1505. A copy of the City Auditor's review of the Memorandum of Settlement is attached.

We concur with the City Auditor's assessment dated August 1, 2008 of the Incremental Cost of the Memorandum of Settlement prepared by the Internal Services Department.

Yours sincerely,

Ernst & Young LLP

J.K.A. Campbell, FCA

Enclosure

A member firm of Ernst & Young Global Limited