**Report "A" - Executive Policy Committee - December 10, 2008**

**Item No. 7 Winnipeg Association of Public Service Officers – Memorandum of Agreement**
**File GU-4.6**

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 10, 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 Association of Public Services Officers 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 City be authorized to extend the general wage increases and other changes to terms and conditions of employment to WAPSO Exempt employees.

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

## Report "A" - Executive Policy Committee - December 10, 2008

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 10, 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 Association of Public Service Officers (WAPSO) (including WAPSO Exempt)**

**FOR SUBMISSION TO:** EXECUTIVE POLICY COMMITTEE

**ORIGINAL REPORT SIGNED BY:** Director, Corporate Support Services

**REPORT DATE:** December 5, 2008

**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 employees.

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, 2008 to October 11, 2011 (36 months)

2. Salary Adjustments:

    - Effective PP 22, 2008 - 2.0%
    - Effective PP 22, 2009 - 2.2%
    - Effective PP 22, 2010 - 3.0%

3. Special Adjustments

   - Effective PP 22, 2008 until PP 21, 2010 (24 months) – additional 2.5% market adjustment for engineers.

4. Salary Schedules

   - Reinstatement of salary steps into the WAPSO A2 salary schedule addresses recruitment and retention issues.

5. Benefits

   - Dental benefits: increase Orthodontic lifetime maximum from $1,500 to $2,200.
   - Vision Care: increase coverage from $225 every two years to $250 every two years and increase biannual eye exam maximum to $65 from $50.

6. Recruitment and Retention

   Negotiated changes in the agreement provide the City flexibility to utilize different compensation strategies to facilitate the City's ability to recruit and retain critical professional skills.

7. Professional Development Fund

   Renewal of the Professional Development Fund to a maximum of $260,000 (including WAPSO Exempt) over the term of the collective agreement.

**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**) No
( ) Yes

**Environmental Implications**

(**X**) No
( ) Yes

**Human Resources Implications**

( ) No
(**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.

## Report

**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, 2008.
2. Collective bargaining commenced October 1, 2008 and a tentative agreement was reached on November 19, 2008.

**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 Canadian Union of Public Employees (CUPE) Local 500 and Amalgamated Transit Union (ATU) Local 1505.
    - Negotiated settlements in comparable organizations with comparable employees in other jurisdictions.
    - Negotiated settlements in the local market.
    - Significant recruitment and retention issues faced by the City

2. **Financial Impact:** The cost of the proposed terms of agreement over the three years (October 2008 to October 2011) is $11.9 million. The amounts related to 2008 to 2010, totaling $6.4 million are within current budget. There is no projection for 2011 at this time, but the rollover effect of this agreement for 2011 of $5.5 million is anticipated to be covered as part of the future budget process.

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. An interest arbitration with the Winnipeg Police Association awarded a staggered wage adjustment totaling 4.0% for 2008.

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

    - CUPE Local 500 and ATU Local 1505 at 2.0% for 2008, 2.2% for 2009, 3.0% for 2010
    - Professional Paramedics Association of Winnipeg and Winnipeg Fire Paramedic Senior Officers Association at 3.0% for 2008, 3.0% for 2009

## Financial Impact Statement

**Date:** December 1, 2008

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

**WAPSO & WAPSO Exempt - October 12, 2008 - October 11, 2011 - 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 | $ 0.32 | $ 2.19 | $ 3.88 | $ 5.49 | $ 11.88 |
| Less: Incremental Revenue/Recovery | $ - | $ - | $ - | $ - | $ - |
| Net Cost/(Benefit) | $ 0.32 | $ 2.19 | $ 3.88 | $ 5.49 | $ 11.88 |
| Less: Existing Budget Amounts | $ 0.37 | $ 2.14 | $ 3.88 | $ 5.49 | $ 11.88 |
| Net Budget Adjustment Required | $ (0.05) | $ 0.05 | $ - | $ - | $ - |

**Additional Comments:**

1. Existing Budget Amounts provided by Financial Planning & Review, Corp. Finance Dept. These amounts are based on the 2008 Adopted Operating Budget and 2009 and 2010 projections for this bargaining group. There is no projection for 2011 at this time, but the roll over effect of this agreement is anticipated to be covered as part of the future budget process.

2. The 2009 projection is not sufficient, however, the 2008 Budget can cover the shortfall. The 2010 projection is sufficient. A new adopted budget for 2009, with new projections for 2010 and 2011, would impact the amounts available for a negotiated agreement.

3. It should be noted that the City's 2009 and 2010 projections contain significant overall shortfalls and will require modification to balance.

*original signed by R. Abeysekera*

Radhika Abeysekera
Manager of Finance & Administration
Corporate Support Services

**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 | Corporate Support Services |
| Division | Labour Relations and Compensation |
| Prepared by | Lianne Mauws, Labour Relations Specialist |
| File No. | |

Winnipeg

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December 3, 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 Association of Public Service Officers**

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 Corporate Support 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 November 19, 2008. The term of the agreement covers the period from October 12, 2008 to October 11, 2011.

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 Corporate Support 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,

Brian Whiteside, CA, CIA
Acting City Auditor

Ernst & Young LLP
Chartered Accountants
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The Council
The City of Winnipeg
Council Building, Civic Centre
510 Main Street
Winnipeg, MB R3B 1B9

December 4, 2008

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

Dear Sirs/Mesdames:

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 Corporate Support 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 Association of Public Service Officers. A copy of the City Auditor's review of the Memorandum of Agreement is attached.

We concur with the City Auditor's assessment dated December 3, 2008 of the Incremental Cost of the Memorandum of Agreement prepared by the Internal Services Department.

Sincerely,

Ernst & Young LLP

J.K.A. Campbell, FCA

A member firm of Ernst & Young Global Limited