Council – Agenda – March 25, 2009

Report "A" – Executive Policy Committee – March 19, 2009

Item No. 8 Negotiations between the City of Winnipeg and the United Fire Fighters of Winnipeg, Local 867 of the International Association of Fire Fighters
eFile GU-4.9

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the Memorandum of Agreement agreed to by the negotiating committees of the City and the United Fire Fighters of Winnipeg 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 consistent with the terms of the Memorandum of Agreement, including the restatement of the City's budget on a cost neutral basis.

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

Report "A" – Executive Policy Committee – March 19, 2009

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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 Fire Fighters of Winnipeg (UFFW), Local 867 of the International Association of Fire Fighters

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

ORIGINAL REPORT SIGNED BY: Director, Corporate Support Services

REPORT DATE: March 13, 2009

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, including the restatement of the City's budget on a cost neutral basis.

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 United Fire Fighters of Winnipeg includes changes involving significant terms and material costs as follows:

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

2. General Wage Adjustments

   - Effective December 27, 2007 - 4.0%
   - Effective Pay Period 1, 2009 - 3.0%

   The above wage adjustments are inclusive of interim increases provided in the Memorandum of Agreement dated February 27, 2008 between the City and UFFW.

3. Additional Wage Adjustments Effective Pay Period #1, 2009:

- Increase Rank Differential for District Chiefs from 135% to 137% of First Class Fire Fighter rate.
- Increase Rank Differential for Senior II Fire Fighters-after 15 years service from 107% to 108% of First Class Fire Fighter rate [rank differential for Senior II Fire Fighters eligible for Primary Care Paramedic (PCP) premium increases from 109% to 110%].
- Fire Fighter-Primary Care Paramedics (PCP) to receive 2% premium after 4 years service in bargaining unit serving as Fire Fighter-PCP (reduced by 2 years from after 6 years service).

4. Benefits

- Dental benefits: Increase lifetime orthodontic maximum to $2200 per eligible person.
- Vision Care: Increase the maximum coverage for vision care to $250 per eligible person in a 24 month period.
- Eye Exams: Increase allowance for eye exams to $65 per eligible person in a 24 month period.

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 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 prior collective agreement between the City of Winnipeg and UFFW expired on December 26, 2007.

2. A Memorandum of Agreement was reached between the City and UFFW on February 27, 2008, ratified by City Council on March 19, 2008, that provided for interim wage increases with UFFW retaining the right to refer final resolution of wage and benefit increases to interest arbitration.

3. Unresolved wage and benefit matters were scheduled to be heard by an Interest Arbitration Panel, appointed pursuant to the Fire Fighters and Paramedics Arbitration Act, in May 2009.

4. In February 2009, the parties reached a tentative agreement that settles all referred matters.

DISCUSSION:

1. In determining appropriate general wage increases and benefit improvements to members of UFFW, consideration was given to:

    - The financial impact on the City of Winnipeg.
    - Arbitration awards to other civic bargaining units.
    - Negotiated settlements with other civic bargaining units.
    - Negotiated settlements in the local market.

2. **Financial Impact:** The total cost of the agreement over the two years December 27, 2007 – December 26, 2009 is $8.70 million (including costs for the February 27, 2008 agreement). The incremental cost of the final settlement is $4.13 million. The total annualized costs by the second year (payroll growth) are $5.71 million.

3. **Arbitration awards to other civic bargaining units:** The Winnipeg Police Association was awarded a staggered wage adjustment totaling 4.0% for 2008.

4. **Negotiated settlements with other civic bargaining units:** The City has agreements with the Manitoba Government and General Employees' Union Local 911 (formerly named Professional Paramedics Association of Winnipeg) and the Winnipeg Fire Paramedic Senior Officers Association providing each union/association with a 3.0% wage adjustment in 2009. Benefit improvements are the same as those provided in 2008 to the Canadian Union of Public Employees Local 500, the Amalgamated Transit Union Local 1505, and the Winnipeg Association of Public Service Officers.

5. **Negotiated Settlements in the Local Market:** For the two years that are covered by the terms of this agreement, wage increases for major Manitoba employers have been in the range of 2.5% - 5.0%.

Financial Impact Statement

Date: March 4, 2009

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

UFFW 2008-2009 - Memorandum of Agreement

$Million	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			
Total Costs	$ 2.99	$ 5.71	$ 8.70
Less: Interim Agreement Costs (Note1).	$ (1.53)	$ (3.04)	$ (4.57)
Net Cost/(Benefit)	$ 1.46	$ 2.67	$ 4.13
Less: Existing Budget/Available Amounts	$ 1.47	$ 2.66	$ 4.13
Net Budget Adjustment Required	$ (0.01)	$ 0.01	$ -

Additional Comments:

1. "Interim Agreement Costs" represent cost estimates for wage increases and other salary and benefit improvements provided in the Interim Agreement previously ratified by Council, for which there was sufficient budget.

2. Existing Budget Amounts provided by Financial Planning & Review, Corp. Finance Dept. These amounts are based on the 2008 wage accrual and 2009 Preliminary Budget.

3. The Existing Budget is sufficient to cover this agreement over the 2-year period.

4. It should be noted that the 2009 Preliminary Budget is scheduled for Council adoption March 24, 2009.

Original signed by Radhika Abeysekera

Radhika Abeysekera
Manager of Finance & Administration
Corporate Support Services Dept.

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

Audit Department • Service de vérification

March 10, 2009

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 report *Re: Negotiations between the City of Winnipeg and the United Fire Fighters of Winnipeg (UFFW), Local 867 of the International Association of Fire Fighters* (the report) 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 United Fire Fighters of Winnipeg Local 867 dated February 24, 2009. 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 report 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 report 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.

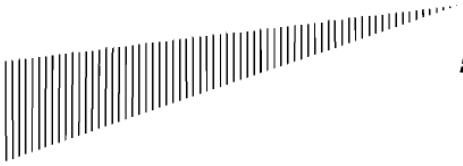
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Based on this review, we concur that this analysis has been prepared in an appropriate manner for the consideration of City Council. Our External Auditor, Ernst & Young, supported our review. A copy of the Ernst & Young report is attached.

Sincerely,



Brian Whiteside, CA•CIA
Acting City Auditor



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

March 12, 2009

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

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 Financial Impact Statement 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 United Fire Fighters of Winnipeg, Local 867 of the International Association of Fire Fighters. 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 10, 2009 of the Financial Impact Statement of the Memorandum of Agreement prepared by the Corporate Support Services Department.

Sincerely,

Ernst & Young LLP

J.K.A. Campbell, FCA
(204) 933-0217

A member firm of Ernst & Young Global Limited