Minute No. 378
Report – Executive Policy Committee – May 27, 2009

Item No. 3 Winnipeg Police Association – Memorandum of Agreement
eFile GU-4.3.9

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 Winnipeg Police Association 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 Association 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 – May 27, 2009

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 May 27, 2009, 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 Association (WPA)

REPORT DATE: May 15, 2009

AUTHORIZATION

Author	Department Head	CFO	CAO
Lianne Mauws	Linda Black	M. Ruta	G. Laubenstein

FOR SUBMISSION TO: EXECUTIVE POLICY COMMITTEE

RECOMMENDATION(S):

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

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with WPA 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 Winnipeg Police Association includes changes involving significant terms and material costs as follows:

1. Term of Agreement – December 24, 2008 – December 23, 2010 (24 Months)

2. General Wage Adjustments

   - Effective December 24, 2008 - 3.5%
   - Effective Pay Period 1, 2010 - 3.5%

3. Additional Salary Adjustments Effective Pay Period #16, 2009

   - Increase starting rates for Constables through implementation of a new progression schedule as follows [percentages represent Rank Differential of First Class Constable (100%) rate]:

     Starting Rate – from 52% to 55%
     After 1 Year – from 56% to 60%
     After 2 Years – from 60% to 65%
     After 3 Years – 70% (unchanged)
     After 4 Years – 80% (unchanged)
     After 5 Years – 100% (unchanged)

   - Change implementation of Rank Differential for Senior Constables as follows:

     Constable After 9 Years - 105% (from After 10 years)
     Constable After 12 Years - 107% (from After 13 years)

   - Increase and consolidate Rank Differential for the Senior Constable after 15 Years of service to 110% of the First Class Constable (100%) rate (from 109% for Constable after 16 years service)

   - Increase Rank Differential for Detective Sergeants, Patrol Sergeants, Sergeants and Staff Sergeants by 1.0% of the First Class Constable (100%) rate at each step of the governing scales.

4. Other Adjustments Effective Pay Period #11, 2009

   - Increase night shift premium for the Police component by five cents (5¢) to $0.90 per hour.

   - Increase constable Field Training Premium to five percent (5%) (from four percent)

   - Increase mileage allowance to fifty cents (50¢) per kilometer (an increase of 30 cents) to achieve comparability with mileage rates established in agreements the City has with other civic union/association(s).

5. 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.

6. Auxiliary Force Cadet Component

   The City secures the ability to establish an auxiliary force cadet component to supplement the duties performed by police officers and staff members and to assist the Police Service to prevent crime and enhance public safety in the community. In addition, the auxiliary force cadet component provides opportunity to identify members of the community suitable for consideration as future police officers and to assist in their development in that regard. Any financial impact of the auxiliary force cadet component has not been costed and has not been included in existing budget amounts.

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 may, 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 WPA 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 collective agreement between the City of Winnipeg and WPA expired on December 23, 2008.

2. Collective bargaining commenced on December 1, 2008 and a tentative settlement was reached on May 1, 2009.

DISCUSSION:

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

   - The financial impact on the City of Winnipeg.
   - Negotiated settlements with other civic bargaining units.
   - Negotiated settlements in the local market.
   - Negotiated settlements in other police services.
   - Operational gains.

2. **Financial Impact:** The total cost of the agreement over the two years December 24, 2008 – December 23, 2010 is $17.28 million. The total annualized costs by the second year (payroll growth) are $11.69 million. The budget is not sufficient to cover the cost of the Agreement over the two year period (see Financial Impact Statement). Any financial impact of the auxiliary force cadet component has not been costed and has not been included in existing budget amounts.

3. **Negotiated settlements with other civic bargaining units:** Recent agreements with other civic units include:
   - United Fire Fighters of Winnipeg Local 867 (UFFW) – 3.0% for 2009
   - Manitoba Government and General Employees' Union Local 911 (formerly named Professional Paramedics Association of Winnipeg) and the Winnipeg Fire Paramedic Senior Officers Association - 3.0% for 2009
   - Canadian Union of Public Employees Local 500 (CUPE), Amalgamated Transit Union Local 1505 (ATU), Winnipeg Association of Public Service Officers (WAPSO) – 2.2% for 2009 and 3.0% for 2010.

   Benefit improvements are the same as those provided in 2008 to CUPE, ATU, and WAPSO, and provided to UFFW in 2009.

4. **Negotiated settlements in the local market:** For 2009, settled wage increases for major Manitoba employers are in the range of 2.5% to 3.5%.

   Few local wage agreements are settled for 2010. However, Manitoba Public Insurance settled at 2.9%, and Regional Health Authorities of Manitoba settled with several CUPE locals at 2.9%, for 2010.

5. **Negotiated settlements in other police services:** Wages for 2009 and 2010 are unsettled for Calgary and Edmonton police forces. Regina's latest agreement with Regina police officers provides for 4.6% in July 2009, 2.6% in January 2010 and expires June 2010.

6. **Operational Gains:** The City sought significant operational changes and negotiated the right to establish an auxiliary force cadet component.

Financial Impact Statement

Date: May 8, 2009

Project Name:

First Year of Program **2009**

2009-2010 WPA Police & Staff Combined - Memorandum of Agreement

($Million)	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	$ 5.59	$ 11.69	$ 17.28
Less: Incremental Revenue/Recovery	$ -	$ -	$ -
Net Cost/(Benefit)	$ 5.59	$ 11.69	$ 17.28
Less: Existing Budget Amounts	$ 5.60	$ 11.22	$ 16.82
Net Budget Adjustment Required	$ (0.01)	$ 0.47	$ 0.46

Additional Comments:

1. "Existing Budget Amounts" provided by Financial Planning & Review, Corp. Finance Dept. based on the 2009 Adopted Budget and the 2010 projection.

2. It should be noted that the City's 2010 projection contains a significant overall shortfall and will require modification to balance.

3. The Existing Budget is not sufficient to cover the cost of the Agreement over the 2-year period.

4. Any financial impact of the proposed auxilliary police force has not been included in this Financial Impact Statement.

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

May 13, 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 Winnipeg Police 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 report *Re: Negotiations between the City of Winnipeg and the Winnipeg Police Association (WPA)* (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 Winnipeg Police Association dated May 1, 2009. The term of the agreement covers the period from December 24, 2008 – December 23, 2010.

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

15 May 2009

Review of the Memorandum of Agreement between the City of Winnipeg and The Winnipeg Police Association

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 2009-2010 WPA Police & Staff Combined - 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 Police Association. A copy of the City Auditor's review of the Memorandum of Agreement between the City of Winnipeg and the Winnipeg Police Association is attached.

We concur with the City Auditor's assessment dated May 13, 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