**Agenda – Council – January 27, 2010**

**Report – Executive Policy Committee – January 20, 2010**

**Item No. 5 Negotiations between the City of Winnipeg and the Winnipeg Police Senior Officers' Association**
**eFile GU-4.3.9**

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On January 20, 2010, 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 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.

3. That the City be authorized to extend the general wage increases and other changes to terms and conditions of employment to employees who are WPSOA Exempt and to Police Senior Management employees as may be appropriate given existing individual contracts.

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

## Report – Executive Policy Committee – January 20, 2010

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On January 20, 2010, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

# ADMINISTRATIVE REPORT

**ISSUE: Negotiations between the City of Winnipeg and the Winnipeg Police Senior Officers' Association (WPSOA)**

**Critical Path: Executive Policy Committee - Council**

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| L. Mauws | L. Black | M. Ruta | A. Robinson, Deputy CAO |

## RECOMMENDATIONS

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

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.

3. That City Council authorize the City to extend the general wage increases and other changes to terms and conditions of employment to employees who are WPSOA Exempt and to Police Senior Management employees as may be appropriate given existing individual contracts.

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

## IMPLICATIONS OF THE RECOMMENDATIONS

The Memorandum of Agreement between the City and the Winnipeg Police Senior Officers' Association includes changes involving significant terms and material costs as follows:

1. Term of Agreement – December 20, 2008 to December 19, 2010 (24 months)

2. Salary Adjustments for all ranks and classifications:
   - Effective PP 1, 2009 – 3.5%
   - Effective PP 1, 2010 – 3.5%

3. Benefits:
   - Dental Benefits: Increase lifetime orthodontic maximum to $2,200 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.

4. Shift Premium: increase by $0.15 per hour effective September 27, 2009.

5. Other Salary Adjustments: effective Pay Period 1, 2010 reduce the number of steps in the Inspector and Superintendent salary scales to five steps each and add an annual increase of approximately $783 to selected steps.

6. Hours of Work – Amendment to the Hours of Work provides the City with the flexibility to assign senior officers in the Duty Office to either a two shift or three shift model based on operational needs.

The total cost of the agreement over the two years December 20, 2008 to December 19, 2010 is $0.42 million. The total annualized costs by the second year (payroll growth) are $0.29 million. See Financial Impact Statement.

The wage increases provided to WPSOA may have an impact on wage increases provided to other bargaining units.

## HISTORY

1. The current Agreement between the City of Winnipeg and WPSOA expired on December 19, 2008.
2. WPSOA represents police officers above the rank of Staff Sergeant and some civilian managers. Due to potential salary compression issues between supervisors and Winnipeg Police Association (WPA) subordinates, the City generally considers wage increases for this unit in accordance with those negotiated with or awarded to the WPA.
3. The City has historically extended WPSOA wages and benefits to WPSOA Exempt employees.
4. The WPA contract recently settled in May 2009 included wage increases of 3.5% and 3.5% over the two year agreement plus other targeted salary adjustments.

## FINANCIAL IMPACT

**Financial Impact Statement** **Date:** January 6, 2010

**Project Name:** **First Year of Program** **2009**

**2009-2010 WPSOA & WPSOA Exempt 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 | $ 0.13 | $ 0.29 | $ 0.42 |
| Less: Incremental Revenue/Recovery | $ - | $ - | $ - |
| Net Cost/(Benefit) | $ 0.13 | $ 0.29 | $ 0.42 |
| Less: Existing Budget Amounts | $ 0.16 | $ 0.26 | $ 0.42 |
| Net Budget Adjustment Required | $ (0.03) | $ 0.03 | $ - |

**Additional Comments:**

1. "Existing Budget Amounts" are based on the 2009 wage accrual and the 2010 submission in the 2010-2012 budget process.

2. The 2010 submission is not sufficient to cover the agreement for this year. However, there is sufficient 2009 wage accrual to cover the shortfall.

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

*Original signed by J. Romaniuk for R. Abeysekera*

Radhika Abeysekera
Campus Controller
Corporate Support Services

## CONSULTATION

### In preparing this Report there was consultation with:

City Treasurer's Office as to the budget implications of this proposal
Audit Department
External Auditor - Ernst & Young

## SUBMITTED BY

| | |
|---|---|
| Department: | Corporate Support Services |
| Division: | Labour Relations Branch |
| Prepared by: | Lianne Mauws, Labour Relations Specialist |
| Date: | January 14, 2010 |
| File No. | |

Winnipeg

Audit Department • Service de vérification

January 12, 2010

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 report *Negotiations between the City of Winnipeg and the Winnipeg Police Senior Officers' Association (WPSOA)* ("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 Senior Officers' Association dated January 11, 2010. The term of the agreement covers the period from December 20, 2008 – December 19, 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.

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
City Auditor

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

January 14, 2010

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 report *Negotiations between the City of Winnipeg and the Winnipeg Police Senior Officers' Association (WPSOA)* ("the report") 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 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 January 12, 2010 of the Memorandum of Agreement prepared by the Corporate Support Services Department.

Yours sincerely,

Ernst & Young LLP

Tanis Petreny, CA

Enclosure

A member firm of Ernst & Young Global Limited