**Minutes – Executive Policy Committee – April 8, 2011**

## REPORTS

**Minute No. 230 Memorandum of Agreement – Canadian Union of Public Employees, Local 500**

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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

1. That the Memorandum of Agreement agreed to by the Negotiating Committees of the City and the Canadian Union of Public Employees, Local 500, be ratified.

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the Canadian Union of Public Employees, Local 500, consistent with the terms of the Memorandum of Agreement.

3. That the City be authorized to extend the general wage and benefit adjustments to employees who are considered CUPE Exempt.

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

DECISION MAKING HISTORY:

Moved by Councillor Vandal,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

# ADMINISTRATIVE REPORT

**Title:** **Negotiations between the City of Winnipeg and the Canadian Union of Public Employees, Local 500**

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

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| M. Bereziak | L. Black | M. Geer<br>Acting CFO | A. Robinson<br>Acting CAO/Deputy CAO |

## RECOMMENDATIONS

1. That City Council ratify the Memorandum of Agreement agreed to by the Negotiating Committees of the City and the Canadian Union of Public Employees, Local 500.

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the Canadian Union of Public Employees, Local 500 consistent with the terms of the Memorandum of Agreement.

3. That City Council authorize the City to extend the general wage and benefit adjustments to employees who are considered CUPE Exempt.

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

## REASON FOR THE REPORT

It is required that City Council ratify all Collective Agreements entered into by the City of Winnipeg.

## IMPLICATIONS OF THE RECOMMENDATIONS

The Memorandum of Agreement between the City of Winnipeg and the Canadian Union of Public Employees, Local 500 includes changes involving significant terms and material costs as follows:

1. Term of Agreement: January 1, 2011 to December 27, 2014

2. General Wage Adjustments:

   - Effective Pay Period 1, 2012 – 1.00%
   - Effective Pay Period 1, 2013 – 2.50%
   - Effective Pay Period 1, 2014 – 2.50%

3. Benefits and/or Special Adjustments:

   Effective Pay Period 1, 2012, adjust benefits as follows:

   - Increase Evening and Weekend Shift Premium by 5¢ per hour to $1.15 per hour.
   - Increase Vision Care maximums for full-time employees by $50 to $300 per 24 month period and for part-time employees by $25 to $150 per 24 month period.
   - Increase Eye Exam reimbursement for full-time employees by $10 to $75 per 24 month period, and for part-time employees by $5 to $37.50 per 24 months.
   - Tool Allowance: increase all rates by 5%.
   - Customer Service Representative I: add a 6th Step at $1,434.26 biweekly.
   - Customer Service Representative II: add a 6th Step at $1,705.95 biweekly.
   - An additional $150,000 for other benefits or special adjustments to be determined.

   Effective Pay Period 1, 2014:

   - $950,000 (½%) for benefits or special adjustments, to be determined.

4. Employment security for permanent employees extended for the term of the Agreement.

5. Public Emergency and Recovery from other levels of government. Changes to Overtime and General Holidays: in the event of an emergency, overtime/holiday credits must be taken as pay (cannot be banked) to facilitate recovery of funds where applicable.

6. Education and Staff Development Fund: $1,000,000 over 4 years (was $1,500,000 over 3 years in the previous Agreement).

7. Compressed Work Week – Assessment and Taxation Department – amendments made to facilitate changes.

8. Pension – Recommend increased contributions. The Public Service will be submitting a separate report for consideration by Council.

**Financial Impact**

The cumulative cost of the proposed terms of agreement over the four years 2011-2014 is $23.23 million. The 2011 Preliminary Operating Budget is sufficient to cover the contract's first year, however, future budget adjustments will be required. See Financial Impact Statement.

## HISTORY

1. The prior Agreement between the City of Winnipeg and the Canadian Union of Public Employees, Local 500 expired December 31, 2010.

2. The parties commenced negotiations on November 28, 2010.

3. A tentative agreement was reached on March 13, 2011 through the conciliation process.

## FINANCIAL IMPACT

**Financial Impact Statement** **Date:** April 1, 2011

**Project Name:** **First Year of Program** **2011**

**2011-2014 CUPE & CUPE Exempt Agreement**

| $Million | 2011 | 2012 | 2013 | 2014 | 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 | $ 0.25 | $ 2.52 | $ 7.29 | $ 13.17 | $ 23.23 |
| Less: Incremental Revenue/Recovery | $ - | $ - | $ - | $ - | $ - |
| Net Cost/(Benefit) | $ 0.25 | $ 2.52 | $ 7.29 | $ 13.17 | $ 23.23 |
| Less: Existing Budget/Available Amounts | $ 0.25 | $ 0.96 | $ 6.57 | $ 13.17 | $ 20.95 |
| Net Budget Adjustment Required | $ - | $ 1.56 | $ 0.72 | $ - | $ 2.28 |

**Additional Comments:**

1. "Existing Budget Amounts" are based on the 2011 Preliminary Operating Budget and the 2012 & 2013 projections from the 2011-2013 budget process. 2011 is sufficient to cover the terms of this agreement, however, 2012 & 2013 require budget adjustments of $1.56 million and $0.72 million respectively. The future budget for 2014 will reflect the CUPE settlement for that year.

2. "Existing Budget Amounts" include provision for a CUPE Education Training and Staff Development Fund, as well as available amounts in the Water & Waste Utilities and the Special Operating Agencies.

3. The Preliminary Operating Budget has not been adopted by Council. The City's 2012 and 2013 Preliminary Operating Budget will need to be increased to allow for the negotiated agreement. The City's multi-year budget does not include 2014. If approved, this contract will be included in future budget estimates.

(Original signed by R. Abeysekera)
Radhika Abeysekera
Campus Controller
Corporate Support Services

## CONSULTATION

City Treasurer's Office as to the budget implications of this proposal
Audit Department
External Auditor – KPMG LLP

## SUBMITTED BY

| | |
|---|---|
| Department: | Corporate Support Services |
| Division: | Labour Relations and Total Compensation |
| Prepared by: | M. Bereziak |
| Date: | April 1, 2011 |
| File No. | |

Winnipeg

**Audit Department • Service de vérification**

March 28, 2011

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 Canadian Union of Public Employees Local 500**

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 Canadian Union of Public Employees Local 500* ("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 Canadian Union of Public Employees Local 500 dated March 16, 2011. The term of the agreement covers the period from January 1, 2011 – December 27, 2014.

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 Corporate Finance Department's Financial Planning and Review Division and Corporate Support Services' Labour Relations and Total Compensation Division to prepare the report are disclosed. In addition, we met with personnel from the Corporate Support Services and Corporate Finance Departments 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 conclude that this report has been prepared in an appropriate manner for the consideration of City Council. Our External Auditor, KPMG LLP, has also reviewed the report. A copy of the KPMG LLP report is attached.

Sincerely,

Brian Whiteside, CA•CIA
City Auditor

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

***Review of the Incremental Cost of the Memorandum of Agreement between the City of Winnipeg and the Canadian Union of Public Employees dated March 16, 2011***

To: The City Council of the City of Winnipeg

At the request of the City of Winnipeg, we have reviewed the Negotiations between the City of Winnipeg and the Canadian Union of Public Employees, Local 500 prepared by the Corporate Support Services (financial information) to analyze the costs of the provisions of the Memorandum of Agreement between the City of Winnipeg and the Canadian Union of Public Employees, Local 500, dated March 16, 2011 (Memorandum of Agreement). Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the City of Winnipeg.

A review does not constitute an audit and, consequently, we do not express an audit opinion on this financial information.

Management of the City of Winnipeg has made assumptions regarding the interpretations of the provisions of the Memorandum of Agreement which have been disclosed in the Incremental Cost of Memorandum of Agreement.

Based on our review, nothing has come to our attention that causes us to believe that the financial information prepared by Corporate Support Services does not, in all material respects, reflect the cost of the provisions, and the assumptions regarding the interpretations of these provisions, of the Memorandum of Agreement between the City of Winnipeg and the Canadian Union of Public Employees dated March 16, 2011.

Signed **"KPMG LLP"**

Chartered Accountants

Winnipeg, Canada

March 31, 2011

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