Agenda – Executive Policy Committee – December 7, 2011

REPORTS

Item No. 10 Memorandum of Settlement – Amalgamated Transit Union, Local 1505

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That City Council ratify the Memorandum of Agreement agreed to by the Negotiating Committees of the City and the Amalgamated Transit Union, Local 1505.

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the Amalgamated Transit Union, Local 1505 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.

ADMINISTRATIVE REPORT

Title: **Negotiations between the City of Winnipeg and the Amalgamated Transit Union, Local 1505**

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

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Bereziak	L. Burch	M Ruta CFO	D Joshi COO

RECOMMENDATIONS

1. That City Council ratify the Memorandum of Agreement agreed to by the Negotiating Committees of the City and the Amalgamated Transit Union, Local 1505.

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the Amalgamated Transit Union, Local 1505 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.

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 Tentative Agreement between the City of Winnipeg and the Amalgamated Transit Union, Local 1505 includes changes involving significant terms and material costs as follows:

1. Term of Agreement: January 16, 2011 to January 17, 2015

2. General Wage Adjustments:

   - Effective Pay Period #3, 2012 2.00%
   - Effective Pay Period #10, 2013 2.00%
   - Effective Pay Period #16, 2014 2.50%

3. Benefits and/or Special Adjustments

   <u>Effective February 7, 2011</u>

   - Amend Acting Supervisor rates as follows:

Add new second step – after 3 years as an Acting Supervisor – Operator rate plus 15%

- Amend In Charge Classifications rate of pay as follows:

Machinist I/C – 8125	$32.15
Mechanic, Truck/Transport I/C – 8165	$32.15
Repairer, Body, I/C – 8285	$32.15

Effective January 1, 2012**:**

- Safety Footwear – increase from $103 to $110.

- Amend the wage rates of the General Helper and Labourer classifications to be equal to Steps 1 through 5 of the Bus Servicer classification.

Effective Pay Period #3, 2012:

- Increase Night and Afternoon Shift Premium in Section 3, Article 2 by five cents ($0.05) per hour.

- Increase Vision Care maximum to:

  a) For full-time employees/dependent(s) from two hundred and fifty dollars ($250) to three hundred dollars ($300) per eligible person in a 24 month period

  b) For part-time employees/dependent(s) – from one hundred twenty-five dollars ($125) to one hundred and fifty dollars ($150) per eligible person in a 24 month period.

  c) From sixty-five dollars ($65) to seventy-five dollars ($75) per eligible person for the cost of eye examinations in a 24 month period.

- Increase the Bus Servicer In Charge classification rate to ten percent (10%) above the Servicer classification rate.

- Increase the Painter In Charge classification rate to ten percent (10%) above the Painter classification rate.

Effective Pay Period #3, 2013:

- Increase Night and Afternoon Shift Premium in Section 3, Article 2 by five cents ($0.05) per hour.

Effective Pay Period #3, 2014:

- Increase Night and Afternoon Shift Premium in Section 3, Article 2 by five cents ($0.05) per hour.

Effective Pay Period #16, 2014:

- Increase all classifications by fifteen cents ($0.15) per hour.

Effective January 1, 2015:

- Tool Allowance, Section 3, Article 5 – increase all amounts to be paid in December 2015 by 10 percent (10%)

4. Winnipeg Transit has agreed to enter into discussions with the Amalgamated Transit Union to develop strategies and options to be implemented during the term of this agreement that enhance the working conditions and security of transit employees and the wellbeing of customers. Winnipeg Transit has agreed to work with ATU towards having more resources put towards these strategies. The amount of resources to be provided cannot be reasonably estimated at this time."

Financial Impact
The cumulative cost over the four years is $8 million, and the annualized cost is $5.23 million. Increases in volume approved by Council on November 16, 2011 as per the report "Transit Service Changes for Implementation Upon Opening of the Southwest Transitway" have not been reflected in this costing and are estimated to be nearly $500,000 over the life of the contract. See Financial Impact Statement.

HISTORY

1. The prior Agreement between the City of Winnipeg and the Amalgamated Transit Union, Local 1505 expired January 15, 2011.

2. The parties commenced negotiations on April 12, 2011.

3. A negotiations mandate was provided by Executive Policy Committee on May 11, 2011.

4. A Tentative Agreement was reached on October 5, 2011.

5. The Tentative Agreement was rejected by the ATU membership.

6. The parties jointly applied to the Minister of Labour to appoint a Conciliator on November 3, 2011.

7. A Conciliator was appointed, and the City and ATU met with the Conciliator on November 17 and 18, 2011, and reached a Tentative Agreement on November 18, 2011.

FINANCIAL IMPACT STATEMENT

Financial Impact Statement **Date:** November 23, 2011

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

ATU Agreement

($Million)	2011	2012	2013	2014	2015	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	$ 0.04	$ 1.37	$ 2.43	$ 3.91	$ 0.25	$ 8.00
Less: Incremental Revenue/Recovery	$ -					$ -
Net Cost/(Benefit)	$ 0.04	$ 1.37	$ 2.43	$ 3.91	$ 0.25	$ 8.00
Less: Existing Budget Amount	$ 0.04	$ 1.37	$ 2.43	$ 3.91	$ 0.25	$ 8.00
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. The cumulative cost of the agreement over four years is $8 million, and the overall annualized cost is $5.23 million.
2. Increases in volume approved by Council on November 16, 2011 as per the report "Transit Service Changes for Implementation Upon Opening of the Southwest Transitway" have not been reflected in this costing and are estimated to be nearly $500,000 over the life of the contract.
3. Cost sharing from the Province will partially offset the gross expenditure amounts.
4. "Existing Budget Amounts" are based on the 2011 Adopted Operating Budget and the 2012 and 2013 projections from the 2011-2013 budget process, and are sufficient to cover the terms of this proposal.
5. The City's 2012 and 2013 projections from the 2011-2013 budget process contain significant overall shortfalls and will require modification to balance. The City's multi-year budget does not include 2014 or 2015. When this contract is approved, it will be included in future budget estimates.

Original signed by R. Abeysekera

Radhika Abeysekera
Manager of Finance (Campus)

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:	December 1, 2011
File	

Winnipeg

Audit Department • Service de vérification

December 1, 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 Amalgamated Transit Union Local 1505

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 Amalgamated Transit Union Local 1505* ("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 Amalgamated Transit Union Local 1505 dated November 18, 2011. The term of the agreement covers the period from January 16, 2011 – January 17, 2015.

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 Memorandum of 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.

Sincerely,

Brian Whiteside, CA•CIA
City Auditor

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Chartered Accountants
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Review of the Incremental Cost of the Memorandum of Agreement between the City of Winnipeg and the Amalgamated Transit Union, Local 1505, dated November 18, 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 Amalgamated Transit Union, Local 1505 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 Amalgamated Transit Union, Local 1505, dated November 18, 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 Amalgamated Transit Union, Local 1505, dated November 18, 2011.

Signed **"KPMG LLP"**

Chartered Accountants

Winnipeg, Canada

December 1, 2011

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