Agenda – Executive Policy Committee – December 12, 2012

REPORTS

Item No. 7 Memorandum of Agreement – United Fire Fighters of Winnipeg, Local 867

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That City Council ratify the Memorandum of Agreement agreed to by the negotiating committees of the City and the United Fire Fighters of Winnipeg Local 867 (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.

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

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

ADMINISTRATIVE REPORT

ISSUE: Negotiations between the City of Winnipeg and the United Fire Fighters of Winnipeg Local 867

Critical Path: EXECUTIVE POLICY COMMITTEE-COUNCIL

AUTHORIZATION

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

RECOMMENDATIONS

1. That City Council ratify the Memorandum of Agreement agreed to by the negotiating committees of the City and the United Fire Fighters of Winnipeg Local 867 (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.

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

4. 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 and the United Fire Fighters of Winnipeg Local 867 includes changes involving significant terms and material costs as follows:

1. Term of Agreement: December 27, 2011 – December 26, 2013 (24 Months)

2. General Wage Adjustments:

   - Effective Pay Period 1, 2012 – 2.0%
   - Effective Pay Period 13, 2012 – 2.0%
   - Effective Pay Period 1, 2013 – 2.0%
   - Effective Pay Period 13, 2013 – 1.25%

3. Additional Salary Adjustments:

   - Effective Pay Period 1, 2013 – amend the "after 4 year service" pay increment for Fire Fighters with Primary Care Paramedic (PCP) Licensure as follows:

     - a total 3.0% premium (rank differential) after 4 years service in the bargaining unit serving as a Fire Fighter-PCP (represents an additional one percent above the current differential of 2%; formerly a 3% premium provided after 6 years' service).

4. Effective the date of ratification, increase Vision care benefits to a maximum of $300 per 24 month period and increase eye exam coverage to a maximum of $75 per 24 month period.

5. Company Officer Development Program: re-engineered training program based on national standards for fire fighter promotion to Lieutenant and Captain ranks.

6. Fire Fighter – Primary Care Paramedic Complement: agreement changes to manage an optimum number of fire fighters designated to perform paramedic duties.

7. Training on Weekends: expanded provisions to schedule training on weekends to allow greater training capacity.

8. Seniority: amendments to seniority rights that lift restrictions on movement of fire fighter trained personnel between suppression duties and roles in other branches.

Financial Impact

The cumulative cost of the agreement over the two years is $9,044,651**,** which is within existing budget amounts for those years. The annualized cost is $6,818,414. See Financial Impact Statement.

HISTORY

1. The prior Agreement between the City of Winnipeg and UFFW expired on December 26, 2011.

2. The parties commenced negotiations on November 1, 2011.

3. The City has agreements with the Winnipeg Police Association and the Winnipeg Police Senior Officers Association providing for a wage adjustment of 4.0% in 2012.

4. The City has an agreement with the Canadian Union of Public Employees Local 500, providing a wage adjustment of 1.0% in 2012, 2.5% in 2013, and an agreement with the Amalgamated Transit Union Local 1505 providing a wage adjustment of 2.0% in each of 2012 and 2013.

FINANCIAL IMPACT

Financial Impact Statement — Date: November 27, 2012

Project Name: — **First Year of Program** 2012

Negotiations between the City of Winnipeg and the United Fire Fighters of Winnipeg Local 867

	2012	2013	2014	2015	2016
Capital					
Capital Expenditures Required					
Less: Existing Budgeted Costs					
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants					
Reserves, Equity, Surplus					
Other					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 2,775,848	$ 6,268,803			
Less: Incremental Revenue/Recovery					
Net Cost/(Benefit)	$ 2,775,848	$ 6,268,803	$ -	$ -	$ -
Less: Existing Budget Amounts	2,775,848	6,268,803			
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. The cumulative cost of the agreement over two years is $9,044,651, and the overall annualized cost is $6,818,414.
2. "Incremental Revenue/Recovery" from the Winnipeg Regional Health Authority would partially offset the gross expenditure amounts above. The amount of revenue is not known at this time pending negotiation of a new cost-sharing agreement.
3. "Existing Budget Amounts" include the 2012 Adopted Operating Budget and the 2013 preliminary operating budget as at November 23, 2012, and are sufficient to cover the terms of this agreement.

Original signed by:
Radhika Abeysekera
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

In preparing this report, there was consultation with:

Corporate Finance Department
Audit Department
External Auditor – KPMG LLP

SUBMITTED BY

Department:	Corporate Support Services
Division:	Labour Relations and Total Compensation
Prepared by:	M. Bereziak, Manager of Labour Relations and Total Compensation
Date:	November 30, 2012
File No.	

Winnipeg

Audit Department • Service de vérification

November 28, 2012

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 *Negotiations between the City of Winnipeg and the United Fire Fighters of Winnipeg Local 867* ("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 November 21, 2012. The term of the agreement covers the period from December 27, 2011 – December 26, 2013.

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 from the Memorandum of Agreement will be realized.

Based on our 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

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

Review of the Administrative Report of the Memorandum of Agreement between the City of Winnipeg and the United Fire Fighters of Winnipeg, Local 867 of International Association of Fire Fighters dated December 27, 2011 to December 26, 2013

To: The City Council of the City of Winnipeg

At the request of the City of Winnipeg, we have reviewed the Administrative Report titled "Negotiations between the City of Winnipeg and the United Fire Fighters of Winnipeg, Local 867 of International Association of Fire Fighters" 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 United Fire Fighters of Winnipeg, Local 867 of International Association of Fire Fighters dated December 27, 2011 to December 26, 2013 (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 financial information.

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 United Fire Fighters of Winnipeg, Local 867 of International Association of Fire Fighters dated December 27, 2011 to December 26, 2013

KPMG LLP

November 29, 2012

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