Agenda – Council – July 17, 2013

Report – Executive Policy Committee – July 10, 2013

Item No. 5 Winnipeg Association of Public Service Officers (WAPSO) – Memorandum of Agreement

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 10, 2013, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the Memorandum of Agreement agreed to by the negotiating committees of the City and WAPSO be ratified.

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with WAPSO 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 WAPSO Exempt.

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

Report – Executive Policy Committee – July 10, 2013

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 10, 2013, 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 Association of Public Service Officers (WAPSO)

Critical Path: EXECUTIVE POLICY COMMITTEE - COUNCIL

AUTHORIZATION

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

RECOMMENDATIONS

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

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

1. Term of Agreement: October 12, 2011 – October 17, 2015

2. General Wage Adjustments:

   - Effective Pay Period 21, 2011 – 0.0%
   - Effective Pay Period 21, 2012 – 1.0%
   - Effective Pay Period 22, 2013 – 2.50%
   - Effective Pay Period 22, 2014 – 2.50%

3. A letter of Understanding for Part Time employees, setting out the employment rules for part time employees has been agreed to.

4. Effective September 1, 2013, increase Vision care benefits to a maximum of $300 per 24 month period and increase eye exam coverage to $75 per 24 month period.

   Effective Pay Period 1, 2014 increase Vision care benefits to a maximum of $350 per 24 month period and increase eye exam coverage to a maximum of $80 per 24 month period.

5. Effective Pay Period 1, 2014, Orthodontic coverage is increased to a maximum of $2,300.

6. The Engineer Market Adjustment is extended to the end of 2013. For costing purposes, the adjustment has been reflected throughout the term of the agreement.

7. A uniform Standby provision for the entire bargaining group has been agreed to effective September 1, 2013. The Water and Waste Standby provisions remain status quo.

8. Bereavement Leave is increased from 3 to 4 days effective September 8, 2013.

9. Car Allowance is increased to match the CUPE per kilometer rate, effective September 1, 2013.

10. The professional development fund has been renewed with $75,000 for the duration of the agreement.

Financial Impact

The cumulative cost over the term of the agreement is $9,632,676. The annualized cost is $5,146,692. The budget amounts are sufficient to cover the costs over the term of the agreement. See Financial Impact Statement.

HISTORY

1. The prior Agreement between the City of Winnipeg and WAPSO expired on October 11, 2011.

2. The parties commenced negotiations on November 29, 2011.

3. The City has agreements with the Canadian Union of Public Employees Local 500 and Amalgamated Transit Union Local 1505 that provided for a wage freeze in the first year of the renewed Collective Agreement.

4. The City's Collective Agreements with the Canadian Union of Public Employees Local 500, provides a wage adjustment of 1.0% in 2012, and 2.5% in 2013, and 2.5% in 2014, and the agreement with the Amalgamated Transit Union Local 1505 provides a wage adjustment of 2.0% in each of 2012 and 2013, and 2.5% in 2014.

FINANCIAL IMPACT

Financial Impact Statement

Date: June 24, 2013

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

Negotiations between the City of Winnipeg and the Winnipeg Association of Public Service Officers (WAPSO)

	2011	2012	2013	2014	2015
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	$ 45,248	$ 373,986	$ 1,432,353	$ 3,588,145	$ 4,192,944
Less: Incremental Revenue/Recovery	-	7,704	39,237	159,666	195,586
Net Cost/(Benefit)	$ 45,248	$ 366,282	$ 1,393,116	$ 3,428,479	$ 3,997,358
Less: Existing Budget Amounts	45,248	794,491	1,962,201	3,149,913	3,825,049
Net Budget Adjustment Required	$ -	$ (428,209)	$ (569,085)	$ 278,566	$ 172,309

Additional Comments:

1. The cumulative cost over the term of the agreement is $9,632,676, and the overall annualized cost is $5,146,692.
2. The provisions of the Agreement are extended to WAPSO Exempt, and have been reflected in the costing above.
3. "Incremental Revenue/Recovery" amounts represent 50/50 Provincial cost-sharing of WAPSO & WAPSO Exempt in Transit.
4. "Existing Budget Amounts" include the 2011 and 2012 wage accrual, the 2013 Adopted Budget and 2014 & 2015 estimates, and are sufficient to cover the costs over the term of the agreement.
5. The City's 2014-16 budget submission contains significant overall shortfalls and will require modification to balance.

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:	July 4, 2013
File No.	

Audit Department • Service de vérification

June 28, 2013

His Worship Mayor Sam Katz
The City of Winnipeg
Council Building
510 Main Street
Winnipeg, Manitoba
R3B 1B9

Dear Mayor Katz:

Re: Review Engagement Report on the Memorandum of Agreement between the City of Winnipeg and the Winnipeg Association of Public Service Officers

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 entitled *Negotiations between the City of Winnipeg and the Winnipeg Association of Public Service Officers* ("the report"). The report presents the forecasted net incremental costs to the Public Service of ratifying the proposed Memorandum of Agreement between the City of Winnipeg and the Winnipeg Association of Public Service Officers, dated June 7, 2013, and covering the period from October 12, 2011 to October 17, 2015. The forecast presented in the report is based on the Public Service's assumptions and interpretations of the provisions of the proposed Memorandum of Agreement as at the report date. Preparation of the report is the responsibility of the Corporate Support Services Department. Our responsibility is to provide assurance on the appropriateness of the report based on our review. Our review was made in accordance with generally accepted government assurance standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to the information provided to us by the Public Service. More specifically, we assessed the plausibility of the report, including the calculation of the net incremental costs, and the plausibility of the Public Service's underlying assumptions and interpretations of the provisions of the proposed Memorandum of Agreement.

Since the forecast in the report is based on its disclosed assumptions about future events, actual results for the agreement period will vary from those presented, and the variations may be material. Furthermore, a review does not constitute an audit and, consequently, we do not express any opinion as to whether the forecasted net incremental costs of the Memorandum of Agreement will be realized.

Based on our review, nothing has come to our attention that causes us to believe that the report has not, in all material respects, been prepared in an appropriate manner for the consideration of City Council.

The report was prepared for the purposes of City Council to ratify the proposed Memorandum of Agreement and, though it is a public document, it may not be suitable for use for any other purposes. The Public Service does not intend to update the figures presented in the report subsequent to its issuance.

Sincerely,

Brian Whiteside, CA•CIA
City Auditor

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510 Main Street
Winnipeg, MB R3B 1B9

Review of the Administrative Report of the Memorandum of Agreement, dated June 7, 2013, between the City of Winnipeg and the Winnipeg Association of Public Service Officers for the term from October 12, 2011 to October 17, 2015

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 Winnipeg Association of Public Service Officers" prepared by the Corporate Support Services (financial information) to analyze the costs of the provisions of the Memorandum of Agreement, dated June 7, 2013, between the City of Winnipeg and the Winnipeg Association of Public Service Officers for the term from October 12, 2011 to October 17, 2015 (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 dated June 7, 2013 between the City of Winnipeg and the Winnipeg Association of Public Service Officers for the term from October 12, 2011 to October 17, 2015.

KPMG LLP

Chartered Accountants

July 4, 2013
Winnipeg, Canada

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