Agenda – Executive Policy Committee – February 12, 2014

REPORTS

Item No. 1 Memorandum of Agreement – United Fire Fighters of Winnipeg, Union Local 867 of the International Association of Fire Fighters

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 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 United Fire Fighters of Winnipeg, Union Local 867 of the International Association of Fire Fighters**

Critical Path: **EXECUTIVE POLICY COMMITTEE-COUNCIL**

AUTHORIZATION

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

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 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 and Civic Unions/Associations.

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 the Agreement: December 27, 2013 to December 24, 2016. (36 Months).

2. General Wage Adjustments:

   - Effective Pay Period 1, 2014 (December 29, 2013) – 2.00%
   - Effective Pay Period 14, 2014 (June 29, 2014) – 1.00%

   - Effective Pay Period 1, 2015 (December 28, 2014) – 2.00%
   - Effective Pay Period 14, 2015 (June 28, 2015) – 1.00%

   - Effective Pay Period 1, 2016 (December 27, 2015) – 3.00%

3. Effective the date of ratification, increase eye examination coverage to eighty dollars ($80) per eligible person in a twenty-four (24) month period; increase vision care coverage to three hundred fifty dollars ($350) per eligible person in a twenty-four (24) month period and increase Orthodontic coverage to two thousand and three hundred dollars ($2,300) lifetime maximum.

4. Amendments were made to permit the City to use Temporary employees for the term of the agreement.

5. Amendments were made to permit the City to "buy back" holiday tours.

6. Amendments were made to improve vacation scheduling.

7. An agreement in principle was reached on Union Leave for the UFFW President.

Financial Impact

The cumulative cost over the term of the agreement is $16,538,438. The annualized cost is $8,831,974. The budget amounts are sufficient to cover the costs of the agreement. See Financial Impact Statement.

HISTORY

1. The UFFW Collective Agreement expired on December 26, 2013.

2. Bargaining proposals were exchanged on October 18, 2013. Negotiations began on December 9, 2013.

3. An interest Arbitration Board recently awarded the Manitoba Government and General Employees' Union, The Paramedics of Winnipeg, Local 911 (MGEU) a wage adjustment of 4.5% for 2011, 4.5 % for 2012 and 3.75% for 2013.

Comparative Wage Increases (percentage)

	2011	2012	2013	2014	2015	2016
CPI	2.90%	1.60%	2.70%*	2.60%*	2.10%*	2.10%*
CUPE	0.00%	1.00%	2.50%	2.50%		
ATU	0.00%	2.00%	2.00%	2.50%		
WAPSO	0.00%	1.00%	2.50%	2.50%		
WPA	2.50% 2.00%	2.00% 2.00%				
UFFW	3.50% 1.00%	2.00% 2.00%	2.00% 1.25%	2.00% 1.00%	2.00% 1.00%	3.00%
WFPSOA	1.50% 2.00%	2.00% 2.00%	1.25% 3.75%			
MGEU (Winnipeg Paramedics)	4.50%	4.50%	3.75%			

* Forecast. Source: Conference Board of Canada

4. Fire settlements in comparable jurisdictions in Western Canada are protracted. Edmonton, Calgary, Saskatoon and Vancouver are not settled. In a number of these jurisdictions negotiations have been referred to arbitration. Regina recently settled a three year agreement expiring December 2015 with wage increases of 3.10% January 1, 2013; 3.10% January 1, 2014 and 3.0% January 1, 2015.

FINANCIAL IMPACT STATEMENT

Financial Impact Statement

Date: January 30, 2014

Project Name: **First Year of Program** **2014**

Negotiations between the City of Winnipeg and the United Fire Fighters of Winnipeg, Union Local 867 of the International Association of Fire Fighters

	2014	2015	2016	2017	2018
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	$ 2,390,491	$ 5,315,973	$ 8,831,974	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 2,390,491	$ 5,315,973	$ 8,831,974	$ -	$ -
Less: Existing Budget Amounts	2,390,491	5,315,973	8,831,974	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. The cumulative cost over the term of the agreement is $16,538,438, and the overall annualized cost is $8,831,974.

2. "Incremental Revenue/Recovery" of approximately 8% from the Winnipeg Regional Health Authority would partially offset the gross expenditure amounts above.

3. "Existing Budget Amounts" are sufficient to cover the costs over the term of the agreement.

4. The City's 2015 and 2016 projections from the 2014 Adopted Operating Budget contain significant 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:	February 7, 2014
File No.	

Audit Department • Service de vérification

February 3, 2014

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 United Fire Fighters of Winnipeg

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 United Fire Fighters of Winnipeg* ("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 United Fire Fighters of Winnipeg, dated January 27, 2014, and covering the period from December 27, 2013 to December 24, 2016. 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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The City of Winnipeg
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510 Main Street
Winnipeg, MB R3B 1B9

Review of the Administrative Report of the Memorandum of Agreement dated January 27, 2014 between the City of Winnipeg and the United Fire Fighters of Winnipeg, Local 867 of International Association of Fire Fighters for the term from December 27, 2013 to December 24, 2016

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 dated January 27, 2014 between the City of Winnipeg and the United Fire Fighters of Winnipeg, Local 867 of International Association of Fire Fighters for the term from December 27, 2013 to December 24, 2016 (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 for the term from December 27, 2013 to December 24, 2016.

KPMG LLP

Chartered Accountants

February 5, 2014

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