Agenda – Executive Policy Committee – March 19, 2014

REPORTS

Item No. 6 Winnipeg Police Association – Memorandum of Agreement

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That City Council ratify the Memorandum of Agreement agreed to by the negotiating committees of the City and the Winnipeg Police Association (WPA).

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with WPA 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 Winnipeg Police Association**

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 Winnipeg Police Association (WPA).

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

1. Term of the Agreement: December 24, 2012 to December 23, 2016. (48 Months).

2. General Wage Adjustments:

   - Effective Pay Period 1, 2013 – 2.0%
   - Effective Pay Period 14, 2013 – 1.5%

   - Effective Pay Period 1, 2014 – 2.0%
   - Effective Pay Period 14, 2014 – 1.5%

   - Effective Pay Period 1, 2015 – 2.0%
   - Effective Pay Period 14, 2015 – 1.0%

   - Effective Pay Period 1, 2016 – 3.0%

3. Effective first day of the Pay Period following the Date of Ratification – Introduce a new Staff Component Salary Schedule for all new hires, which establishes salaries comparable to other City of Winnipeg positions for 18 of 59 Staff positions.

4. Effective the first day of the pay period following the date of ratification the first step of the Cadets salary scale will be deleted.

5. Effective the first day of the pay period following the date of ratification Cadets will receive an additional one percent (1%) increase.

6. Effective date of ratification, increase duties of Cadets: on Highway Traffic Act, Smokers Health Protection Act; Petty Trespass Act; Liquor Control Act and use of Cadets to staff Central Processing Unit.

7. Effective Pay Period #1, 2015 Shift Premium for Police and Staff components shall be increased by five cents (5¢) to one dollar ($1.00) per hour for Staff and ninety-five (95¢) per hour for Police.

8. Effective Pay Period #1, 2016 the shift premium for both Staff and Police sector shall be increased by five cents (5¢) to one dollar and five cents ($1.05) for Staff and one dollar ($1.00) for Police per hour.

9. 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.

10. Effective date of ratification – increase personal mileage rates to CRA maximum same as all other civic employees.

11. Effective January 1, 2013 – amend Clothing Allowance Index to reflect “Consumer Price Index of Clothing and Footwear” instead of “Manitoba Men’s Clothing Index”.

12. Amend provisions for working on a statutory holiday to reflect that premium pay is only for actual hours worked – not the entire shift.

13. Amendments were made to permit the City to allow for staffing the Central Processing Unit on a 24 hour basis (currently it can only be staffed 20 hours per day).

14. Amendments were made to permit the Civilianization of the Supervisor, Evidence Control.

15. Letter of Understanding to form a joint committee to review options for Civilianization.

16. Amendments to include the terms of fifteen (15) settlements and agreements between the WPS and the WPA since the last bargained Collective Agreement. The significant terms include: clarification on job qualifications and classifications for the Flight Operations Unit, increasing the scope of Cadet work, restrictions on the use of vacancy management for supervisory positions, creating minimum payment obligations for voluntary extra duty shift cancellations by the WPS, and other non-monetary interpretations of Collective Agreement wording. The costs arising from the monetary terms cannot be reasonably estimated due to the uncertainty of future events, but are expected to be immaterial.

The cumulative cost over the term of the Agreement is $64,203,334. The annualized cost is $27,664,275. The existing budget amounts are sufficient to cover the costs of this Agreement. See Financial Impact Statement.

HISTORY

1. The current Agreement between the City of Winnipeg and WPA expired on December 23, 2012.

2. Bargaining proposals were exchanged on October 31, 2012. Negotiations began on December 4, 2012.

3. WPA applied to the Minister of Labour for the appointment of an Interest Arbitration Board on March 15, 2013. The Arbitration Hearing was scheduled for 8 days from March 3, 2014 to March 13, 2014, and has been adjourned.

4. The United Fire Fighters of Winnipeg Collective Agreement, effective December 26, 2013, provided wage increases of:

    - 2.0% Pay Period 1, 2014 and 1.0% Pay Period 14, 2014
    - 2.0% Pay Period 1, 2015 and 1.0% Pay Period 14, 2015
    - 3.0% Pay Period 1, 2016

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%	2.00% 1.50%	2.00% 1.50%	2.00% 1.00%	3.00%
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

FINANCIAL IMPACT STATEMENT

Financial Impact Statement

Date: February 21, 2014

Project Name: **First Year of Program** **2013**

Negotiations between the City of Winnipeg and the Winnipeg Police Association

	2013	2014	2015	2016	2017
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	$ 5,099,179	$ 12,144,579	$ 19,295,301	$ 27,664,275	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 5,099,179	$ 12,144,579	$ 19,295,301	$ 27,664,275	$ -
Less: Existing Budget Amounts	5,099,179	12,144,579	19,295,301	27,664,275	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. The cumulative cost over the term of the agreement is $64,203,334, and the overall annualized cost is $27,664,275.

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

3. 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 B. Heckert for:
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:	March 13, 2014
File No.	

Audit Department • Service de vérification

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

March 12, 2014

Dear Mayor Katz:

Re: Review Engagement Report on the Memorandum of Agreement between the City of Winnipeg and the Winnipeg Police Association

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 Police Association*, dated February 28, 2014 ("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 Police Association, dated February 13, 2014, and covering the period from December 24, 2012 to December 23, 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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Winnipeg, MB R3B 1B9

Review of the Administrative Report of the Memorandum of Agreement dated February 13 2014 between the City of Winnipeg and the Winnipeg Police Association for the term from December 24, 2012 to December 23, 2016

To: The City Council of the City of Winnipeg

At the request of the City of Winnipeg, we have reviewed the Administrative Report dated February 28, 2014, titled "Negotiations between the City of Winnipeg and the Winnipeg Police Association prepared by the Corporate Support Services (financial information) to analyze the costs of the provisions of the Memorandum of Agreement dated February 13, 2014 between the City of Winnipeg and Winnipeg Police Association for the term from December 24, 2012 to December 23, 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 Winnipeg Police Association for the term from December 24, 2012 to December 23, 2016.

KPMG LLP

Chartered Accountants

March 13, 2014

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