Agenda – Executive Policy Committee – June 18, 2014

REPORTS

Item No. 6 Memorandum of Agreement - Winnipeg Police Senior Officers' Association

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 Senior Officers' Association (WPSOA).

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with WPSOA 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 Senior Officers' Association**

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

AUTHORIZATION

Author	Department Head	CFO	A/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 the Winnipeg Police Senior Officers' Association (WPSOA).

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

1. Term of the Agreement: December 20, 2012 to December 24, 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 Civilian Salary Schedule for all new hires, which establishes salaries comparable to other City of Winnipeg positions.

4 Effective Pay Period #1, 2015 Shift Premium for Senior Officers and Civilian Staff shall be increased by five cents (5¢) to (95¢) per hour.

Effective Pay Period #1, 2016 the shift premium for both Senior Officers and Civilian staff shall be increased by five cents (5¢) to one dollar ($1.00) per hour.

5. 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.

6. Increase premium payment for Incident Commanders and the Disaster Coordinator to one thousand two hundred and fifty dollars ($1,250.00), payable in Pay Period #26, 2014 and one thousand five hundred ($1,500.00) payable in Pay Period #26, 2015 and thereafter and a commitment for the parties to review the eligibility of the Special Events Coordinator for this premium.

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

8. No additional time off or compensation to be granted for the first forty (40) hours of overtime worked.

9. Remove the position of Manager, Human Resources, Winnipeg Police Service from the bargaining unit.

10. Language that provides a process for payment of employee’s legal fees, which are payable under the Collective Agreement.

11. Provision for the parties to meet and discuss, within six (6) months, the process for resolving disputes respecting benefits under the Pension Plan.

The cumulative cost over the term of the Agreement is $1,751,355. The annualized cost is $748,694. 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 WPSOA expired on December 19, 2012.

2. The WPSOA had requested that bargaining be delayed until such time as a collective agreement can be reached with the Winnipeg Police Association (WPA).

3. Bargaining proposals were exchanged on April 8, 2014. Negotiations began on April 9, 2014.

4. The WPA Collective Agreement, effective December 24, 2012, provided wage increases of:

   - 2.0% Pay Period 1, 2013 and 1.5% Pay Period 14, 2013
   - 2.0% Pay Period 1, 2014 and 1.5% Pay Period 14, 2014
   - 2.0% Pay Period 1, 2015 and 1.0% Pay Period 14, 2015
   - 3.0% Pay Period 1, 2016

5. The WPA Collective Agreement provided other adjustments totaling 0.259% of payroll.

6. The WPA Collective Agreement provided for a new Civilian Staff salary schedule.

FINANCIAL IMPACT STATEMENT

Financial Impact Statement — Date: June 3, 2014

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

Negotiations between the City of Winnipeg and the Winnipeg Police Senior Officers' 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	$ 141,433	$ 334,527	$ 526,701	$ 748,694	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 141,433	$ 334,527	$ 526,701	$ 748,694	$ -
Less: Existing Budget Amounts	141,433	334,527	526,701	748,694	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. The cumulative cost over the term of the agreement is $1,751,355, and the overall annualized cost is $748,694.

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

3. There is allocated budget set aside to cover this mandate, but there are overall City budget shortfalls in 2015 and 2016 as the budgets have not yet been balanced. Future budget amounts are subject to change as the 2015 budget process and decision-making moves forward.

Original signed by:
Fernando Dela Cruz
Acting 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:	June 12, 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

May 30, 2014

Dear Mayor Katz:

Re: Review Engagement Report on the Memorandum of Agreement between the City of Winnipeg and the Winnipeg Police Senior Officers' 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 Winnipeg Police Senior Officers' Association*, dated May 27, 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 Senior Officers' Association, dated May 13, 2014, and covering the period from December 20, 2012 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

KPMG

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Review of the Administrative Report of the Memorandum of Agreement dated May 13, 2014, between the City of Winnipeg and the Winnipeg Police Senior Officers' Association for the term from December 20, 2012 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 dated May 27, 2014, titled "Negotiations between the City of Winnipeg and the Winnipeg Police Senior Officers' Association" prepared by the Corporate Support Services (financial information) to analyze the costs of the provisions of the Memorandum of Agreement dated May 13, 2014 between the City of Winnipeg and the Winnipeg Police Senior Officers' Association for the term from December 20, 2012 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 Winnipeg Police Senior Officers' Association for the term from December 20, 2012 to December 24, 2016.

KPMG LLP

Chartered Accountants

June 9, 2014

2014-05-13 COW MOA-WPSO

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