Agenda – Executive Policy Committee – June 10, 2015

Moved by Councillor

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than 96 hours preceding the committee meeting, be considered by Committee.

ADDENDUM REPORTS

Item No. 14 Negotiations between the City of Winnipeg and the Canadian Union of Public Employees, Local 500

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That City Council ratify the Memorandum of Agreement agreed to by the Negotiating Committees of the City of Winnipeg and the Canadian Union of Public Employees, Local 500.

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the Canadian Union of Public Employees, Local 500 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 CUPE Exempt.

4. 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 Canadian Union of Public Employees, Local 500**

Critical Path: **Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
M. Bereziak	L. Burch	P. Olafson	D. McNeil CAO

RECOMMENDATIONS

1. That City Council ratify the Memorandum of Agreement agreed to by the Negotiating Committees of the City of Winnipeg and the Canadian Union of Public Employees, Local 500.

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the Canadian Union of Public Employees, Local 500 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 CUPE 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 of Winnipeg and the Canadian Union of Public Employees, Local 500 includes changes involving significant terms and material costs as follows:

1. Term of Agreement: December 28, 2014 to December 24, 2016.

2. **General Wage Adjustments:**

- Effective Pay Period 1, 2015 – 2.00%
- Effective Pay Period 1, 2016 – 2.00%

3. **Benefits and/or Special Adjustments:**

- Effective the date of ratification, adjust benefits as follows:
    - Increase Vision Care maximums for full-time employees by $25.00 to $375.00 per twenty-four (24) month period and for part-time employees by $12.50 to $187.50 per twenty-four (24) month period.
    - Increase Eye Exam reimbursement for full-time employees by $10.00 to $90.00 per twenty-four (24) month period, and for part-time employees by $5.00 to $45.00 per twenty-four (24) month period.
- Effective Pay Period 1, 2016:
    - Reduce paid Family Illness leave to three (3) days from four (4) days.
    - Increase Long Service Pay by $5.00 per month.

4. Employment security for permanent employees extended for the term of the Agreement.

5. Paid leave for Unit Presidents is eliminated.

6. Education and Staff Development Fund: $500,000 over two (2) years; expanded to include employee wellness initiatives.

7. Maternity/Parental Leave provisions updated to reflect legislation.

8. An agreement to explore City wide seniority for promotions.

9. Definitions of lateral transfers in the Library Services Division.

10. Streamlining the discipline process.

11. An agreement to support the initiatives of the Aboriginal Relations Division.

12. Clarification of Collective Agreement language where required.

Financial Impact

The cumulative cost of the proposed terms of agreement over the two (2) years 2015 - 2016 is $13,232,399. The annualized cost is $8,743,913. See Financial Impact Statement.

HISTORY

1. The Collective Agreement between the City of Winnipeg and the Canadian Union of Public Employees, Local 500 expired December 27, 2014.

2. The parties commenced negotiations on December 23, 2014.

3. A tentative agreement was reached on May 12, 2015 through the conciliation process.

FINANCIAL IMPACT

Financial Impact Statement **Date:** June 4, 2015

Project Name: **First Year of Program** **2015**

Negotiations between the City of Winnipeg and the Canadian Union of Public Employees, Local 500

	2015	2016	2017	2018	2019
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 4,488,486	$ 8,743,913	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 4,488,486	$ 8,743,913	$ -	$ -	$ -
Less: Existing Budget Amounts	4,488,486	8,743,913	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. The cumulative cost over the term of the agreement is $13,232,399 and the overall annualized cost is $8,743,913.

2. "Existing Budget Amounts" include the 2015 Adopted Budget and 2016 Projection from the 2015 - 2017 budget process for this agreement.

(Original signed by R. Hodges)
Ramona Hodges
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

Corporate Finance Department
Audit Department
External Auditor – KPMG LLP

OURWINNIPEG POLICY ALIGNMENT

N/A

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 5, 2015
File No.	

Audit Department • Service de vérification

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

June 4, 2015

Dear Mayor Bowman:

Re: Review Engagement Report on the Memorandum of Agreement between the City of Winnipeg and the Canadian Union of Public Employees, Local 500

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 Canadian Union of Public Employees, Local 500*, dated June 4, 2015 ("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 Canadian Union of Public Employees, Local 500, dated May 11, 2015, and covering the period from December 28, 2014 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,

p.p.
Bryan R. Mansky, MBA, CMA, CIA
Acting City Auditor

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Review of the Administrative Report of the Memorandum of Agreement dated May 11, 2015, between the City of Winnipeg and the Canadian Union of Public Employees for the term from December 28, 2014 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 June 4, 2015, titled "Negotiations between the City of Winnipeg and the Canadian Union of Public Employees, Local 500" prepared by the Corporate Support Services (financial information) to analyze the costs of the provisions of the Memorandum of Agreement dated May 11, 2015 between the City of Winnipeg and the Canadian Union of Public Employees for the term from December 28, 2014 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 Canadian Union of Public Employees for the term from December 28, 2014 to December 24, 2016.

KPMG LLP

Chartered Accountants

June 4, 2015

2014-05-13 COW MOA-WPSO

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