Agenda – Executive Policy Committee – July 8, 2015

REPORTS

Item No. 10 Memorandum of Agreement – Amalgamated Transit Union, Local 1505

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 Amalgamated Transit Union, Local 1505.

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the Amalgamated Transit Union, Local 1505 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 Amalgamated Transit Union, Local 1505**

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

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
M. Bereziak	L. Burch	M. Ruta	M. Jack COO

RECOMMENDATIONS

1. That City Council ratify the Memorandum of Agreement agreed to by the Negotiating Committees of the City of Winnipeg and the Amalgamated Transit Union, Local 1505.

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the Amalgamated Transit Union, Local 1505 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.

IMPLICATIONS OF THE RECOMMENDATIONS

The Memorandum of Agreement between the City of Winnipeg and the Amalgamated Transit Union, Local 1505 includes changes involving significant terms and material costs as follows:

1. Term of Agreement: January 18, 2015 to January 12, 2019.

2. **General Wage Adjustments:**

	Operators and Other Staff	Selected Trades
▪ Effective PP#3, 2015	2.00%	2.50%
▪ Effective PP#6, 2016	2.00%	2.50%
▪ Effective PP#7, 2017	2.50%	3.00%
▪ Effective PP#3, 2018	$.07 per hour for top rate of Bus Operators	
▪ Effective PP#7, 2018	2.70%	3.50%

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

Effective the date of ratification, adjust benefits as follows:

- Increase Orthodontic maximum to two thousand three hundred dollars ($2,300.00)

- Increase Vision Care maximum to:
    - For full time employees/dependent(s) from three hundred dollars ($300) to three hundred and twenty-five dollars ($325) per eligible person in a 24 month period and from seventy-five dollars ($75) to eighty dollars ($80) for the cost of eye examinations in a 24 month period.

    - For part time employees/dependent(s) from one hundred and fifty dollars ($150) to one hundred and sixty-two dollars and fifty cents ($162.50) per eligible person in a 24 month period.

- Increase Plant and Equipment Night and Afternoon Shift Premium in Section 3, Article 2 by five cents ($0.05) per hour.

- Increase Bus Operator initial training rate to eighty percent (80%) of the first twelve (12) month hourly rate.

- Adjust Bus Maintenance Trainer and Painter In-Charge classification wage scales.

Effective Pay Period 3, 2016:

- Increase Plant and Equipment Night and Afternoon Shift Premium in Section 3, Article 2 by five cents ($0.05) per hour.

Effective Pay Period 13, 2016:

- Introduce Bus Operator shift premium of twenty-five cents ($0.25) per hour for all time worked between 19:00 to the end of service.

Effective Pay Period 3, 2017:

- Increase Vision Care maximum to:
    - For full time employees/dependent(s) from three hundred and twenty-five dollars ($325) to three hundred and fifty dollars ($350) per eligible person in a 24 month period.

    - For part time employees/dependent(s) from one hundred and sixty-two dollars and fifty cents ($162.50) to one hundred and seventy-five dollars ($175.00) per eligible person in a 24 month period.

- Increase Plant and Equipment Night and Afternoon Shift Premium in Section 3, Article 2 by five cents ($0.05) per hour.

Effective December 2017:

- Tool Allowance, Section 3, Article 5 – increase all amounts to be paid in December 2017 by ten percent (10%).

Effective Pay Period 13, 2018:

- Increase Bus Operator shift premium by twenty-five cents ($0.25) per hour for all time worked between 19:00 to the end of service.

4. Changes to the sick pay plan.

5. Agreement to review and develop expansions or improvements to the Retired Bus Operator Program.

6. Agreement to continue with “Modified Sunday Crews”.

7. Agreement to work to enhance the security of employees and passengers.

8. Clarification of Collective Agreement language where required.

Financial Impact

The cumulative cost (before incremental revenue) over the term of the agreement is $18.8 million. The annualized cost is $8.8 million. In the 2015 – 2017 budget process amounts have been set aside to cover this agreement, but there is an overall City budget shortfall in 2016 and 2017 as these projections have not yet been balanced. See Financial Impact Statement.

HISTORY

1. The Collective Agreement between the City of Winnipeg and the Amalgamated Transit Union, Local 1505 expired January 17, 2015.

2. The parties commenced negotiations on December 19, 2014.

3. A tentative agreement was reached on June 18, 2015 through the conciliation process.

FINANCIAL IMPACT

Financial Impact Statement **Date:** June 29, 2015

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

Negotiations between the City of Winnipeg and the Amalgamated Transit Union, Local 1505

	2015	2016	2017	2018	2019
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
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	$ 1,631,725	$ 3,299,586	$ 5,467,483	$ 8,153,983	$ 288,666
Less: Incremental Revenue/Recovery	815,863	1,649,793	2,733,741	4,076,992	144,332
Net Cost/(Benefit)	$ 815,862	$ 1,649,793	$ 2,733,742	$ 4,076,991	$ 144,334
Less: Existing Budget Amounts (Note 4)	815,862	1,649,793	2,733,742	4,076,991	144,334
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. The cumulative cost of the agreement (before incremental revenue) over four years is $18.8 million, and the overall annualized cost is $8.8 million.
2. Incremental Revenue/Recovery amounts represent 50/50 Provincial cost sharing.
3. Existing Budget Amounts include the 2015 Adopted Operating Budget and 2016 to 2017 projections from the 2015 - 2017 budget process. In the 2015 – 2017 budget process amounts have been set aside to cover this agreement, but there is an overall City budget shortfall in 2016 and 2017 as these projections have not yet been balanced. Existing Budget Amounts (projections beginning 2016) are subject to change as the annual budget process and decision-making moves forward.
4. The City's multi-year operating budget does not include 2018 or 2019. If approved, this contract will be included in future budgets.

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

CONSULTATION

Corporate Finance Department
Audit Department
External Auditor - KPMG

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 29, 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 30, 2015

Dear Mayor Bowman:

Re: Review Engagement Report on the Memorandum of Agreement between the City of Winnipeg and the Amalgamated Transit Union, Local 1505

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 Amalgamated Transit Union, Local 1505*, dated June 29, 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 Amalgamated Transit Union, Local 1505, dated June 18, 2015, and covering the period from January 18, 2015 to January 12, 2019. 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,

Bryan R. Mansky, MBA, CMA, CIA
Acting 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 June 29, 2015, between the City of Winnipeg and the Amalgamated Transit Union, Local 1505 for the term from January 18, 2015 to January 12, 2019

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 29, 2015, titled "Negotiations between the City of Winnipeg and the Amalgamated Transit Union, Local 1505" prepared by the Corporate Support Services (financial information) to analyze the costs of the provisions of the Memorandum of Agreement dated June 18, 2015 between the City of Winnipeg and the Amalgamated Transit Union for the term from January 18, 2015 to January 12, 2019 (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 Amalgamated Transit Union for the term from January 18, 2015 to January 12, 2019.

KPMG LLP

Chartered Accountants

July 2, 2015

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