**Agenda – Executive Policy Committee – February 17, 2016**

## REPORTS

**Item No. 5 Memorandum of Agreement – Winnipeg Fire Paramedic 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 of Winnipeg and the Winnipeg Fire Paramedic Senior Officers Association.

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the Winnipeg Fire Paramedic Senior Officers Association 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 Fire Paramedic Senior Officers Association – Memorandum of Agreement**

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

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| M. Bereziak | L. Burch | M. Ruta | D. McNeil |

## RECOMMENDATIONS

1. That City Council ratify the Memorandum of Agreement agreed to by the Negotiating Committees of the City of Winnipeg and the Winnipeg Fire Paramedic Senior Officers Association.

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with the Winnipeg Fire Paramedic Senior Officers Association 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

Implementation of the Memorandum of Agreement is subject to ratification by City Council.

## IMPLICATIONS OF THE RECOMMENDATIONS

The Memorandum of Agreement between the City of Winnipeg and the Winnipeg Fire Paramedic Senior Officers Association includes changes involving significant terms and material costs as follows:

1. Term of Agreement: August 24, 2014 to August 19, 2017.

2. **General Wage Adjustments:**

- Effective PP#18, 2014 2.00%
- Effective PP#5, 2015 1.00%
- Effective PP#18, 2015 2.00%
- Effective PP#5, 2016 1.00%
- Effective PP#18, 2016 3.00%

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 fifty dollars ($350) per eligible person in a twenty-four (24) month period and from seventy-five dollars ($75) to eighty dollars ($80) for the cost of eye examinations in a twenty-four (24) month period.

  - For part time employees/dependent(s) from one hundred and twenty-five dollars ($125) to one hundred and fifty dollars ($150) per eligible person in a twenty-four (24) month period.

4. Changes to the sick pay plan such that employees appointed to permanent positions within the Association after ratification will not be eligible for twenty-five percent (25%) of unused sick credits earned prior to their last five (5) years.

5. Amendments were made to permit the City, on a trial basis, to pay employees from other bargaining units who act in WFPSOA positions a two percent (2.0%) premium rather than the rate of pay assigned to the WFPSOA position.

6. On a trial basis, employees working forty-two (42) hours per week will be provided with time off equaling one (1) tour of duty in lieu of payment of the biweekly salary overtime payment.

**Financial Impact**

The cumulative cost (before incremental revenue) over the term of the agreement is $1.017 million. The annualized cost is $.543 million. This agreement is included in budgets and future budget projections. The budget years 2016 and 2017 have not yet been approved or balanced by City Council. Existing budget amounts (beginning in 2016) are subject to change as the annual budget process and decision making moves forward. See Financial Impact Statement.

Wage increases as compared to other groups are:

| | 2014 | 2015 | 2016 |
|---|---|---|---|
| **WFPSOA** | PP #18 - 2.0% | PP #5 - 1.0%<br>PP #18 - 2.0% | PP #5 - 1.0%<br>PP #18 - 3.0% |
| **MGEU** | PP #4 - 2.0%<br>PP #17 - 1.0% | PP #5 - 2.0%<br>PP #18 - 1.0% | PP #5 - 3.0%<br>PP #18 - 1.5% |
| **UFFW** | PP #1 - 2.0%<br>PP #14 - 1.0% | PP #1 - 2.0%<br>PP #14 - 1.0% | PP #1 - 3.0% |
| **WPA** | PP #1 - 2.0%<br>PP #14 - 1.5% | PP #1 - 2.0%<br>PP #14 - 1.0% | PP #1 - 3.0% |

## HISTORY

1. The Collective Agreement between the City of Winnipeg and the Winnipeg Fire Paramedic Senior Officers Association expired August 23, 2014.

2. The parties commenced negotiations on November 26, 2014.

3. A tentative agreement was reached on December 4, 2015.

4. WFPSOA ratified the Memorandum of Agreement on December 21, 2015.

## FINANCIAL IMPACT

Negotiations between the City of Winnipeg and the Winnipeg Fire Paramedic Senior Officers Association (WFPSOA) - Memorandum of Agreement

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|
| **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 | $ 40,211 | $ 207,887 | $ 414,309 | $ 354,933 | |
| Less: Incremental Revenue/Recovery | 20,106 | 103,944 | 207,155 | 177,466 | - |
| Net Cost/(Benefit) | $ 20,105 | $ 103,943 | $ 207,154 | $ 177,467 | $ - |
| Less: Existing Budget Amounts | 20,105 | 103,943 | 207,154 | 177,467 | - |
| Net Budget Adjustment Required | $ - | $ - | $ - | $ - | $ - |

**Additional Comments:**

1. The cumulative cost (before incremental revenue) over the term of the agreement is $1.017 million. The annualized cost is $.543 million.
2. Incremental Revenue/Recovery amounts represent 50/50 Winnipeg Regional Health Authority (WRHA) cost sharing. The current WRHA agreement expired December 31, 2015, however negotiations towards a new agreement are ongoing.
3. This agreement is included in budgets and future budget projections. The budget years 2016 and 2017 have not yet been approved or balanced by City Council. Existing budget amounts (beginning in 2016) are subject to change as the annual budget process and decision making moves forward.

*Original signed by R. Hodges*

Ramona Hodges
Manager of Finance (Campus Finance)
Corporate Finance Department

## CONSULTATION

Corporate Finance
City Audit department
External Auditor - KPMG

## OURWINNIPEG POLICY ALIGNMENT

N/A

## SUBMITTED BY

Corporate Support Services Department
Labour Relations and Total Compensation Division
Prepared by: M. Bereziak
Date: February 10, 2016
File No.

Attachments

Attachment 1 - Letter from Acting City Auditor, City of Winnipeg
Attachment 2 - Letter from KPMG LLP

ATTACHMENT 1

**Audit Department • Service de vérification**

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

February 10, 2016

Dear Mayor Bowman:

**Re: Review Engagement Report on the Memorandum of Agreement between the City of Winnipeg and the Winnipeg Fire Paramedic 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 Fire Paramedic Senior Officers' Association*, dated February 10, 2016 ("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 Fire Paramedic Senior Officers' Association, dated December 8, 2015, and covering the period from August 24, 2014 to August 19, 2017. 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, CPA, CMA, MBA, CIA
Acting City Auditor

3rd Floor, 185 King Street • 185, rue King, 3e étage • Winnipeg • Manitoba R3B 1J1
tel/tél. (204) 986-2416 • fax/télec. (204) 986-4136 • www.winnipeg.ca

**KPMG LLP**
Suite 2000 - One Lombard Place
Winnipeg MB R3B 0X3
Canada

Telephone (204) 957-1770
Fax (204) 957-0808
Internet www.kpmg.ca

City Council
The City of Winnipeg
Council Building
510 Main Street
Winnipeg, MB R3B 1B9

***Review of the Administrative Report of the Memorandum of Agreement dated February 10, 2016, between the City of Winnipeg and the Winnipeg Fire Paramedic Senior Officers Association (WFPSOA) for the term from August 24, 2014 to August 19, 2017***

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 10, 2016, titled "Negotiations between the City of Winnipeg and the WFPSOA" prepared by the Corporate Support Services (financial information) to analyze the costs of the provisions of the Memorandum of Agreement dated December 8, 2015 between the City of Winnipeg and the WFPSOA for the term from August 24, 2014 to August 19, 2017 (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 WFPSOA for the term from August 24, 2014 to August 19, 2017.

KPMG LLP

Chartered Professional Accountants

February 10, 2016

2016-02-10 City of Wpg WFPSOA report.doc

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.