Minutes – Executive Policy Committee – April 26, 2017

REPORTS

Item No. 1 Negotiations between the City of Winnipeg and the United Fire Fighters of Winnipeg, Union Local 867 of the International Association of Fire Fighters

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommended to Council:

1. That the Memorandum of Agreement agreed to by the negotiating committees of the City of Winnipeg and the United Fire Fighters of Winnipeg Local 867 (UFFW) be ratified.

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with UFFW 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.

DECISION MAKING HISTORY:

Moved by Councillor Gillingham,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

ADMINISTRATIVE REPORT

Title: **Negotiations between the City of Winnipeg and the United Fire Fighters of Winnipeg, Union Local 867 of the International Association of Fire Fighters**

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

AUTHORIZATION

Author	Department Head	CFO	CAO
R. Kirby	M. Jack	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

The United Fire Fighters of Winnipeg's (UFFW) collective agreement expired on December 24, 2016 whereby the parties exchanged proposals on September 30, 2016 and began bargaining on October 31, 2016. Because an agreement had not been reached within the timelines outlined in the Fire Fighter Paramedic Arbitration Act, the parties were obligated to apply for Interest Arbitration which was scheduled in the fall of 2017.

Over the last 25 years, the City's Labour Relations Strategy (although not enunciated in any document) has been to:

a) Minimize the increases in salary and benefits;
b) Maintain as many management rights as possible;
c) Make changes to Collective Agreement language to address current issues or issues that have arisen since the last round of negotiations;
d) Attempt to make changes to increase operational efficiency.

The Public Service believes that we have accomplished the above four goals within this round of collective bargaining.

RECOMMENDATIONS

1. That City Council ratify the Memorandum of Agreement agreed to by the negotiating committees of the City of Winnipeg and the United Fire Fighters of Winnipeg Local 867 (UFFW).

2. That the Proper Officers of the City be authorized to do all things necessary to conclude a Collective Agreement with UFFW 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 United Fire Fighters of Winnipeg Local 867 includes changes involving significant terms and material costs as follows:

1. Term of Agreement – December 25, 2016 – December 31**,** 2020 (48 Months)

2. General wage adjustment:

Year of Agreement	Date of Increase	Amount
1	December 24, 2017	1.8%
2	December 23, 2018	2.0%
3	December 22, 2019	2.0%
4	December 20, 2020	2.0%

3. Integration of Manitoba Public Insurance Personal Injury Protection Plan (PIPP) Benefits with Sick Leave Benefits such that employees cannot receive full sick pay benefits while also receiving PIPP benefits.

4. Amendments to the language related to Fire Fighter – PCP's such that Fire Fighters hired as, or designated after hire, as a Fire Fighter-PCP after ratification of the Collective Agreement must commit to maintain their PCP status for a minimum of nine years.

5. Amend the qualifications of Fire Investigators to enhance the expertise of the Branch and require Fire Investigators to commit to working as such for a minimum of three years.

6. At the discretion of the WFPS, the ability for new recruits to cash out vacation/lieu tour/holiday time. While this will increase the salary costs to the Department, it will also assist in reducing overtime costs by utilizing new recruits to fill staffing gaps rather than potentially paying overtime at the Senior Fire Fighter rate of pay. The total costs and/or savings have not yet been determined and can be assessed during the term of the Agreement.

7. The payment of professional self-regulation fees should paramedic self-regulation be introduced in Manitoba. Other jurisdictions that have similar fees have been canvassed and the estimated cost is based on the fees in those other jurisdictions.

8. Mandatory reassignment of fire suppression employees at age 65. While this language could potentially be challenged under Human Rights legislation, there is data that supports that the demands of the work associated with fire suppression significantly increases the risk to the health of a Fire Fighter after age 65.

9. The parties were unable to reach agreement on a revised rate of pay for the WFPS Emergency Mechanical Services Branch Mechanic and Supervisor positions. This matter will be referred to arbitration. The parties have agreed to utilize a single arbitrator for one day to minimize the associated costs.

HISTORY/DISCUSSION

1. The current Collective Agreement between the parties expired on December 24, 2016.

2. Salary increases over the previous three-year Collective Agreement increased by 10.25% (an average of 3.42% per annum). This has exceeded the Manitoba Consumer Price Index by 5.5% over the term of the Collective Agreement.

	2013	**2014**	**2015**	**Average/year**
UFFW	1.25% 2.00%	1.00% 2.00%	1.00% 3.00%	3.42%
CPI	2.30%	1.90%	1.30%	1.83%
+/- CPI	0.95%	1.10%	2.70%	1.58%

3. Over the previous five years, Fire Fighter salaries of three of the four major Prairie municipalities have seen increases similar in percentage as the City of Winnipeg.

FIRST CLASS FIREFIGHTER						
	2012	**2013**	**2014**	**2015**	**2016**	Average/Year
Edmonton	4.00%	3.00%	2.00%	2.25%	2.50%	2.75%
Calgary	3.00%	5.20%	2.25%	2.50%	2.50%	3.09%
Regina	4.00%	3.10%	3.10%	3.00%		3.30%
Saskatoon	4.00%	5.20%	3.10%	5.10%	1.00%	3.68%
Winnipeg	6.00%	3.25%	3.00%	4.00%		4.06%

4. Over the previous five years, salaries of the four major Eastern municipalities have seen increases similar to the City of Winnipeg. As all are currently in negotiations, or awaiting Interest Arbitration, no current settlement data is available.

FIRST CLASS FIREFIGHTER						
	2012	**2013**	**2014**	**2015**	**2016**	Average/Year
Toronto	3.0%	2.5%	2.4%	negotiating		2.6%
Ottawa	2.9%	2.5%	1.5%	negotiating		2.3%
Hamilton	2.7%	Arbitration pending				2.7%
Halifax	3.4%	6.0%	2.2%	negotiating		3.9%
Winnipeg	6.0%	3.25%	3.0%	4.0%		4.06%

5. Internally, settlements for the Winnipeg Police Association (WPA), Winnipeg Police Senior Officers Association (WPSOA) and the United Fire Fighters of Winnipeg (UFFW) extend to 2016, at 3% per annum.

	PP 01/15	PP 14/15	PP 01/16	Average/Year
UFFW	2.0%	1.0%	3.0%	3.0%
WPA	2.0%	1.0%	3.0%	3.0%
WPSOA	2.0%	1.0%	3.0%	3.0%

6. The Consumer Price Index for Manitoba is projected to increase by 7.8% over the four years:

2016	2017	2018	2019
1.4%	2.0%	2.2%	2.2%

Note: CPI forecast from The Conference Board of Canada, Metropolitan Outlook, Winter 2017.

Financial Impact Statement — Date: April 21, 2017

Project Name: — **First Year of Program** 2017

Negotiations between the City of Winnipeg and the United Fire Fighters of Winnipeg, Local 867 of International Assocation of Fire Fighters

	2017	2018	2019	2020	2021
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	$ -	$ 2,101,881	$ 4,268,001	$ 6,570,769	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ 2,101,881	$ 4,268,001	$ 6,570,769	$ -
Less: Existing Budget Amounts	-	2,101,881	4,268,001	6,570,769	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. The cumulative cost over the term of the agreement is $12,940,651 and the overall annualized cost is $8,741,511.

2. "Existing Budget Amounts" include the 2017 Adopted Operating Budget and the projections for 2018 and 2019 from the 2017 budget process. The budget years 2018 and 2019 have not yet been approved or balanced by City Council, and 2020 has not yet been reviewed by Council. Budget amounts (beginning in 2018) are subject to change as the annual budget process and decision-making moves forward. There is budget set aside to cover this agreement.

3. An immaterial accounting accrual of $36,563, in 2017, is projected to be paid under the terms of this agreement and is included in the 2017 budget.

4. The above costing does not include any WRHA cost sharing revenue impact. This would partially offset the gross expenditure amounts.

(Original signed by R. Hodges)

Ramona Hodges
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

Corporate Finance Department
Audit Department
External Auditor – KPMG LLP

OURWINNIPEG POLICY ALIGNMENT

N/A

SUBMITTED BY

Department: Corporate Support Services
Division: Labour Relations
Prepared by: R. Kirby, Manager of Labour Relations
Date: April 25, 2017
File No:

Attachments

Attachment 1 - Letter from City Auditor, City of Winnipeg



A1 - UFFW City Auditor Review Letter.

Attachment 2 - Letter from KPMG LLP



A2 - UFFW KPMG LLP Review Letter.pdf