Agenda – Executive Policy Committee – July 5, 2017

REPORTS

Item No. 10 Negotiations between the City of Winnipeg and the Canadian Union of Public Employees

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That City Council ratifies the Memorandum of Agreement agreed to by the negotiating committees of the City of Winnipeg and the Canadian Union of Public Employees (CUPE).

2. That the City enter into, execute and deliver and the Chief Administrative Officer be authorized to do all things necessary to conclude a Collective Agreement with CUPE 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 Canadian Union of Public Employees

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

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

EXECUTIVE SUMMARY

The Canadian Union of Public Employees collective agreement expired on December 24, 2016 whereby the parties exchanged proposals on February 6, 2017 and began bargaining on February 6, 2017. Negotiations concluded on June 13, 2017, a tentative memorandum of agreement was signed on June 15, 2017 with an Addendum to the Memorandum of Agreement signed on June 21, 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 ratifies the Memorandum of Agreement agreed to by the negotiating committees of the City of Winnipeg and the Canadian Union of Public Employees (CUPE).

2. That the City enter into, execute and deliver and the Chief Administrative Officer be authorized to do all things necessary to conclude a Collective Agreement with CUPE 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 Canadian Union of Public Employees includes changes involving significant terms, material and other costs as follows:

1. Term of Agreement – December 25, 2016 – February 28**,** 2021 (50 Months)

2. General wage adjustment:

Year of Agreement	Date of Increase	Amount
1	December 27, 2017	1.5%
2	December 27, 2018	1.5%
3	October 31, 2019	1.5%

Note: Refer to attachment 4 for general wage adjustment net of concessions. The City Auditor and KPMG have not reviewed or audited this attachment.

3. New agreement introduces language that will create operational efficiencies that enforce the Labour Relations strategic goals of “Building a Strong and Sustainable Community and Building a Responsible Government”.

4. Introduction of new definitions within the body of the Collective Agreement that align and define the language of the agreement.

5. As part of the bargaining process, the Employer reviewed and reclassified certain positions that were amalgamated by combining duties and roles. There is an agreement that the parties will review and discuss changes to the current job evaluation process that involves both parties participation.

6. New agreement addresses the multiple Supplementary Agreements in place over the years with a commitment to revisit, renegotiate and ratify as needed in accordance with the Winnipeg Charter. The chart below is a list of all current Supplementary Agreements and Letters of Understanding outside of the collective agreement currently in place. None of these forty-eight agreements have been reviewed by Council in the past but will be when renegotiated over the next 18 months and required in accordance with the Winnipeg Charter.

DIVISION/DEPARTMENT	TYPE	DESCRIPTION
CUPE General	Letter of Understanding	Automatic Vehicle Location
CUPE General	Letter of Understanding	Safety & Protective Clothing
CUPE General	Letter of Understanding	Shift Worker / Days Off
City Clerks	Supplementary Agreement	Board of Revision
City Clerks	Supplementary Agreement	Hours of Work - Election

Public Works	Supplementary Agreement	Main Agreement
Public Works	Supplementary Agreement	Streets Divisional
Public Works	Supplementary Agreement	Open Spaces Divisional
Public Works	Supplementary Agreement	Building Services Divisional
Public Works	Supplementary Agreement	Customer Service Divisional
Public Works	Supplementary Agreement	Human Resource Divisional
Public Works	Supplementary Agreement	Finance Divisional
Public Works	Supplementary Agreement	Transportation & Engineering Divisional
Public Works	Letter of Understanding	Forestry Compressed Work Week
Planning Property & Development	Letter of Understanding	Housing Inspector Compressed Work Week
Water & Waste	Letter of Understanding	11 hour Compressed Work Week
Water & Waste	Letter of Understanding	NEWPCC Wastewater Treatment Operators
Water & Waste	Letter of Understanding	Collection Systems SCADA Operators
Water & Waste	Letter of Understanding	Water Billing Hours of Work
Water & Waste	Letter of Understanding	Appendix A – Hours of Work – Water Billing
Water & Waste	Memorandum of Settlement	Parking – Brady Road Landfill
Water & Waste	Letter of Understanding	Tool Allowance - Mechanical
Water & Waste	Letter of Understanding	Shift Change Rules
Water & Waste	Supplementary Agreement	Breaks – Brady Landfill
Water & Waste	Supplementary Agreement	Flood Emergencies
Water & Waste	Supplementary Agreement	Schedule A to Supplementary
Water & Waste	Supplementary Agreement	Main General Agreement
Water & Waste	Letter of Understanding	Clerical Compressed Work Week
Water & Waste	Letter of Understanding	Clerical Shift Work Schedule – Brady Landfill
Water & Waste	Letter of Understanding	Isolation Allowance – Shoal Lake
Community Services	Supplementary Agreement	Main Agreement
Community Services	Supplementary Agreement	Community Development & Recreation Services General
Community Services	Letter of Understanding	By-law Enforcement Officer – Progression Lines
Community Services	Supplementary Agreement	Aquatic Services General
Community Services	Letter of Understanding	Part-time Library Service
Community Services	Letter of Understanding	Facility Closures – Reassignment of Staff
Community Services	Letter of Understanding	Library – Part-time Vacation
Community Services	Letter of Understanding	Lines of Progression
Community Services	Letter of Understanding	Animal Services General
Community Services	Letter of Understanding	Aboriginal (Indigenous) Community Development Worker
Community Services	Letter of Understanding	Recreation Part-time vacation credits
Campus - Fleet	Letter of Understanding	Compressed Work Week
Campus - Fleet	Supplementary Agreement	General
Campus – 311	Letter of Understanding	311 Call Centre Operations
Campus – 311	Supplementary Agreement	311 Call Centre General
Campus – 311	Letter of Understanding	Compressed Work Week
Transit	Supplementary Agreement	Lines of Progression
Transit	Letter of Understanding	Handi-Transit Scheduling Guidelines

7. The language relating to discipline and the investigation process has been replaced by respecting management's right to conduct investigations in a timely manner and wording that allows the Employer to suspend an employee temporarily without pay during an investigation.

8. Changes were made to cap the banked overtime allowing only eighty (80) hours of overtime to be banked and taken as time off in a fiscal year.

9. The probationary language was changed requiring all employees to serve a six (6) calendar month continuous service or 1,040 regular hours worked for part-time, seasonal and temporary staff that were not originally captured in the Collective Agreement.

10. The Parties agreed to amend the medical appointment leave from four (4) to eight (8) hours for the three employees who reside in Shoal Lake due to the distance and time to get to Winnipeg.

11. Adjustments were made to the benefit language which now only allows a seasonal employee on layoff entitlement to the dental and vision benefits for a period not to exceed six (6) months if they are subject to recall. This has changed from twenty months of entitlement.

12. With the change in the Employment Insurance maternity benefits waiting period from two weeks down to one, the Employer adjusted the language in the collective agreement that will see the Employer have to pay 93% top-up for the additional week.

13. The Parties have agreed that members within the 911 Call Centre who are represented by both CUPE and MGEU doing identical work, will allow the Employer to proceed to the Labour Relations Board to have one bargaining unit recognized as the sole bargaining agent over the Call Centre Operators.

14. The parties agree that the printing of the new Collective Agreements will be cost shared 50/50 between the Employer and the Union.

Unless otherwise stated, the changes in this collective agreement are effective on the date of ratification. The date of ratification of the agreement shall be the date on which City Council ratifies, which is the date following the Union ratification vote.

Items 3, 6 to 10, 11 and 13 have no projected financial impact as costs could not be reasonably estimated, or are deemed to be immaterial.

HISTORY/DISCUSSION

1. The current two (2) year Collective Agreement between the parties expired on December 24, 2016.

2. Salary increases over the last six years Collective Agreement increased by 10.00% (an average of 1.67% per annum). The six year average has remained below the Winnipeg Consumer Price Index by 1.30% over the term of the Collective Agreement.

	2011	2012	2013	2014	2015	2016	Average/year
CUPE	0.00%	1.00%	2.50%	2.50%	2.00%	2.00%	1.67%
CPI	2.90%	1.50%	2.30%	1.90%	1.30%	1.40%	1.88%
+/- CPI	-2.90%	-0.50%	0.20%	0.60%	0.70%	0.60%	-0.22%

3. Over the previous four years, CUPE wages of seven cities/municipalities have seen increases similar in percentage as the City of Winnipeg.

CUPE/ COMPARABLE GROUP					
	2013	**2014**	**2015**	**2016**	Average/Year
Edmonton	2.86%	2.00%	2.25%	2.75%	2.47%
Calgary	3.00%	1.80%	3.20%	3.50%	2.88%
Regina	2.50%	2.25%	3.00%	1.90%	2.41%
Saskatoon	2.50%	2.20%	2.65%	2.65%	2.50%
Toronto	0.50%	1.75%	2.25%	1.25%	1.44%
Vancouver	1.75%	1.75%	2.00%	1.50%	1.75%
Ottawa	1.91%	1.93%	2.00%	1.92%	1.94%
Hamilton	1.90%	1.90%	1.50%	2.00%	1.83%
Halifax	2.50%	2.60%	1.50%	1.50%	2.03%
Winnipeg	2.50%	2.50%	2.00%	2.00%	2.25%

4. Internally, we have settlements for CUPE and Transit. Transit's contract extends to January 12, 2019.

	2015	2016	2017	2018	Average/Year
CUPE	2.0%	2.0%			2.0%
ATU	2.0%	2.0%	2.5%	2.7%	2.3%

5. 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: June 26, 2017

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

Negotiations between the City of Winnipeg and the Canadian Union of Public Employees (CUPE)

	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	$ 60,755	$ 3,423,637	$ 7,386,926	$ 10,283,038	$ 1,665,293
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 60,755	$ 3,423,637	$ 7,386,926	$ 10,283,038	$ 1,665,293
Less: Existing Budget Amounts	60,755	3,423,637	7,386,926	10,283,038	1,665,293
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. The cumulative cost over the term of the agreement is $22.8 million and the overall annualized cost is $10.3 million.

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 to 2021 have not yet been reviewed by Council. There is budget set aside to cover this agreement.

(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: June 30, 2017
File No:

Attachments

Attachment 1 - Letter from City Auditor, City of Winnipeg



A1 - CUPE City Auditor Report.pdf

Attachment 2 - Letter from KPMG LLP



A2 - CUPE KPMG LLP Review Letter.pdf

Attachment 3 – Memorandum of Agreement



A3 - MOA CUPE-COW June 14-:

Attachment 4 - Calendar Year General Wage Increase Net of Concessions 2000-2021



A4 - Calendar Year
General Wage Increa