Agenda – Executive Policy Committee – October 17, 2019

REPORTS

Item No. 1 Negotiations between the City of Winnipeg and the Amalgamated Transit Union, Local 1505

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That City Council enter into, execute and deliver the Memorandum of Agreement agreed to by the negotiating committees of the City and the Amalgamated Transit Union, Local 1505 ("ATU") and a subsequent collective agreement with ATU.

2. That the Chief Administrative Officer be authorized to approve the terms and conditions of the collective agreement in accordance with the Memorandum of Agreement and this report, and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

3. That the proper officers of the City do all things necessary to implement the intent of 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
J. Dawson	A. Cusson	P. Olafson, Interim CFO	M. Ruta, Interim CAO

EXECUTIVE SUMMARY

The Amalgamated Transit Union, Local 1505 collective agreement expired on January 12, 2019 whereby the parties exchanged proposals on January 4, 2019 and began bargaining on January 11, 2019. A tentative memorandum of agreement was reached, dated September 19, 2019.

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 enter into, execute and deliver the Memorandum of Agreement agreed to by the negotiating committees of the City and the Amalgamated Transit Union, Local 1505 ("ATU") and a subsequent collective agreement with ATU.

2. That the Chief Administrative Officer be authorized to approve the terms and conditions of the collective agreement in accordance with the Memorandum of Agreement and this report, and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

3. That the proper officers of the City do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

The City of Winnipeg Charter requires 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 ("MOA") between the City and the Amalgamated Transit Union, Local 1505 includes changes involving significant terms, material and other costs as follows:

1. Term of Agreement – January 13, 2019 – January 7, 2023 (48 Months)

2. General wage adjustment:

General Wage Adjustment	Date of Increase	Amount
1	Pay Period 3, January 2020	1.25%
2	Pay Period 3, January 2021	2.00%
3	Pay Period 3, January 2022	1.75%
4	January 7, 2023	2.00%

3. Retention payments: (MOA Clause 4)

   a. Rate of pay for the top-level step of each bargaining unit classification increases by 0.5% effective Pay Period 23, 2019. (4. A.)

   b. Each member of the bargaining unit receives a payment of $200 upon the ratification of the agreement by both parties. (4. B.)

   c. The top-level step hourly rate of pay increases by fifty cents on January 30, 2022 and by an additional fifty cents on July 31, 2022 for specific Plant & Equipment trade classifications. (4. C.)

4. Vision Care Plan – increase maximum benefit per eligible person in a 24 month period to cover the cost of an eye examination from $80 to $100 effective January 1, 2022. (MOA Appendix 1 - Article 7)

5. Bus Operator Articles (MOA Appendix 1 Section 2)

   a. Article 8-12 – Special Payments

      Increase premium paid from fifty cents to seventy-five cents per hour for all time worked from 19:00 to end of service/shift effective Pay Period 3, 2021.

6. Plant and Equipment Articles (MOA Appendix 1 Section 3)

   a. Article 2 – Night and Afternoon Shift Premium
      i) Increase premium paid from $1.30 to $1.50 per hour for all time worked from 14:30 to 06:59 effective Pay Period 3, 2020.

ii) (New) Premium equivalent to one-half hour pay at straight time paid per weekend shift on a prorated basis effective Pay Period 3, 2020.

b. Article 4 – Clothing

i) Increase annual allowance for safety footwear from $110 to $125 per year in 2020.

c. Article 5 – Tool Allowance

i) Increase annual tool allowances (various rates by classification) by five percent in 2020.

7. Employees who work on Christmas Eve that have work that finishes after 19:00 will be entitled to a compensation premium equal to an hour and a half of their regular rate paid at straight time, effective Christmas Eve, December 2020. (MOA Appendix 2 – Article 9-11)

8. The City will pay for one Union Observer who will be trained in scheduling and will observe the process of development of schedules and provide feedback on areas of concern. (included in Letter of Understanding regarding Scheduling and Planning Committee noted in Item 9 of this report)

9. Employees, who obtain seniority, will continue to accrue seniority while on approved Military Leave. (MOA Appendix 1 Article 18)

10. New Letters of Understanding on the following issues (MOA Appendix 1):

a. Scheduling and Planning Committee – City/Union/Employee committee will identify and review issues associated with work assignments/conditions for Bus Operators, including relief points, schedules, service levels and routing. The committee will consider input from sources deemed appropriate by the City such as Bus Operators, Inspectors, the Public and Customers. Both the City and the Union will take all reasonable steps to address scheduling issues raised by Bus Operators.

Within twenty-four months of ratification, all relief points to be provided with a shelter or the relief point placed at a location with an existing shelter unless a third-party location is identified where restroom facilities exist.

b. Passenger Education Campaign - All content of Passenger Education Campaigns related to safety practices will be jointly reviewed by the City and the Union. Final approval for any public education campaign is at the sole discretion of the City.

c. Critical Incident Stress Management (CISM) - Transit Department's CISM Peer Support Program will be incorporated into the collective agreement for the life of the agreement. The City and Union will jointly select employees to respond to CISM peer support requirements and will regularly meet to review and audit the program. The City will consult with the Union on the content of training for new members of the program.

d. Contracting Out of Work – Joint City/Union committee may review existing contracted services and explore the feasibility of bringing such services in-house. Any decision to bring a contracted service in-house is solely a City decision. The committee may

review other related opportunities that may be leveraged to lower delivery costs and improve services to submit to the Director of Transit for consideration.

e. Operator Improvement Education - Union will be consulted on the content of departmental training, including courses such as Main Street Project Training, Additional Indigenous Awareness Training, Canadian Standard Association Psychological & Safety Training and Tactical Communication Training (De-escalation skills).

f. Wind Down Retirement Employee Plan - Employees with ten years of service or more may participate in the Wind Down Retirement Plan (WDRP) after their retirement. Work will be specific to filling time off requests by regularly employed Bus Operators. Subject to the availability of WDRP employees to back-fill their shifts, Bus Operators may bank one day off in lieu of each statutory holiday worked, apply for excused absences on short notice, or apply for leaves of absence up to four consecutive weeks in duration.

g. Reciprocal Shift Trade Program - City will offer a shift trade program for the life of the agreement and may authorize Bus Operators to trade shifts. Bus Operators will only be paid for the work performed on the day of the trade.

Many of the language changes may result in operational efficiencies but any fiscal savings would be difficult to cost given they would be based on assumptions that may not be realized in ongoing operations. The MOA includes a number of other changes to collective agreement articles and letters of understanding. These items and those identified above, except for Items 2, 3, 4, 5, 6, 7, and 8 have been assumed:

- to have no or no immediate financial impact; or
- that costs could not be reasonably estimated at this time; or
- that costs are deemed to be immaterial; or
- that changes are a reflection of Winnipeg Transit's existing operations.

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 first date on which both parties have ratified the Memorandum of Agreement.

HISTORY/DISCUSSION

1. The current four (4) year Collective Agreement between the parties expired on January 12, 2019.

2. The general wage increases provided for over the previous four-year collective agreement between the City and ATU was 9.2% (an average of 2.3% per annum). This exceeded the Manitoba Consumer Price Index (MB CPI) by 2.6% over the term of the Collective Agreement.

	2015	**2016**	**2017**	**2018**	**Average/year**
ATU	2.00%	2.00%	2.50%	2.70%	2.30%
MB CPI	1.20%	1.30%	1.60%	2.50%	1.65%
+/- CPI	+0.80%	+0.70%	+0.90%	+0.20%	+0.65%

3. Over the previous four years, ATU wages of four major Prairie municipalities have seen similar general wage increases in percentage as the City of Winnipeg.

ATU Locals - Comparators	2015	2016	2017	2018	Average/ Year
Edmonton	2.25%	2.75%	3.00%	3.00%	2.75%
Calgary	3.20%	3.50%	4.00%	0.00%	2.68%
Regina	3.00%	2.00%	2.00%	2.00%	2.25%
Saskatoon	2.65%	2.65%	Not settled	Not settled	2.65%
Winnipeg	2.00%	2.00%	2.50%	2.70%	2.30%

4. Internally, the City has agreements with Winnipeg Association of Public Service Officers (WAPSO), United Fire Fighters of Winnipeg (UFFW), Canadian Union of Public Employees (CUPE), Manitoba Government and General Employees Union (MGEU), Winnipeg Fire Paramedic Senior Officers Association (WFPSOA), Winnipeg Police Association (WPA) and Winnipeg Police Senior Officer's Association (WPSOA). WAPSO's contract expires December 31, 2019, UFFW's contract extends to December 31, 2020, CUPE's and MGEU's contracts extend to February 28, 2021, WFPSOA's contract extends to August 31, 2021, WPA's and WPSOA's contracts expire December 31, 2021.

Current Collective Agreements - General Wage Increase by Year
[in order of agreement expiry]

	2015	2016	2017	2018	2019	2020	2021	2022	2023	Annual Avg.^
WAPSO	2.20%	2.00%	2.00%	1.00%	1.00%					1.64%
UFFW		0.00%	1.80%	2.00%	2.00%	2.00%				1.95%
CUPE		0.00%	1.50%	1.50%	1.50%	0.00%				1.13%
MGEU			0.00%	2.00%	2.00%	2.00%	2.00%			2.00%
WFPSOA			0.00%	2.00%	2.00%	2.00%	2.00%			2.00%
WPA		0.00%	2.50%	2.50%	2.50%	1.00% 1.50%	1.00% 1.50%			2.50%
WPSOA		0.00%	2.50%	2.50%	2.50%	1.00% 1.50%	1.00% 1.50%			2.50%

Effective date of increases occur at some time in the year indicated. All agreements are negotiated settlements except WAPSO where wages adjustments were awarded by Interest Arbitration for the contract term October 18, 2015 to December 31, 2019 (4 years, 2.5 months).

^ For UFFW, CUPE, MGEU and WFPSOA, the first general wage increase in contracts occurred at or after the end of the first year of contracts. Annual average based on increases over approximate four year agreements ending December 31, 2020, February 28, 2021, February 28, 2021 and August 31, 2021 respectively. For WPA and WPSOA, the first general wage increase occurred after the end of the first year of contracts, and annual average based on increases over approximate five-year agreements ending December 31, 2021 (WPA and WPSOA).

5. The Consumer Price Index for Manitoba is projected to increase by 9.9% from 2019 to 2023 (five years). The ATU Memorandum of Agreement includes general wage increases over the four year term that total 7.0% (an average of 1.75% per annum). This four year average is below the Projected Manitoba Consumer Price Index by an average of 0.23% per year over the term of the Collective Agreement.

	2019	**2020**	**2021**	**2022**	**2023**	**Annual Avg.^**
ATU	0.00%	1.25%	2.00%	1.75%	2.00%	1.75%
Projected MB CPI	2.0%	2.0%	1.9%	2.0%	2.0%	1.98%
+/- CPI						-0.23%

CPI Forecast from The Conference Board of Canada, Metropolitan Outlook 1, Spring 2019.

^ Term of Agreement with ATU January 13, 2019 – January 7, 2023. ATU annual average based on four increases over the four-year agreement ending January 7, 2023. Projected MB CPI annual average based on four years ending December 31, 2022.

FINANCIAL IMPACT

Financial Impact Statement

Date: October 10, 2019

Project Name:

First Year of Program **2019**

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

	2019	2020	2021	2022	2023
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	$ 395,036	$ 1,751,378	$ 3,762,887	$ 5,843,416	$ 119,863
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 395,036	$ 1,751,378	$ 3,762,887	$ 5,843,416	$ 119,863
Less: Existing Budget Amounts	395,036	1,751,378	3,762,887	5,843,416	119,863
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1. "Direct Costs" reflect the cumulative cost over the term of the agreement to January 7, 2023 which total $11,872,580. The annualized cost of this proposal for a full year in 2023 is $7,995,578.

2. "Existing Budget Amounts" include the 2019 Adopted Operating Budget and the projections for 2020 and 2021 from the 2019 budget process. The budget years 2020 and 2021 have not yet been approved or balanced by City Council, and 2022 to 2023 have not yet been reviewed by Council.

3. It is assumed there is no incremental provincial funding.

(Original signed by T. Yanchishyn)

Tanis Yanchishyn, CPA, CA
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

Corporate Finance Department
Audit Department
Legal Services Department (as to legal issues)
External Auditor – KPMG LLP

OURWINNIPEG POLICY ALIGNMENT

N/A

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

SUBMITTED BY

Department: Human Resource Services
Division: Labour Relations
Prepared by: J. Dawson, Manager of Labour Relations
Date: October 15, 2019

Attachments

Attachment 1 - Letter from City Auditor, City of Winnipeg
Attachment 2 - Letter from KPMG LLP
Attachment 3 – Memorandum of Agreement
Attachment 4 – City of Winnipeg and Amalgamated Transit Union – Local 1505 Collective Agreement, January 18, 2015 to January 12, 2019.
Attachment 5 – Infographics – Net of concessions