Agenda - Council - March 24, 2004

Report "A" - Executive Policy Committee - March 17, 2004

Item No. 5 Winnipeg Fire Paramedic Senior Officers Association – Memorandum of Agreement
File GU-4.9

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 17, 2004, the Executive Policy Committee concurred in the administrative recommendation and submits the following to Council:

1. That Council ratify the Memorandum of Agreement agreed to by the negotiating committees of the City and the Winnipeg Fire Paramedic Senior Officers Association (WFPSOA).

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.

Report "A" - Executive Policy Committee - March 17, 2004

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 17, 2004, the Executive Policy Committee concurred in the administrative recommendation and submitted the matter to Council.

Re: Negotiations between the City of Winnipeg and the Winnipeg Fire Paramedic Senior Officers Association (WFPSOA)

For Submission To: Executive Policy Committee

Submitted By: Annitta Stenning
Chief Administrative Officer

Report Date: March 8, 2004

RECOMMENDATION(S):

1. That City Council ratify the Memorandum of Agreement agreed to by the negotiating committees of the City and the WFPSOA.

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

Report Summary

KEY ISSUES:

The Memorandum of Agreement between the City and WFPSOA includes changes involving significant terms and material costs as follows:

1. Term of Agreement – February 14, 2001 to February 22, 2004 (36 months)

2. Salary Adjustments:
   - February 4, 2001 (PP # 4) – 2.5%
   - February 10, 2002 (PP # 4) – 3.0%
   - November 17, 2002 (PP # 24) 1.0% (non-cumulative)
   - February 16, 2003 (PP # 4) 3.0%

3. Vacation Entitlement
   - Four (4) weeks after 5 years
   - Five (5) weeks after 13 years
   - Six (6) weeks after 21 years

4. Sick Leave Accrual
   - Provide for accrual at the rate of 15 days per year of service for 12-hour shift personnel

IMPLICATIONS OF THE RECOMMENDATION(S):

General Implications

	None
√	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
√	Involves a multi-year contract
√	Comment(s): Ratification of the proposed Agreement will, in part, determine wage and benefit increases to other Civic bargaining units.

Policy Implications

√	None
	Yes
	Comment(s):

Environmental Implications

√	None
	Yes
	Comment(s):

Human Resources Implications

	None
√	Yes
√	Comment(s): Ratification of the proposed Agreement will have influence on wage and benefit increases to other Civic bargaining units particularly those representing employees in the Winnipeg Fire Paramedic Service.

Financial Implications

√	Within approved current and/or capital budget
	Current and/or capital budget adjustment required
√	Comment(s): The total cost of the Agreement for the period 2001-2004 is $460,516.

REASON FOR THE REPORT:

It is required that City Council ratify all collective agreements negotiated between the City of Winnipeg and bargaining agents representing civic employees before they take effect.

HISTORY:

1. The Collective Agreement between the City of Winnipeg and the Winnipeg Fire Paramedic Senior Officers Association expired on February 13, 2001. The parties had deferred bargaining until the City concluded an Agreement with the Professional Paramedics of Winnipeg (PPAW).

2. Following interest arbitration hearings, Arbitrator Peltz issued an award for the PPAW bargaining unit in 2003.

3. The parties commenced bargaining on October 10, 2003.

4. Following extensive bargaining, the parties concluded a Memorandum of Agreement on February 13, 2004.

DISCUSSION:

1. In determining an appropriate general wage and benefit increase to members of the WFPSOA, consideration was given to:
   - The financial impact on the City of Winnipeg
   - The negotiated Agreements with WAPSO, CUPE Local 500 and ATU Local 1505.
   - The Peltz arbitration award to PPAW (2003)
   - Negotiated settlements in the local market.

2. **Financial Impact:** The cost of the proposed terms of agreement over the three years 2001 – 2004 is $ 460,516.

   The Financial Impact Statement **(see attached)** indicates that a budget adjustment will not be required to cover the total cost of the Agreement.

3. **2003 PPAW Arbitration Award:** The terms of the Memorandum of Agreement are in accordance with the negotiations mandate approved by the Executive Policy Committee. Historically, the City has extended benefits to the WFPSOA consistent with those provided to PPAW. This Agreement mirrors the wages and benefit increases awarded to PPAW.

4. **Negotiated Settlements in the Local Market:** Recent agreements in the local market include a three-year agreement signed by the Manitoba Public Insurance Corporation that provides for an average annual increase of 2.7%. Manitoba Hydro, the WCB and the Province of Manitoba have also reached agreements that provide for an increase of 3.0% in each of the first two years of the agreement followed by COLA in the third.

5. **Operational Issues:** This Memorandum of Agreement includes a number of changes affecting WFPS operations. They include:
   - A simplified grievance and arbitration process.
   - Introduction of more consistent and flexible hours of work.
   - Resolution of a dispute respecting calculation of vacation credits in accordance with the City's interpretation of Collective Agreement provisions.

IN PREPARING THIS REPORT, THERE WAS CONSULTATION WITH AND CONCURRENCE BY THE CITY TREASURER'S OFFICE AS TO THE BUDGET IMPLICATIONS OF THIS PROPOSAL:

Jo-Anne Ferrier
City Treasurer
Corporate Finance Department

THIS REPORT SUBMITTED BY:

Sudhir Sandhu
Senior Labour Relations Specialist
Labour Relations and Compensation Division
Corporate Services Department

Financial Impact Statement

Date: February 13, 2004

Winnipeg Fire Paramedic Senior Officers Association (WFPSOA) - Memorandum of Agreement

($ millions)	2001	2002	2003	2004	Total
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 0.04	$ 0.09	$ 0.16	$ 0.17	$ 0.46
Less: Incremental Revenue/Recovery	$ -	$ -	$ -	$ -	$ -
Net Cost/(Benefit)	$ 0.04	$ 0.09	$ 0.16	$ 0.17	$ 0.46
Less Existing Accruals	$ 0.04	$ 0.09	$ 0.21	$ -	$ 0.34
Less: Existing Budget Amounts	$ -	$ -	$ -	$ 0.12	$ 0.12
Net Budget Adjustment Required	$ -	$ -	$ (0.05)	$ 0.05	$ -

There is a total agreement cost of $0.46 million over a four-year period. The anticipated 2003 year-end accrual is sufficient to cover the projected cost of the agreement for the years 2001, 2002 and 2003. The 2004 provision (the Budget for 2004 has not yet been adopted by Council) is not sufficient to cover the anticipated cost of the agreement for 2004, however, the 4-year impact of the agreement is offset by the accrual. We are anticipating that a portion (approximately 25%) of the 2003 and 2004 costs of the agreement will be recoverable from the Winnipeg Regional Health Authority (WRHA).

Manager of Finance & Administration

WFPSOA - Negotiations

Incremental Cost - Memorandum of Agreement

Proposed Term of Agreement February 14, 2001 - February 22, 2004

Salary Adjustments	Year	PP #	Negotiated % Increase
	2001	4	2.50%
	2002	4	3.00%
		24	1.00%
	2003	4	3.00%
Cumulative			9.8%

Base Wage Negotiated Costs:		2001	2002	2003	2004	Total
Base Wages [1]		28,778	36,942	38,028	0	103,748
Salary Related [2]		9,453	12,134	12,491	0	34,078
Prior period Budget impact [3]		0	4,965	21,333	6,413	32,711
Annual Incremental financial impact		**38,231**	**54,041**	**71,852**	**6,413**	**170,537**
Cumulative financial Impact For Fiscal Year		**38,231**	**92,272**	**164,124**	**170,537**	**465,164**
Adjusted Base [4]	$1,727,850	2.2%	5.3%	9.5%	9.9%	
Other Negotiated Costs:						
Medical Supervisors		0	0	0	10,348	10,348
Salary Related		0	0	0	3,399	3,399
Compressed Vacation Entitlements		0	0	0	1,248	1,248
Salary Related		0	0	0	270	270
Annual Incremental financial impact		0	0	0	15,265	15,265
Cumulative financial Impact For Fiscal Year		0	0	0	15,265	15,265
Manditory Overtime Savings					-19,913	-19,913
Net Financial Impact of Negotiations		38,231	92,272	164,124	165,889	460,516

Notes:

See attached list of assumptions used in the calculation.

1) The base wage does not include the step increases which were previously negotiated. The step increase is the wage increase that employees get on their anniversary date.

2) Salary related cost includes overtime premiums, annual vacation, statutory holidays, pension costs, group life and other wage related benefits. These costs have been estimated to be 32.8% of base wages.

3) Adjustment required to reflect the full year effect of prior year wage and benefit increases.

4) Adjusted base, includes salary related factor.

Winnipeg Fire Paramedic Senior Officers Association
Incremental Cost of the Memorandum of Agreement
February 13, 2004
Assumptions

The contract stipulates the increases as follows

- *Pay Period 04 2001 – 2.5%*
- *Pay Period 04 2002 – 3.0%*
- *Pay Period 24 2002 – 1.0% non cumulative*
- *Pay Period 04 2003 – 3.0%*

1. *The composition of the workforce in the bargaining unit is constant at September 26, 2003, for the term of the contract.*

2. *The number of employees in each classification and pay rate is assumed constant for the term of the contract.*

3. *The number of hours paid to employees assumes a weighted average work-week per employee for 52 weeks a year and includes overtime hours.*

4. *A constant number of hours worked has been used for each year.*

5. *This settlement is retroactive to 2001. The step increases for 2001 and 2002 are included in the base, therefore, only the 2003 step adjustment has been incorporated in the costing and is estimated to be 1% effective pay period 1, for 2003.*

6. *The rate of sick time accrual for employees who work 12 hour shifts shall be increased from 10 days annually to 15 days annually. This change increases the City's liability for sick leave by 5 more days effective pay period 17, 2002. It is not possible to estimate the actual liability therefore, no cost has been provided.*

7. *Medical Supervisors' wages will increase by an additional 2% the first full pay period following the date of ratification. The costing for this increase assumes January 1, 2004 as the effective date. This will allocate the full year's cost in the 2004 budget year.*

8. *The City will improve vacation entitlements for all employees covered by this agreement. The costing for this improvement assumes January 1, 2004 as the effective date.*

Winnipeg

Corporate Finance Department

INTER-OFFICE MEMORANDUM

TO:	Bob Pruden, Chief of Human Resources and Corporate Services	**FROM:**	Jo-Anne Ferrier, City Treasurer
RE:	**Budget Provision for Salaries and Benefits – WFPSOA Bargaining Unit**	**DATE:**	December 9, 2003

The 2004 Administrative Forecast provided the following amounts for salaries and benefits for the Winnipeg Fire Paramedics Senior Officers' Association (WFPSOA) bargaining unit:

WFPSOA Bargaining Unit

	2004 Admin Forecast
Budget Provision, salaries and benefits (excludes provision for future collective agreements beyond February 20, 2004)	**1,317,851**
Incremental 2004 COLA related to 2001/2002/2003 increases (included in Budget Provision)	**121,872**

It should be noted that the 2004 Administrative Forecast contains a significant shortfall and will require modification to balance. It is anticipated that, as part of the 2003 year end, adjustments will be accrued for WFPSOA corporately and within the department in the amount of $200,000 and $190,000 respectively to address requirements for 2001, 2002 and 2003.

.../2

Assumptions and Notes:

1. Collective Agreement expired on February 13, 2001.

2. Amounts are based on the 2004 Administrative Forecast. The proposed contract term is for 3 years, from February 14, 2001 to February 20, 2004.

3. As the City's automated budget system does not track all salary and benefit costs by bargaining unit, the above-noted figures are as follows:

    a. Salaries include permanent and temporary wages. Other wage accounts are excluded.

    b. Benefits include civic pension, Canada Pension, group insurance and employment insurance. Other benefit accounts are excluded.

4. The portion of the corporate contingency related to salary and benefits is included for this bargaining unit.

If you have any questions regarding the information provided, please call Betty Holsten Boyer at 986-2537.

Jo-Anne Ferrier,
City Treasurer

BHB/dw

cc: Betty Holsten Boyer, Manager of Financial Planning and Review
David Shepherdson, Coordinator, Labour Relations Branch
Radhika Abeysekera, Manager of Finance and Administration

Winnipeg

Audit Department • Service de vérification

March 3, 2004

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

Dear Mayor Murray:

Re: Review of 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 *Incremental Cost of Memorandum of Agreement* prepared by the Human Resources and Corporate Services Department. The purpose of our review was to provide certain assurances as to the completeness of the anticipated changes in the financial cost to the City of Winnipeg as a result of the Memorandum of Agreement between the City of Winnipeg and The Winnipeg Fire Paramedic Senior Officers Association dated February 13, 2004. The term of the contract covers the period from February 14, 2001 to February 22, 2004.

Our review included an assessment of the Memorandum of Agreement, and based upon the knowledge obtained from this assessment, ensuring that the net incremental costs and/or savings to the City of Winnipeg have been completely and appropriately identified, calculated and summarized and that all significant assumptions used by the Finance and Administration Division to prepare the *Incremental Cost of Memorandum of Agreement* are disclosed. In addition, we met with personnel from the Human Resources and Corporate Services Department to review the process and details provided in the cost analysis.

The *Incremental Cost of Memorandum of Agreement* represents the net incremental costs or savings projected to be incurred by the City of Winnipeg as a direct result of the Memorandum of Agreement. Since the analysis is based on the disclosed assumptions regarding future events, actual results for the agreement period will vary from those calculated. Accordingly, we do not express any opinion as to whether the estimated net incremental costs for the Agreement will be realized.

Based on this review, we concur that this analysis has been prepared in an appropriate manner for the consideration of City Council. Our External Auditor, Ernst & Young, supported our review. A copy of the Ernst & Young report is attached.

Sincerely,

Shannon Hunt, CGA, CFE
City Auditor

ERNST & YOUNG

• Ernst & Young LLP
Chartered Accountants
Commodity Exchange Tower
Suite 2700
360 Main Street
Winnipeg, Canada R3C 4G9

• Phone: 204 947-6519
Fax: 204 956-0138

March 8, 2004

PRIVATE AND CONFIDENTIAL

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

Dear Sirs:

Re: Review of 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 Incremental Cost of the Memorandum of Agreement (March 3, 2004) prepared by the Finance and Administration, Human Resources and Corporate Services Department.

Our role in the review of the Memorandum of Agreement between The City of Winnipeg and The Winnipeg Fire Paramedic Senior Officers Association supported that of the City's Internal Audit Department. A copy of the City's Internal Audit Department review of the Memorandum of Agreement is attached.

We concur with the Internal Audit Department's assessment dated March 3, 2004 of the Incremental Cost of Memorandum of Agreement (March 3, 2004) prepared by the Human Resources Services Division, Corporate Services Department.

Yours sincerely,

Ernst & Young LLP

J.K.A. Campbell, FCA