**Minutes – Executive Policy Committee – December 7, 2022**

## REPORTS

**Item No. 21 Negotiations - City of Winnipeg and the Canadian Union of Public Employees, Local 500**

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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

1. That Council approve and enter into the Memorandum of Agreement agreed to by the negotiating committees of the City and the Canadian Union of Public Employees, Local 500 (CUPE) and a subsequent collective agreement with CUPE in accordance with said Memorandum of Agreement.

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

3. That, subject to approval of Recommendations 1 and 2:

    A. The necessary funds be approved for the 2021 and 2022 salary and benefit adjustments as summarized in this report and that the incremental costs be funded by the Financial Stabilization Reserve;

    B. Council approve that the 2023 and future years' operating costs be increased in accordance with the provisions in this collective agreement.

4. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing.

DECISION MAKING HISTORY:

Moved by Councillor Orlikow,

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

| | | |
|---|---|---|
| Yea: | Gillingham, Browaty, Lukes, Mayes, Orlikow, Rollins | 6 |
| Nay: | | 0 |

Carried

# ADMINISTRATIVE REPORT

**Title:** Negotiations - City of Winnipeg and the Canadian Union of Public Employees, Local 500

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

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| A. Beach | A. Cusson | C. Kloepfer | M. Jack |

## EXECUTIVE SUMMARY

The Canadian Union of Public Employees, Local 500's (CUPE) collective agreement expired on February 28, 2021. Notice to bargain was given by CUPE on February 4, 2021, after which the parties met and commenced collective bargaining. On October 11, 2022, a tentative agreement was reached and a memorandum of agreement between the parties was signed on October 20, 2022, reflecting the terms of the tentative agreement.

## RECOMMENDATIONS

1. That City Council approve and enter into the Memorandum of Agreement agreed to by the negotiating committees of the City and the Canadian Union of Public Employees, Local 500 (CUPE) and a subsequent collective agreement with CUPE in accordance with said Memorandum of Agreement.

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

3. That, subject to approval of Recommendations 1 and 2:

    A. Council approve the necessary funds for the 2021 and 2022 salary and benefit adjustments as summarized in this report and that the incremental costs be funded by the Financial Stabilization Reserve.

    B. Council approve that the 2023 and future years' operating costs be increased in accordance with the provisions in this collective agreement.

4. 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 Council enter into Collective Agreements between the City of Winnipeg and Civic Unions/Associations.

## IMPLICATIONS OF THE RECOMMENDATIONS

The Memorandum of Agreement ("MOA") between the City and the Canadian Union of Public Employees, Local 500 includes changes involving significant terms, material and other costs as follows:

1. Term of Agreement – March 1, 2021 – February 28, 2025 (48 Months) (MOA Clause 2)

2. General Wage Increase (MOA Clause 3)

| General Wage Adjustment | Date of Increase | Amount |
|---|---|---|
| 1 | March 1, 2021 | 1.7%* |
| 2 | March 1, 2022 | 1.0%* |
| 3 | December 31, 2022 | 1.5%* |
| 4 | March 1, 2023 | 1.5% |
| 5 | December 31, 2023 | 1.5% |
| 6 | March 1, 2024 | 1.5% |
| 7 | September 1, 2024 | 1.5% |

*To be paid retroactively (as necessary) to all employees who are bargaining unit members on the date of ratification.

3. Signing Bonus (MOA Clause 4)

   Every employee who is a member of the bargaining unit on the date that the tentative agreement is ratified will receive a single payment of $900. CUPE Exempt would also receive this signing bonus.

4. Salary Adjustments (MOA Clause 5)

   Increase wages of vehicle mechanics by $2.00 per hour over the life of the agreement as follows:
   - $1.00 per hour effective January 1, 2023
   - $0.50 per hour effective March 1, 2024
   - $0.50 per hour effective September 1, 2024

   For clarity, general wage increase will be applied to wages before the special wage adjustment is applied.

5. Letter of Understanding (LOU) Creating a Special Wage Adjustment (SWA) Fund #1 (MOA Clause 6 / Appendix A)

   New LOU to be included in the Collective Agreement creating a fund of $400,000 to be used for special wage adjustments for selected classifications (Concrete Finisher, Foreman series, Trades classification and Wastewater Treatment Operators), beginning January 1, 2023.

A City/CUPE Working Group will meet to determine how to allocate the fund to increase the 2023 regular rates of pay for these classifications. If the Working Group is unable to agree on a complete allocation of the fund within six months, the matter will be referred to arbitration. Rate adjustments will be effective January 1, 2023.

6. Letter of Understanding (LOU) Creating a Special Wage Adjustment (SWA) Fund #2 (MOA Clause 7 / Appendix A)

   New LOU to be included in the Collective Agreement creating a fund of $1,000,000 to be used for special wage adjustments for selected classifications (311 CSRs, Instructor Guards, Recreation Technicians B/C, Library workers, and any other classification mutually agreed to between the parties), beginning January 1, 2024.

   A City/CUPE Working Group will meet to determine how to allocate the fund to increase the 2024 regular rates of pay for these classifications. If the Working Group is unable to agree on how the fund will be distributed within six months, the matter will be referred to arbitration. Rate adjustments will be effective January 1, 2024.

7. Gender Neutral Language (MOA Clause 8)

   The parties will amend the agreement to incorporate gender-neutral language throughout the collective agreement.

8. Wellness Days (MOA Clause 10 / Appendix A Article 22-8)

   Family Illness Leave is replaced with three (3) Wellness Days per year, charged against accumulated sick leave.

9. Employment Security (MOA Appendix A Article 4)

   During the life of the agreement, no permanent employee shall be laid off provided they accept any reasonable offer of alternative employment made by the City.

   This provision is extended, and now scheduled to expire on February 28, 2025.

10. Shift Premium (MOA Appendix A Article 15)

    Night and weekend shift premiums to increase by $0.10 per hour from $1.20 to $1.30 per hour, effective the date of ratification.

11. Benefits (MOA Appendix A Article 26)

    For seasonal employees, eligibility for employer paid benefits during layoff period extended by one month from six to seven consecutive months on layoff.

12. Safety Footwear (MOA Appendix A Article 28)

    Effective January 1, 2023 annual allowance for safety footwear for eligible employees increases by $30 from $110 to $140.

13. Grievances (MOA Appendix A Article 31)

    Amendments made to Step 1 of the grievance process to require the parties to approach the resolution of grievances in a problem-solving manner at the initial stage of the process, and setting out that timelines are to be adhered to.

14. Interpersonal Violence Leave (MOA Appendix A Article 35-14)

    Employees will be granted up to 10 days of leave with pay in a 52-week period where leave from work is required due to an employee and/or an employee's dependent child being a victim of interpersonal violence.

15. Tool Allowance (MOA Appendix A Article 39)

    Tool allowance rates increased per schedule in Article 39.

16. Letters of Understanding (LOU)

    a. Equity, Diversity & Inclusion [Amended] (MOA Appendix A)

       LOU on Equity and Diversity amended establishing CUPE designated Liaison Officers to be direct points of contact with the City's Equity office to support the objectives of the City's EDI Policy and Strategy.

    b. Grievance Process Oversight Committee [New] (MOA Appendix A)
       City Labour Relations and CUPE representatives will meet monthly to discuss matters of concern brought forward on the application of the new grievance process language to ensure that the collaborative and problem-solving intent of the grievance language is respected.

    c. Labour Market Issues Advisory Committee [New] (MOA Appendix A)

       A committee of three representatives from each the City and CUPE will meet and aim to identify classifications within the bargaining unit where there are recruitment and retention issues and the probable causes for these issues, and formulate recommendations on how the issues can be effectively addressed. Joint recommendations will be made to the Deputy Chief Administrative Officer for consideration on behalf of the City.

    d. Flex Benefits [New] (MOA Appendix A)

       The parties will discuss flexible benefit options during the life of the collective agreement. Any flexible benefit options, including but not limited to a Health Care Spending Account, may be implemented during the life of the collective agreement.

       The Chief Administrative Officer (CAO) has the authority to make changes to the medical/health benefits provided for in the collective agreement and implement flexible benefits, on the basis that the overall cost of amended benefits is cost-neutral or less than cost of benefits provided under the collective agreement. The Chief Administrative Officer has the authority to extend such amendments to employees who are considered CUPE Exempt. Any changes to benefits that would generate an increase in costs to the City

would require Council approval. Any changes made under this section shall be reported back to Council for information through the CAO.

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 which may not be realized in ongoing operations. The MOA includes a number of other changes to collective agreement articles and letters of understanding. With the exception of items 2, 3, 4, 5, 6, 10, 11, 12 and 15, these items, and those identified above, 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 the City of Winnipeg's existing operations; or
- that costs relate to statutory/legislative obligations.

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.

The total cost of the agreement over four years is estimated at $55.7 million. There is insufficient budget to cover the cost of the agreement. The financial impact for 2021 and 2022 would be funded by the Financial Stabilization Reserve. Future years' impact including 2023 budget would be adjusted accordingly.

## HISTORY/DISCUSSION

The current Collective Agreement between the parties expired on February 28, 2021. The parties commenced collective bargaining and reached a tentative agreement on October 11, 2022, which was committed to a Memorandum of Agreement signed on October 20, 2022. CUPE ratified the tentative agreement on October 25, 2022.

The Consumer Price Index for the Winnipeg census metropolitan area (CMA) is projected to increase by 16.8% from 2021 to 2024 (over four years). The CUPE Memorandum of Agreement includes general wage increases over the four-year term that total 10.2% (an average of 2.55% per annum). This four-year average is below the projected Winnipeg CMA Consumer Price Index by an average of 1.65% per year over the term of the Collective Agreement.

| | 2021 | 2022 | 2023 | 2024 | Average/year |
|---|---|---|---|---|---|
| **CUPE** | 1.70% | 1.00%<br>1.50% | 1.50%<br>1.50% | 1.50%<br>1.50% | 2.55% |
| **WPG CPI ^** | 3.2% | 7.8% | 3.6% | 2.2% | 4.2% |
| **+/- CPI** | -1.50 | -5.30% | -0.60% | +0.80% | -1.65% |

^Source: CPI Forecast from The Conference Board of Canada, Autumn 2022 Outlook. Projected Winnipeg CMA CPI annual average based on four years ending December 31, 2024.

Salary increases over the previous 50 month collective agreement increased by 4.5% (an average of 1.13% per annum). This was less than the average rise in the Winnipeg CMA Consumer Price Index by 0.6% over the four years ending December 31, 2020.

| | 2017 | 2018 | 2019 | 2020 | Average/year |
|---|---|---|---|---|---|
| **CUPE** | 1.50% | 1.50% | 1.50% | 0.00% | 1.13% |
| **WPG CPI** | 1.6% | 2.4% | 2.3% | 0.6% | 1.7% |
| **+/- CPI** | -0.10% | -0.90% | -0.80% | -0.60% | -0.60% |

The City has eight (8) collective agreements with its Unions. A tentative agreement for revision and renewal has been reached for the Canadian Union of Public Employees (CUPE). The Manitoba Government and General Employees' Union (MGEU) contract expired on February 28, 2021, and revisions are currently being negotiated. The contracts with Winnipeg Police Association (WPA) and Winnipeg Police Senior Officers' Association (WPSOA) expired on December 31, 2021, and revisions are currently being negotiated. Amalgamated Transit Union's (ATU) contract will expire on January 7, 2023. The Winnipeg Association of Public Service Officers' (WAPSO) and United Fire Fighters of Winnipeg (UFFW) contracts will expire on December 31, 2023. The Winnipeg Fire Paramedic Senior Officers' Association collective agreement will expire December 31, 2024.

| Union | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | Annual Avg.^ |
|---|---|---|---|---|---|---|---|---|---|---|
| **CUPE** | | 1.50% | 1.50% | 1.50% | 0.00% | 1.70% | 1.00%<br>1.50% | 1.50%<br>1.50% | 1.50%<br>1.50% | 2.55% |
| **MGEU** | | | 2.00% | 2.00% | 2.00% | 2.00% | | | | 2.00% |
| **WPA** | | 2.50% | 2.50% | 2.50% | 1.00%<br>1.50% | 1.00%<br>1.50% | | | | 2.50% |
| **WPSOA** | | 2.50% | 2.50% | 2.50% | 1.00%<br>1.50% | 1.00%<br>1.50% | | | | 2.50% |
| **ATU** | | | | | 1.25% | 2.00% | 1.75% | 2.00% | | 1.75% |
| **WAPSO** | | | | | 0.00% | 0.50% | 0.50%<br>1.00% | 0.75%<br>1.25% | | 1.00% |
| **UFFW** | | | | | | 2.0% | 1.9% | 2.0% | | 1.97% |
| **WFPSOA** | | | | | | | 2.00% | 2.00% | 1.90% | 1.97% |

^ Effective date of increases occur at some time in the year indicated. For CUPE, first general wage increase occurs at the beginning of the first year of contract. Annual average based on increases over four-year agreement ending February 28, 2025. For WFPSOA and UFFW, first general wage increase in contracts occurred at or after the end of first year of contracts. Annual average based on increases over approximate three+ year agreements ending December 31, 2024 (40 month agreement) and December 31, 2023 (36 month agreement) respectively. For MGEU, and ATU, first general wage increase in contracts occurred at or after the end of first year of contracts. Annual average based on increases over approximate four-year agreements ending February 28, 2021, and January 7, 2023, respectively. For WPA and WPSOA, first general wage increase occurred after the end of first year of contracts, and annual average based on increases over approximate five-year agreements ending December 31, 2021. For WAPSO, first general wage increase occurs in the middle of second year of contract. Annual average based on increases over four-year agreement ending December 31, 2023.

## FINANCIAL IMPACT

## Financial Impact Statement

**Date:** November 21, 2022

**Project Name:**

**First Year of Program** **2022**

Negotiations - City of Winnipeg and the Canadian Union of Public Employees, Local 500

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|---|
| **Capital** | | | | | |
| Capital Expenditures Required | $ - | $ - | $ - | $ - | $ - |
| Less: Existing Budgeted Costs | - | - | - | - | - |
| Additional Capital Budget Required | $ - | $ - | $ - | $ - | $ - |
| | | | | | |
| **Funding Sources:** | | | | | |
| Debt - Internal | $ - | $ - | $ - | $ - | $ - |
| 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 | $ 13,536,471 | $ 13,844,214 | $ 23,911,878 | $ 4,388,829 | $ - |
| Less: Incremental Revenue/Recovery | - | - | - | - | - |
| Net Cost/(Benefit) | $ 13,536,471 | $ 13,844,214 | $ 23,911,878 | $ 4,388,829 | $ - |
| Less: Existing Budget Amounts | 9,338,364 | 10,332,872 | 16,048,328 | 4,388,829 | - |
| Net Budget Adjustment Required | $ 4,198,107 | $ 3,511,342 | $ 7,863,550 | $ - | $ - |

**Additional Comments:**

1) Direct costs represents the cost increases associated with implementing the The Canadian Union of Public Employees, Local 500's (CUPE) collective agreement.

2) The above costs and budgets include the financial impact of the agreement for the City's CUPE and CUPE Exempt complement.

3) The above costs include the impact of an increase in evening and shift premiums for Manitoba General Employee Union (MGEU) Communications Operators in Fire Paramedic Services (WFPS) due to a supplementary agreement between the WFPS, CUPE and the Professional Paramedic Association of Winnipeg (now MGEU). General wage increases related to MGEU Communications Operators will be included in the report for this union once the agreement is finalized.

4) The total financial impact of all increases up to February 28, 2025 (prorated 59/365 days) is $55,681,392. The cost of this proposal from January 1, 2025 to December 31, 2025 is $27,160,500. Employees who are considered CUPE Exempt shall receive the CUPE general wage and all applicable benefit adjustments.

5) Existing budget represents the amounts adopted in 2021, 2022 and the Draft Submission for 2023 - 2025. The amounts reported in 2022 include both the 2022 Adopted Budget amounts and the 2021 year end accrual. The 2022 Budget has been reviewed and balanced by City Council; however, budget amounts for 2023 and forward are subject to change as the annual budget process and decision-making moves forward. 2024 and 2025 Budgets will be reviewed as part of the 2024 - 2027 Multi-Year Budget process.

*Jason Duke - November 21, 2022*

Jason Duke, CPA, CGA
A/ 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

OurWinnipeg 2045, Goal #1: Leadership and Good Governance

1.4 Integrated Knowledge and Resources
1.5 Evidence-Informed Decisions

OurWinnipeg 2045, Goal #3: Economic Prosperity

3.13 Poverty Reduction

## WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

## WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

N/A

## SUBMITTED BY

Department: Human Resource Services
Division: Labour Relations
Prepared by: A. Beach, Senior Manager of Labour Relations and Negotiation Services
Date: November 21, 2022
File No: N/A

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 The Canadian Union of Public Employees, Local 500 Collective Agreement, December 25, 2016 to February 28, 2021.