Minutes – Executive Policy Committee – July 13, 2023

REPORTS

Item No. 1 Negotiations – City of Winnipeg and The Winnipeg Police Senior Officers' Association

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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

1. That City Council approve and enter into the Memorandum of Agreement agreed to by the negotiating committees of the City and the Winnipeg Police Senior Officers' Association (WPSOA) and a subsequent collective agreement with WPSOA 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, Council approve that the 2023 and future years' operating budget be adjusted in accordance with the provisions in this collective agreement and this report, and the funding impact starting in 2024 be referred to the 2024 – 2027 Multi-year budget process.

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

DECISION MAKING HISTORY:

Moved by Councillor Browaty,

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

Carried

ADMINISTRATIVE REPORT

Title: Negotiations – City of Winnipeg and The Winnipeg Police Senior Officers' Association

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

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

EXECUTIVE SUMMARY

The Winnipeg Police Senior Officers' Association's (WPSOA) collective agreement expired on December 31, 2021. Notice to bargain was given by WPSOA on October 5, 2021. The parties agreed to defer negotiations until discussions with the Winnipeg Police Association (WPA) progressed. The parties met and commenced collective bargaining on May 24, 2023. A memorandum of agreement between the parties was signed on June 16, 2023, reflecting the terms of a 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 Winnipeg Police Senior Officers' Association (WPSOA) and a subsequent collective agreement with WPSOA 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, Council approve that the 2023 and future years' operating budget be adjusted in accordance with the provisions in this collective agreement and this report, and the funding impact starting in 2024 be referred to the 2024 – 2027 Multi-year budget process.

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

REASON FOR THE REPORT

The City of Winnipeg Charter, SM 2002, c 39 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 Winnipeg Police Senior Officers' Association includes changes involving significant terms, material and other costs as follows:

1. Term of Agreement – January 1, 2022 – December 31, 2025 (48 Months) (MOA Clause 2)

2. General Wage Increase (MOA Clause 3)

General Wage Adjustment	Date of Increase	Amount
1	July 3, 2022	1.25%
2	December 31, 2022	1.50%
3	July 16, 2023	1.15%
4	December 31, 2023	2.10%
5	July 14, 2024	1.15%
6	December 31, 2024	2.10%
7	July 13, 2025	1.15%
8	December 14, 2025	2.10%

3. Revisions to the Winnipeg Police Pension By-Law No. 126/2011 (MOA Clause 4 / Schedule A: Members of the Winnipeg Police Pension Plan Pension Contributions)

   a. Increase Winnipeg Police Pension Plan members' premium contributions as follows:
      - Effective February 11, 2024 – from 8 percent to 8.8 percent
      - Effective February 9, 2025 – from 8.8 percent to 9.6 percent

   b. Revise the early retirement pension reduction from 3.6 percent per annum to 4 percent per annum effective January 1, 2024.

   Increasing member contributions and revising the early retirement pension reduction are conditional on the Winnipeg Police Association (WPA) ratifying a MOA with these same pension amendments and subsequently, City Council approving corresponding amendments to the Winnipeg Police Pension By-law 126/2011.

   Pursuant to Section 7(7)(b) of the Winnipeg Police Pension By-law 126/2011, any amendment to the early retirement pension reduction approved by Council remains subject to review by a Board-appointed actuary at least every three years and shall be varied by the Winnipeg Police Pension Board, where recommended by the actuary, to ensure that early retirements are cost-neutral to the Plan.

4. Special Wage Adjustment – Inspector and Superintendent Classifications (MOA Clause 5 / Schedule A: Members of the Winnipeg Police Pension Plan Pension Contributions)

   Subject to the pension changes in Item 3 a. above taking effect, additional general wage increases will apply to the Inspector and Superintendent classifications as follows:

   Effective February 11, 2024 - 0.5 percent
   Effective February 9, 2025 - 0.5 percent

   For clarity, if the increases to Police Pension Plan member contributions are not implemented these special wage adjustments will not be applied.

5. Gender-Neutral Language (MOA Clause 6)

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

6. Civil Liability (MOA Appendix A Article IV-12)

   Collective agreement language updated to include civilian members of WPSOA under all the provisions for legal indemnification, as provided to Police members under the collective agreement, for civil actions or proceedings brought against the member that may arise out of the performance of their duties.

7. Health Recovery (Sick) Leave (MOA Appendix A Article IV-17)

   Sick leave cash-out provision amended increasing percentage of unused sick leave credits, above 600 hours, eligible for pay out from 25 percent to 50 percent of unused accrued credits. Only members of the Service hired before January 1, 1997 are entitled to sick leave cash-out. Maximum cash-out amounts remain the same.

8. Clothing Allowance (MOA Appendix A Article IV-18)

   A new annual clothing allowance for civilian members in a director position is introduced starting January 1, 2024. The allowance is $350 for 2024 and will be adjusted annually by the Consumer Price Index (Clothing and Footwear Manitoba).

9. Letters of Understandings (LOUs) (MOA LOUs)

   a. Equity, Diversity & Inclusion (New)

      The City and WPSOA commit to a workforce that is representative of the community it serves, and to building education and awareness to create a culture of inclusion and

valuing diversity. The City will consult with WPSOA as it continues to develop the City's Equity, Diversity and Inclusion Program.

b. Flex Benefits Program (New)

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. Any changes to benefits that would generate an increase in costs to the City would require City 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 a., 4, and 8, 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 MOA.

The total cost of the agreement over four years is estimated at $1.7 million. If the pension changes are not approved by any of the parties, removing costs related to the special wage adjustment for Inspector and Superintendent classifications, and pension savings for the City would increase the cost of the agreement over four years by an additional $19.7 thousand.

HISTORY/DISCUSSION

The current collective agreement between the parties expired on December 31, 2021. The parties agreed to defer negotiations until discussions with the Winnipeg Police Association (WPA) progressed. The parties then met and commenced collective bargaining on May 24, 2023 and a tentative Memorandum of Agreement (MOA) was signed on June 16, 2023.

The Consumer Price Index for Manitoba is projected to increase by 16.0% from 2022 to 2025 (over four years). The Winnipeg Police Senior Officers' Association's (WPSOA) MOA includes general wage increases over the four-year term that total 12.5 percent (an average of 3.13 percent per annum). This four-year average is below the Manitoba Consumer Price Index (MB CPI) by an average of 0.88 percent per year over the term of the Collective Agreement.

	2022	2023	2024	2025	Average/year
WPSOA ^	1.25% 1.50%	1.15% 2.10%	1.15% 2.10%	1.15% 2.10%	3.13%
MB CPI ^^	7.9%	3.5%	2.3%	2.3%	4.0%
+/- CPI	-5.15	-0.25%	+0.95%	+0.95%	-0.88%

^ Calculation does not include the two 0.5% additional wage increases to Inspector and Superintendent classifications offset by the two 0.8% Police Pension Plan member contribution increases. Including the two 0.5% additional wage increases, the increases over the four-year term totals 13.5% (an average of 3.38% per annum) for Inspector and Superintendent classifications; 0.62% below MB CPI over the term of the collective agreement.

^^ Source: CPI Forecast from Oxford Economics March 2023 forecast.
Projected Manitoba CPI annual average based on four years ending December 31, 2025.

Salary increases over the previous approximate 60-month collective agreement increased by 12.5 percent (an average of 2.5 percent per annum). This was more than the average rise in the Manitoba Consumer Price Index by 0.48 percent over the five years ending December 31, 2021.

	2017	2018	2019	2020	2021	Average/year
WPSOA	2.5%	2.5%	2.5%	1.0% 1.5%	1.0% 1.5%	2.5%
MB CPI	1.6%	2.5%	2.2%	0.5%	3.3%	2.02%
+/- CPI	+0.9%	0.0%	+0.3%	+2.0%	-0.8%	+0.48%

The City has eight collective agreements with its Unions. A tentative agreement for revision and renewal has been reached for the WPSOA. The Manitoba Government and General Employees' Union (MGEU) contract expired on February 28, 2021, and a tentative agreement has been reached but not yet ratified. The Winnipeg Police Association contract expired December 31, 2021, and a tentative agreement has been reached but not yet ratified. Amalgamated Transit Union's (ATU) contract expired on January 7, 2023, and revisions are currently being negotiated. 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 (WFPSOA) collective agreement will expire December 31, 2024. The Canadian Union of Public Employees (CUPE) collective agreement will expire February 28, 2025.

Union	2017	2018	2019	2020	2021	2022	2023	2024	2025	Annual Avg.^
WPSOA	2.50%	2.50%	2.50%	1.00% 1.50%	1.00% 1.50%	1.25% 1.50%	1.15% 2.10%	1.15% 2.10%	1.15% 2.10%	3.13%
MGEU		2.00%	2.00%	2.00%	2.00%					2.00%
WPA	2.50%	2.50%	2.50%	1.00% 1.50%	1.00% 1.50%					2.50%
ATU				1.25%	2.00%	1.75%	2.00%			1.75%
WAPSO				0.00%	0.50%	0.50% 1.00%	0.75% 1.25%			1.00%
UFFW					2.0%	1.9%	2.0%			1.97%
WFPSOA						2.00%	2.00%	1.90%		1.97%
CUPE					1.70%	1.00% 1.50%	1.50% 1.50%	1.50% 1.50%		2.55%

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

Revisions to Pension Plan

On November 21, 2019, Council adopted the recommendation of the Executive Policy Committee that the Winnipeg Police Pension By-law No. 126/2011 be amended. The WPA and WPSOA filed a policy grievance arguing that the City must negotiate or collectively bargain any changes to the Winnipeg Police Pension with the Associations. On March 27, 2020, the arbitrator ordered that the City must refrain from making modifications to the Pension Plan, except as negotiated by the parties. Therefore, the amendments to the Police Pension By-law adopted by Council on November 21, 2019 did not proceed.

During this round of collective bargaining the parties agreed to a change in the Plan member contribution rate, increasing member contributions by 1.6 percent from 8 to 9.6 percent over the life of the agreement. In 2023, the City's share of the cost of the Plan is 21.78 percent of pensionable earnings as opposed to member contributions of 8 percent of pensionable earnings. Based on 2023's pension service cost of 29.78 percent, over time this amendment reduces the City's share of pension contributions from 21.78 percent to 20.18 percent as the member contribution rate increases from 8 to 9.6 percent.

The agreement also includes amendment to Subsection 7 (7) (a)(i) of Schedule "A" of the Winnipeg Police Pension Plan By-Law No. 126/2011 to revise the early retirement pension reduction from 3.6 percent per annum to 4 percent per annum effective January 1, 2024. The

estimate of the effect of the change to the early retirement pension reduction factor is expected to reduce the current service cost of the Plan by less than 0.05 percent of pensionable earnings. The financial impact of the reduction in the early retirement reduction factor has not been included in this costing as the amount cannot be reasonably estimated. As noted above in this report, this change is subject to periodic review under Subsection 7 (7) (b) of the Plan for cost-neutrality. The impact of any change to the early retirement pension reduction factor is not likely material and cannot cause an increase in the cost of the Plan to the City.

The City cannot proceed to amend the Winnipeg Police Pension By-law unless identical changes are ratified by both WPSOA and WPA.

FINANCIAL IMPACT

Financial Impact Statement

Date: June 30, 2023

Project Name:

First Year of Program **2023**

Negotiations – City of Winnipeg and The Winnipeg Police Senior Officers' Association

	2023	2024	2025	2026	2027
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	$ 323,663	$ 549,696	$ 837,155	$ -	$ -
Less: Incremental Revenue/Recovery	-		-	-	-
Net Cost/(Benefit)	$ 323,663	$ 549,696	$ 837,155	$ -	$ -
Less: Existing Budget Amounts	323,663	548,729	813,832	-	-
Net Budget Adjustment Required	$ -	$ 967	$ 23,323	$ -	$ -

Additional Comments:

1. Direct costs represent the cost increases associated with implementing the Winnipeg Police Senior Officers' Association's collective agreement for the full City WPSOA and WPSOA Exempt complement.
2. The total financial impact of all increases from January 1, 2022 up to December 31, 2025 is $1,710,514.
3. The direct costs do not include the changes to the early retirement factor from 3.6% to 4.0% as the impact cannot be reasonably estimated.
4. 2023 Budget Available is from the 2023 adopted budget and the 2022 year-end accrual. Council has balanced and reviewed the 2023 budget as part of the multi-year balanced budget. 2024 - 2025 budgets have not yet been reviewed by Council. Budget amounts are subject to change as the annual budget process and decision-making moves forward.
5. The additional wage increase of 0.50% in February 11, 2024 and 0.50% in February 9, 2025 applied to the Inspector and Superintendent classifications is subject to approval of the pension changes by both Winnipeg Police Association and Winnipeg Police Senior Officers Association, and Council. If not approved by any of these parties, the costs related to these wage increases and the associated pension savings due to reductions in the City's contribution rate of 0.8% effective February 11, 2024 and another 0.8% effective February 9, 2025 will be removed from the above costing. All other clauses in the agreement would remain. This would increase costs in 2024 by $5,298 and $14,391 in 2025.
6. Savings related to the police pension plan changes have not been reviewed by the actuary for the Police Pension Plan and could therefore be subject to change.
7. Future net operating impacts are referred to the 2024 – 2027 budget process.

Lioubov Gavrilova-Crozier, June 30, 2023

Lioubov Gavrilova-Crozier, CPA, CA
A/Manager of Finance & Admin (Campus)

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

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (CAP), and it was determined that the CAP is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Human Resource Services
Division: Labour Relations
Prepared by: A. Beach, Senior Manager of Labour Relations and Negotiation Services
Date: June 30, 2023
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 Winnipeg Police Senior Officers' Association Collective Agreement, December 25, 2016 to December 31, 2021