ADMINISTRATIVE REPORT

Title: Negotiations – City of Winnipeg and The Winnipeg Police 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 Association's (WPA) collective agreement expired on December 31, 2021. Notice to bargain was given by WPA on October 14, 2021, after which the parties met and commenced collective bargaining. A memorandum of agreement between the parties was signed on June 2, 2023, reflecting the terms of a tentative agreement.

RECOMMENDATIONS

1. That Council approve and enter into the Memorandum of Agreement agreed to by the negotiating committees of the City and the Winnipeg Police Association (WPA) and a subsequent collective agreement with WPA 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 the 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 the funding impact starting in 2024 be referred to the 2024 Multi-year budget process.

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, 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 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 / Appendix A Supplementary Agreement Re: Police Members' Pension Contributions)

   a. Increase police members' premium contributions as follows:
      - Effective February 11, 2024 – from 8% to 8.8%
      - Effective February 9, 2025 – from 8.8% to 9.6%

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

   Increasing member contributions and revising the early retirement pension reduction are conditional on the Winnipeg Police Senior Officers' Association (WPSOA) ratifying an 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 – Police Component (MOA Clause 5 / Appendix A Supplementary Agreement Re: Police Members' Pension Contributions)

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

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

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

5. Special Wage Adjustment - Auxiliary Force Cadets (MOA Clause 6)

   Effective July 16, 2023, the Cadet salary scale will be amended as follows:

   - Current Step 1 rate will be eliminated
   - The current Step 2 will become the new Step 1 rate
   - The new Step 2 will be a $1.75 hourly increase from the New Step 1.

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

6. Gender-Neutral Language (MOA Clause 7)

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

7. New and Revised Salary Classifications (MOA Appendix A Article II-9)

   Language added to the collective agreement specifying a clear and orderly process for resolving disputes over new classifications and revised classifications occurring during the life of the agreement

8. Overlap Days (MOA Appendix A Appendix B-1)

   Amended language gives the Service greater ability to maintain the general patrol minimum complement on overlap days. This will reduce the backfilling of unexpected shortages in general patrol due to illness or unexpected absences, resulting in cost savings.

9. Auxiliary Force Cadets (MOA Appendix A Appendix D-12)

   Cadet duties expanded to include being dispatched to direct traffic and pedestrians at non-criminal motor vehicle collisions and staffing the secure reception area at Police Headquarters which frees up a police officer doing that duty. Expanded duties also include enforcing amended sections of provincial acts pertaining to specific alcohol, vaping and cannabis use offences.

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

    a. Enhanced Mental Health Support (New)

       Starting January 1, 2024, the City will contribute up to $200,000 per year to fund additional mental health supports for members of the Winnipeg Police Service. A joint City/Association committee will discuss and select such mental health support option.

This will help address concerns brought forward in the Winnipeg Police Service Mental Health & Workplace Culture Survey (2021) related to access to mental health services.

b. Entitlements During Leave of Absence without Pay (New)

A 2014 arbitration award interpreted provisions of the collective agreement to extend vacation and statutory leave benefits to members on unpaid sick leave and/or in receipt of long term disability benefits. Application of such benefits will now align with benefit provisions for other types of unpaid leave of absence. For the City this results in an administrative efficiency and an approximate annual savings of $400,000 starting in 2024.

c. Equity, Diversity & Inclusion (New)

The City and WPA 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. Should the WPA desire it, the City will consult with WPA as it continues to develop the City's Equity, Diversity and Inclusion Program.

d. 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.

e. General Patrol Staffing Requirement (New)
This LOU incorporates the Winnipeg Police Services' current assigned police complement to resource general patrol operations. The staffing composition balances City resource availability and staffing margins to provide for member time-off while maintaining a minimum deployment of 28 general patrol cruiser cars city-wide.

11. Supplementary Agreement Re: Clothing Point System
The Joint WPS and WPA Clothing and Equipment Committee are researching and analyzing improvements to clothing items issued which includes systemic changes to how clothing is issued. Language is added to the LOU to allow the City and WPA to make changes to the clothing point system during the life of the collective agreement, on a cost-neutral basis.

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, 5, and 10 a. and 10 b., 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. If the pension changes are not approved by any of the parties, removing costs related to the special wage adjustment for Police Component classifications, and pension savings for the City would increase the cost of the agreement over four years by an additional $1.1 million.

HISTORY/DISCUSSION

The current collective agreement between the parties expired on December 31, 2021. The parties commenced collective bargaining on November 30, 2021, and a tentative MOA was signed on June 2, 2023.

The Consumer Price Index for Manitoba is projected to increase by 16.0% from 2022 to 2025 (over four years). The WPA Memorandum of Agreement includes general wage increases over the four-year term that total 12.5% (an average of 3.13% per annum). This four-year average is below the Manitoba Consumer Price Index (MB CPI) by an average of 0.88% per year over the term of the Collective Agreement.

	2022	2023	2024	2025	Average/year
WPA ^	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 Police Component classifications offset by the two 0.8% police member pension 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 Police Component 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% (an average of 2.5% per annum). This was more than the average rise in the Manitoba Consumer Price Index by 0.48% over the five years ending December 31, 2021.

	2017	2018	2019	2020	2021	Average/year
WPA	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 (8) collective agreements with its Unions. A tentative agreement for revision and renewal has been reached for the Winnipeg Police Association. 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 contract with the Winnipeg Police Senior Officers' Association (WPSOA) expired on December 31, 2021, and revisions are currently being negotiated. 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 on December 31, 2024. The Canadian Union of Public Employees (CUPE) collective agreement will expire on February 28, 2025.

Union	2017	2018	2019	2020	2021	2022	2023	2024	2025	Annual Avg.^
WPA	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%
WPSOA	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 WPA, 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 WPSOA, 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% from 8% to 9.6% over the life of the agreement. In 2023, the City's share of the cost of the Plan is 21.78% of pensionable earnings as opposed to member contributions of 8% of pensionable earnings. Based on 2023's pension service cost of 29.78%, over time this amendment reduces the City's share of pension contributions from 21.78% to 20.18% as the member contribution rate increases from 8% to 9.6%.

The agreement also includes an 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% per annum to 4% 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% 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 WPA and WPSOA.

FINANCIAL IMPACT

Financial Impact Statement

Date: June 15, 2023

Project Name:

First Year of Program **2023**

Negotiations – City of Winnipeg and The Winnipeg Police 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	$ 10,622,831	$ 17,797,256	$ 27,325,159	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 10,622,831	$ 17,797,256	$ 27,325,159	$ -	$ -
Less: Existing Budget Amounts	10,622,831	17,797,256	26,329,140	-	-
Net Budget Adjustment Required	$ -	$ -	$ 996,019	$ -	$ -

Additional Comments:

1. Direct costs represent the cost increases associated with implementing the Winnipeg Police Association collective agreement.
2. The total financial impact of all increases from January 1, 2022 up to December 31, 2025 is $57,745,246.
3. The direct costs do not include the changes to the early retirement factor from 3.6% to 4.0% as the impact can not 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 Police Component 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 $328,799 and $799,806 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 2024 to 2027 budget process.

Lioubov Gavrilova-Crozier, June 15, 2023

Lioubov Gavrilova-Crozier, CPA, CA
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 15, 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 Association Collective Agreement, December 24, 2016 to December 31, 2021.