

Collective Bargaining – Tentative Agreements:

City of Toronto and TCEU Local 416

City of Toronto and CUPE Local 79

City Council Special Meeting

9:30am July 31, 2009

PUBLIC SESSION PRESENTATION

Joseph P. Pennachetti
City Manager

Bruce L. Anderson
Executive Director,
Human Resources

Jim Vair
Director,
Employee & Labour Relations

General Mandate: Bargaining Mission Statement

To negotiate new collective agreements that enable the City to provide quality services and programs in an efficient and effective manner, that are fair to our employees, and that are responsible and accountable to the residents of Toronto.

Key Bargaining Messages

Our Employees are Valued, Recognized and Respected

It is Important to Be Fair to Employees and Residents of Toronto

The City's Ability to Pay Must Be a Consideration

The Effectiveness and Efficiency of the Public Service is Paramount

We Manage Public Money and Assets Responsibly

We Value: Diversity, Creativity, Participation and Fairness

AG's Recommendations & Fiscal Review Panel's

- Auditor General's Recommendation/Audit Committee Approval (22/2/2008)

“The Director, Pension, Payroll and Employee Benefits, continue to review cost containment initiatives for the purpose of identifying potential cost reduction opportunities related to employee and retiree benefit costs. The review should include the use of drug dispensing fee caps as well as the potential for deductible and co-insurance provisions.”

- Mayor's Independent Fiscal Review Panel Report (22/2/2008)

“The City and its unions must restrain the growth of average compensation (including benefits) in future labour contract negotiations in line with the evolution of broad labour market averages and the City's fiscal health.”

...

“The fastest growing component of compensation has been benefit costs, reflecting challenges in funding pension plans and health insurance benefits. Finding creative ways to manage and control rising benefit costs and more cost-effective ways of delivering benefits will be an important priority for the City's human resource managers in coming years.”

Background on Benefits



1. The City of Toronto benefit plans are leading in comparison with the other benchmarked Public Sector Organizations.
2. The recommendation of the Auditor General and Audit Committee.
(February 22, 2008)
3. The Mayor's Independent Fiscal Review Panel (February 22, 2008).

GTA and ABCC Wage Settlements

GTA Settlements

City of Burlington (CUPE Local 44 Outside)

Settled: July 1, 2008

July 1, 2008 2.75%

July 1, 2009 2.5%

July 1, 2010 2.5%

Region of Durham (CUPE Local 1764 Inside)

Settled: April 30, 2008

April 1, 2008 3.25%

April 1, 2009 3.25%

April 1, 2010 3.25%

City of Mississauga (CUPE Local 966 Library Board)

Settled: December 9, 2008

January 1, 2008 3.0%

January 1, 2009 3.0%

January 1, 2010 3.0%

Region of Niagara (CUPE Local 1287)

Settled: January 13, 2009

January 1, 2008 3.0%

January 1, 2009 2.5%

January 1, 2010 2.5%

January 1, 2011 2.75%

Peel Region (OPSEU Local 277 Paramedic Services)

Settled: June 16, 2008

April 1, 2007 3.0%

April 1, 2008 3.0%

April 1, 2009 3.0%

GTA Wage Settlements

Ontario Colleges

(Support Staff – OPSEU) 7,000 Employees at 24 Ontario Colleges	1/9/2008	+3.0%	plus	1/12/2008	\$425* (lump sum)
	1/9/2009	+3.0%	plus	1/9/2009	\$425 (lump sum)
	1/9/2010	+3.0%	plus	1/9/2010	\$425 (lump sum)

*\$825 for 10yr. Employees

plus Family Day (New)

Settled: September 2008

University of Toronto

** 9.82% compounded 3 year increase

Technical and Support Staff	1/7/2008	+3.0%	plus	1/1/2009	+0.5%
(Steelworkers Union Local 1998)	1/7/2009	+3.0%	-	plus Child Care Benefit (1/1/2009) of	
3,500 Employees	1/7/2010	+3.0%		\$20/day/child to \$2,000pa child max.	

Settled: September 2008

Province of Ontario Settlements

OPSEU – Central/Unified/Corrections Agreements

Settled: March 7, 2009

January 1, 2009	1.75%	- plus new Step and Special Wage Rate Adjustments
January 1, 2010	2.00%	- +25% Shift Premium increase
January 1, 2011	2.00%	- +40% Call-in pay increase
January 1, 2012	2.00%	- +87.5% Meal Allowance increase - +19% Mileage Allowance increase
2009-2012	7.97%	- plus Family Day (previously provided) - plus other Benefit Improvements

- The compounded total annual general salary increases are 7.97% and do not include special wage rate adjustments equivalent of up to a total increase of 13.47%.
- The Corrections Agreement has a Corrections Attendance Support Program of 2% to 5% bonus paid for comparable reduction in annual absenteeism hours.

Federal Government Settlements

Public Service Alliance of Canada (PSAC) Agreements

Program/Admin (PA): Education (EB)/Library: Operations Services (LS): Border Services (BS)

June/August 2007	2.30%	- +PA&EB groups - \$4000 lump sum payment
June/August 2008	1.50%	equivalent to 7.5% and 6.0% respectively
June/August 2009	1.50%	
June/August 2010	1.50%	- + LS group National Pay Adjustment of 6.8%/yr
		- + BS group 19.5% compounded special increase
		- +25% Education Allowance increase
		- +50% Financial Counselling increase

Settled: November 24, 2008

Recent ABCC Settlements

Toronto Transit Commission (ATU Local 113)

April 1, 2008	3.0%	- plus Benefit Improvements
April 1, 2009	3.0%	- Family Day (previously provided)
April 1, 2010	3.0%	- Benefits do not exceed L416/L79 benefits

Arbitrated award: September 2008

Toronto Hydro (CUPE Local One)

April 1, 2009	3.0%	- plus Goal Sharing Agreement up to 2.5%/year
April 1, 2010	3.0%	linked to customer service/productivity
April 1, 2011	3.0%	- plus Benefit Improvements
April 1, 2012	3.0%	- plus Family Day
April 1, 2013	3.0%	- Benefits do not exceed L416/L79 benefits

Settled: December 2008

Recent ABCC Settlements

Toronto Police Services (TPA)

COMPOUNDED TOTALS

January 1, 2008	3.0%	July 1, 2008	0.3%			3.31%
January 1, 2009	2.0%	July 1, 2009	0.6%	December 1, 2009	0.845%	3.48%
January 1, 2010	2.0%	July 1, 2010	0.91%	December 1, 2010	0.25%	3.19%

- plus Benefit Improvements
- Post 65 Retiree Benefits (Health Spending Account)

Arbitrated Award: December 18, 2008

Recent ABCC Settlements

Toronto Parking Authority (TCEU Local 416) Settled: December 19, 2008

April 1, 2008	3.0%		
April 1, 2009	3.0%	- plus various Benefit Improvements - plus Family Day (new)	
April 1, 2010	3.0%		
April 1, 2011	3.0%		
April 1, 2012	3.25%		
		2009-2012	12.8%

Toronto Port Authority (TCEU Local 416) Settled: December 3, 2008

April 1, 2008	3.0%		
April 1, 2009	3.0%	- plus Benefit Improvements	
April 1, 2010	3.0%		
April 1, 2011	3.0%		
April 1, 2012	3.25%		
		2009-2012	12.8%

Recent ABCC Settlements

Toronto Community Housing Corporation (TCEU Local 416)

January 1, 2009 3.0%
 January 1, 2010 3.0%
 January 1, 2011 3.0%

- Benefit Improvements including:
 vision coverage to \$550/24 mos.
- Family Day (previously provided)
- plus Wellness/Health Day-2011+ (new)
- Afternoon/Night Shift Bonus \$1.50/hr
- Weekend Shift Bonus \$2.50/hr

	TPS		TCHC
	416	79	416
Vision	\$450	\$475	\$550
Family Day	No	No	Yes
Wellness Day	No	No	Yes
A-N Shift	\$.98	\$.98	\$1.50
W-Shift	\$1.96	\$1.96	\$2.50

Settled: March 17, 2009

**** TCHC Benefits now meet or exceed the benefits for L416/L79.**

Recent GTA

LCBO and OPSEU

January 1, 2009	1.75%	New step on wage grid for casuals (= + 6%)
January 1, 2010	2.00%	+80% in Acting Pay
January 1, 2011	2.00%	Various Benefit Improvements
January 1, 2012	2.00%	

LUMP SUM SIGNING BONUS: \$500

Note: Summary only, other specifics of agreement not provided.

Settled: June 24, 2009

General Mandate Summary

1. Benefits Cost Containment AND Transfer Employees from the Sick Leave Plan to new Short-Term Disability (STD) Plan
2. Improve Business & Administrative Flexibility to Effectively Deliver Services to the Public
3. Deliver on Difficult Wage Mandate



Mandate Approval Dates:

September 29, 2008

April 2 & 14, 2009

and July 8, 2009

Short Term Disability Plan

Employers who have previously switched from Sick Leave Plans to Short-Term Disability (STD) Plans:

York
Etobicoke

City of Vancouver

City of Edmonton

City of Ottawa

City of Mississauga

Region of York

East York

Region of Peel

City of Winnipeg

Province of Ontario

Region of Halton

City of Hamilton

Note 1: Many employers provided some form of a 'choice' option, frozen sick banks for top up or payout option of their Sick Leave Plans.

Note 2: An example: Former City of York eliminated its Sick Leave Plan (with Sick Bank) and provided employees with a choice of: new STD or remain in SLP. Employees who moved to new STD had a full payout.

Bargaining Activity

The City and Local 416 commenced bargaining on January 16, 2009, and concluded with 209 bargaining or mediation sessions.

The City and Local 79 commenced bargaining on February 9, 2009, and concluded with 127 bargaining or mediation sessions.

Summary of Tentative Agreements with

TCEU Local 416
CUPE Local 79

Tentative Agreements

General Wage Increase:	January 1, 2009	1.75%
	January 1, 2010	2.00%
	January 1, 2012	<u>2.25%</u>
		6.00%

L416: 5.72% Total Compensation Increase over 3-year term.

L79: 5.54% Total Compensation Increase over 3-year term.

Shift Premium:

January 1, 2009	Increase of two (2) cents/hour
January 1, 2010	Increase of two (2) cents/hour
January 1, 2011	Increase of three (3) cents/hour

Benefits Cost Containment

**No Extended Health Care or Dental Benefit
Enhancements Were Negotiated**

Illness or Injury Plan (Short Term Disability Plan)

1. **ALL new employees* effective the date of ratification shall be in the new Illness or Injury Plan (STD)**

Mandate - September 29, 2008 and April 2, 14, 2009: ELIMINATE the Sick Leave Plan for members of Local 79 and 416 who are hired after May 31, 2009. Negotiator approved flexibility utilized as bargaining continued past May 31, 2009.

2. **ALL employees from former municipalities who have been grandparented into STD/Sick Leave Plans shall transfer to the new Illness or Injury Plan effective January 1, 2010**

Mandate: To transfer employees to the new Illness and Injury Plan eliminating all the former municipalities STD/Sick Plans.

Illness or Injury Plan (Short Term Disability Plan)

3. Current Employees in the Sick Leave Plan provided choice:

(a) Elect to remain in current Sick Leave Plan.

Mandate – September 29, 2008, April 2 & 14, 2009: The grandparenting of current employees in the Sick Leave Plan.

or

(b) Elect to transfer to the Illness or Injury Plan effective January 1, 2010 and accept a Discounted Payout Formula based upon Service.

Mandate - April 2 & 14, 2009 and July 8, 2009: Employees provided with an option to elect a Discounted Payout Formula and transfer to the new Illness or Injury Plan.

Illness or Injury Plan (Short Term Disability Plan)

3. Current Employees provided choice:

or

(c) Elect to transfer to Illness or Injury Plan effective January 1, 2010 and have their sick banks frozen and not paid out until termination of employment (retirement, resignation, death)

Mandate – September 29, 2008, April 14, 2009 & July 8, 2009: Employees provided Illness or Injury Plan (STD) similar to non-union/management

Note: In addition, by providing a choice option to the unions, it enabled the City to ensure that the IIP (STD) plan was consistent with the non-union/management plan and allowed the City to maintain control over the plan's design.

Other Key Negotiated Items

- 1. Effective February 2010, Dental Recall Exam for Adults only changed from every six (6) months to every nine (9) months.**

Mandate – September 29, 2008, April 2 & 14, 2009 and July 8, 2009: The introduction of benefits cost containment to decrease the sharp incline of the cost of benefits with permanent savings

- 2. Effective February 2010, provide Family Day for employees.**

Mandate – September 29, 2008, April 2 & 14, 2009 and July 8, 2009: The provision of Family Day with cost offset to other negotiated bargaining items.

Note: Under the Local 79 Recreation Unit, the City was previously legally required to provide Family Day to these employees.

Financial Impact Summary

	416	79	Total
Wages and Benefits	(\$000s)	(\$000s)	(\$000s)
Projected actual incremental cost at 3% per year for three years (9%)	35,411	79,150	114,560
Projected actual incremental cost as bargained (5.6%)	23,373	52,243	75,616
Savings – wages and benefits – 3 years	12,038	26,907	38,945
Phase out of sick leave plan			
Projected 3 year savings on payout	1,500	2,000	3,500
Total 3 year savings	13,537	28,907	42,444
Estimated Sick Leave Liability Reduction over 5 years	44,700	96,100	140,700