

## Results of Collective Bargaining Negotiations with TCEU Local 416 – Summary of the Memorandum of Settlement, Part A

<b>Date:</b>	February 14, 2012
<b>To:</b>	City Council
<b>From:</b>	City Manager Executive Director, Human Resources

The City's bargaining team was successful in negotiating agreements on the following key matters:

### 1. Wage Settlement and Term Length

- The settlement provides for wage increases in 2nd, 3rd and the 4th year of a new 4 year (January 1, 2012 to December 31, 2015) collective agreement:
  - January 1, 2012      0.0%
  - January 1, 2013      0.5% Base Increase
  - January 1, 2014      1.75% Base Increase
  - January 1, 2015      2.25% Base Increase

In addition, there is a one-time non-base non-pensionable lump sum payment in 2013 of 1.5% (an average payment amount of \$1,082).

### 2. Active Benefit Plan (Article 16)

- Changes to the benefit provisions of the Benefits Plan are as follows:

#### Active Employee Benefits Plan Provision Changes

Benefit Type	Old Provision	New/Changes to Provision
Drugs	No Dispensing Fee Cap	Dispensing Fee Cap of \$9.00
Paramedical Coverage	No Requirement for a medical certificate to allow for services of massage therapist	Requirement for a medical certificate to allow for services of massage therapist
Orthopaedic Devices	One device every year	One device every 2 years for persons over 18 years of age (for persons 18 and under, the entitlement remains one device per person per benefit year)
Dental	Current Ontario Dental Association (ODA) Fee Guide	One year lag on Ontario Dental Association (ODA) Fee Guide

### 3. Post Retirement Liability Cost Avoidance (Article 17)

- City successfully negotiated a final resolution to a critical issue at Arbitration regarding the grandparented post-65 benefits for members of Local 416 who were employed by the former City of Toronto and former City of North York.
- This resolution ensured the City will not incur an increase in liability costs.
- The City has previously attempted to negotiate this resolution in previous rounds of collective bargaining, including 2002, 2005 and 2009.

### 4. Paramedics: Interest Arbitration and Part-time Paramedics (New Memorandum Item)

- Provided paramedics interest arbitration commencing with the next round of collective bargaining in exchange for the right to make changes to shift schedule and to introduce part-time paramedics (5:1 ratio).
- Changes to shift schedules and introduction of part-time employees will result in significant overtime savings (for example, end-of-shift, full shift, wash-up/lock up and meal break variance).
- City agreed to commit to keep 12-hour shifts for paramedics to December 30, 2015.

### 5. Running Lunch (Clause 9.04)

- City successfully negotiated the cessation of running lunch where the City, after review, determines that it is not operationally efficient. The City is required to give notice to the affected employees.
- Currently, 3800 Employees have running lunch. Of these approximately 3800 employees, 1270 have running lunch where a preliminary review has indicated there is no operational efficiency gain and the City should be able to end them.
- The City attempted, unsuccessfully, to negotiate this resolution in 2009 after an Arbitration award against the City in 2007.

### 6. Hours of Work (Article 9: Letter of Agreement)

- City successfully negotiated the deletion of a Letter of Agreement (Arbitration award) that had required the City to reach agreement with the Union in order to make any changes to shift schedules. The City can now introduce new or revised shift schedules that meet operational needs to ensure improved productivity and to meet changing business and service priorities. The City is required to give notice to the affected employees.
- The City has repeatedly attempted, unsuccessfully, to negotiate this resolution in the previous rounds of collective bargaining, including 2002, 2005 and 2009.

## 7. Temporary Job Postings for Permanent Employees (Article 19: Letter of Agreement)

- Amended Letter of Agreement to change that permanent employees are now eligible to apply for temporary positions of 20 weeks duration or longer; previously permanent employees could apply to temporary positions of 8 weeks duration or longer.
- The shorter 8 weeks duration created operational inefficiencies and it was difficult to back-fill an employee's permanent position for such a short duration.

## 8. Employment Security (Article 28: Letters of Agreement)

- Deleted Letter of Agreement (2005) providing protection to All permanent employees regarding contracting out
- Amended Letter of Agreement (1999) to reduce the employment security protection provisions regarding contracting out raising the threshold from 10 years of seniority or more to 15 years of seniority or more
- The change above from 0 year to 15 years seniority - provides that, as at December 31, 2011, approximately 68.5% of permanent employees continue to receive employment security (vs. 100%) regarding contracting out.
- This amendment reduces the number of employees being provided with employment security protection from 4,355 permanent employees to 2,984 permanent employees
- The City unsuccessfully attempted to negotiate this type of change in 2002

## 9. Employment Security and Redeployment (Article 28)

- Negotiated new redeployment process streamlining processes, introduced the mandatory utilization of vacancies, introduced a new quadrant system and eliminated a double bumping process in the collective agreement.
- Improvements to the redeployment process are projected to reduce the time to place an employee in a new position by 75% from an average of 320 days (old language) to place an employee to an estimated 80 days (revised/new language).

## 10. Layoff and Recall (Article 29)

- Improved layoff and recall processes combining the bumping from Article 28 and use of quadrants versus the previous process that provided employee's ability to choose to bump a more junior employee at the work location of his/her choice.
- Wage protection has been reduced from 30 months to 24 months (20% reduction) and from 60 months for employees who are within 5 years of retirement to 36 months (40% reduction) for those employees who are within 3 years of retirement.

#### 11. Absenteeism Management/Sick Plans (Article 14)

- The parties have agreed to a Memorandum to reduce absenteeism.
- The City will implement an amended Absenteeism Management Program in an effort to reduce absenteeism, increase productivity and customer service.
- The parties have agreed that if absenteeism is not reduced by January 1, 2014, the parties will meet to negotiate changes to the Sick Pay Plan and Illness or Injury Plan to address absenteeism; subsequently, if the parties fail to achieve a resolution, the matters will be referred to arbitration.

#### 12. Mileage Reimbursement (Clause 25.02)

- Changed the kilometrage reimbursement formula (5,000 kms threshold) to be in compliance with the Canada Revenue Agency (CRA) requirements and to implement City Council motion 2010/EL22.1

#### 13. Tool Allowance (Article 42)

- Negotiated the requirement for employees to provide receipts, thereby, improving accountability

#### 14. Vacation Scheduling (Clause 13.09)

- Negotiated a change in the scheduling date from November 1 to October 1 by which employees must request approval to postpone all or part of their vacation to the following calendar year
- This change will provide divisions with a greater ability to effectively manage the vacation schedules, to ensure its employees receive their vacation entitlements in the calendar year and reduce the need for carry over and/or vacation payouts at the end of the year
- The City has attempted, unsuccessfully, to negotiate a similar resolution in previous rounds of collective bargaining, including 2005 and 2009

#### 15. Lieu Time Payouts (Clause 8.01(c))

- Negotiated a change to limit the employees' ability to request a payout of their accumulated lieu time from anytime during the year, to a maximum of four (4) times per year (March, June, September and/or December).
- This will provide for administrative efficiencies for Pension, Payroll & Employee Benefits

## 16. Direct Deposit (Clause 7.05)

- Moved all remaining employees in TCEU Local 416 who currently receive a manual pay cheque to direct deposit (approximately 17 employees)
- Although this is not a significant cost savings, it will allow the Pension, Payroll & Employee Benefits Division to move forward with its employee self-service objective

## Conclusion

The negotiations between the City and TCEU Local 416 have been a challenging and difficult process for both parties.

The tentative agreement has achieved significant improvements in management rights, resulting in modernizing the collective agreement and allowing the City to deliver its services effectively and efficiently to the residents, taxpayers and businesses of Toronto while still being fair to its employees.

The City was able to achieve its goal of negotiating a Collective Agreement within the financial mandate provided by the City's Employee & Labour Relations Committee. The City was successful in either eliminating or amending many of the restrictive provisions of the existing collective agreement and to introduce cost containment provisions into the benefits plan.

The cumulative effect of the changes that the City negotiated in collective bargaining results in productivity efficiencies/savings for the City of \$20M to \$35M. In addition, the post-retirement benefits liability changes results in the elimination in future liabilities of \$54M.

Further disclosure of the costs and savings contained in the TCEU Local 416 cannot be made at this time until the ratification and approval the CUPE Local 79 collective agreements that are currently being negotiated at the City of Toronto.

## Summary Key Highlights: Toronto Civic Employees' Union, Local 416

<b>Term:</b>	January 1, 2012 to December 31, 2015
<b>Wages:</b>	0% (2012), 0.5% base (2013), 1.75% base (2014), 2.25% base (2015)
<b>Wage:</b>	Lump Sum (one-time): 1.5% (2013); non-pensionable, pro-rated based on regular hours worked in 2012
<b>Benefits:</b>	<ul style="list-style-type: none"> <li>• \$9 Drug Dispensing Fee Cap (new)</li> <li>• Physicians' Medical Certificate now required for Message Therapist (none was required)</li> <li>• Orthopaedic Device every two years for those eligible over 18 yrs old (was one every year)</li> <li>• Dental Fee Guide - One Year Lag (was current ODA)</li> </ul>
<b>Benefits:</b>	Resolution of arbitration regarding post-65 retiree benefits liability. Union agrees to the City's view on effective date of November 20, 2001. Potential liability was \$54M
<b>Paramedics:</b>	Paramedics get interest arbitration commencing the 'next' round of bargaining City can hire 1 part-time paramedic for every 5 full-time paramedics City agrees to 12-hour shifts only for full-time paramedics until December 30, 2015
<b>Running Lunch:</b>	will exist only when operationally efficient as determined by City (was majority employees vote at workplace location)
<b>Hours of Work: Shift Schedules</b>	– union agreement no longer required to change shift schedules, (previously required union agreement to change shift schedules)
<b>Temp Postings for Perms:</b>	Permanent employees can apply to temporary positions of 20 weeks duration or longer (was temporary positions of 8 weeks of longer)
<b>Employment Security</b>	for Contracting Out: 15 years of seniority or more (was protection for all permanent employees )
<b>Redeployment:</b>	approximately 75% more efficient with the improved process, mandatory use of vacancies
<b>Layoff and Recall:</b>	one bumping process (was two), use of quadrants, reduction in wage protection to 24 months (was 36) and reduction in wage protection for employees who retire to 36 months (was 5 years)
<b>Absenteeism:</b>	MOA, City will implement its amended Absenteeism Management Program, immediately. If, following introduction of Program, rate of absenteeism is not low enough by January 1, 2014, parties agree to negotiate new terms in Collective Agreement or, failing reaching agreement, parties go to arbitration
<b>Mileage Reimbursement Claim:</b>	now CRA compliant re: 5,000 kms step down for reimbursement rate
<b>Tool Allowance:</b>	receipts now required (none was required)
<b>Lieu Time Payout:</b>	4 times a year (was when employee requested it)
<b>Vacation Scheduling:</b>	Year's end vacation scheduling for employee to notify Division Head now October 1 (was November 1)

*\*The purpose of this document is to provide a brief highlight of the settlement and is not intended to be all inclusive or to provide all the specific details. Such specific information is contained within the Memorandum of Settlement document.*