



STAFF REPORT ACTION REQUIRED

Results of the Interest Arbitration Process with CUPE Local 79 Long Term Care Homes & Services Part Time Unit

Date:	August 28, 2013
To:	City Council
From:	City Manager Executive Director of Human Resources
Wards:	All
Reference Number:	

SUMMARY

The purpose of this report is to provide Council with the results of the interest arbitration award issued by the Board of Arbitration on August 1, 2013, regarding the collective agreement with CUPE Local 79 Long Term Care Homes & Services (LTCHS) Part Time Unit. The City and CUPE Local 79 were not able to reach agreement during 2012 negotiations; therefore, the parties were required to submit their outstanding negotiation issues to a Board of Arbitration.

The results of the Interest Arbitration Award and the other issues that were successfully negotiated between the parties will establish a new collective agreement for the period January 1, 2012, to December 31, 2015. The results of the award maintain consistent terms and conditions of employment across all three part-time collective agreements with CUPE Local 79 (Part Time B; Recreation Workers and LTCHS Units), including the same wages increases and benefit cost containment changes.

RECOMMENDATIONS

The City Manager recommends that:

1. City Council authorize staff to make the necessary adjustments to the 2013 Non-Program Expenditure Budget and the Operating Budget of Long-Term Care Homes and Services Division to reflect provisions as detailed in this report.

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2. City Council direct the transfer of \$1.027 million gross and net from the Tax Rate Stabilization Reserve which includes savings realized from the 2012 Collective Agreements with TCEU/CUPE Local 416 and CUPE Local 79 to fund the 2013 1.50% one-time non-base non-pensionable lump sum payment.

Financial Impact

Arbitration Results: CUPE Local 79 Long Term Care Homes & Services Part-Time Unit

Wages

Wages	Cost (Gross)	
4.5% base pay increases over four years		
0.0% Base Pay (January 1, 2012)		
0.5% Base Pay (January 1, 2013)	2012	\$0
1.75% Base Pay (January 1, 2014)	2013	\$342,417
2.25% Base Pay (January 1, 2015)	2014	\$944,752
	2015	\$1,237,506
Total Base Cost	Base	\$2,524,675

Wages	Cost (Gross)	
1.5% Lump Sum payment (January 1, 2013)	2013	\$1,027,196

Active Benefit Plan & Post Retirement Benefits

Objectives	Bargaining Result
Reduce Active Benefit Costs and minimize rise in inflation over the term of the contract: 2010 health & dental costs are \$69,200,000 (for all Local 79 members).	Achieved changes to Benefit Plan provisions resulting in an estimated savings of \$0.6M.

Management Rights with estimated Financial Impacts:

Objectives	Bargaining/Arbitration Result
Union Leaves: Reduce the number of City paid union leaves (Effective October 2, 2013)	Negotiated changes that reduce the number of City paid union leaves for three (3) part-time Union Representatives – which includes a representative from the LTCHS Part-Time Unit. Actual cost savings for this Unit are estimated to be \$22,400 per year (\$44,800 for 2014 and 2015) based on 2012 wages.

<p>Conversion of Hours: Definition of "Paid Hours" and "Hours Paid" (Effective October 2, 2013)</p>	<p>Change to the definition of "paid hours" and "hours paid" such that only regular hours and not overtime hours give rise to benefit coverage, consistent with the full time agreement.</p> <p>This change will affect the employee's accumulation of seniority hours and their eligibility to enrol into the benefits plan.</p> <p>This was also negotiated in Part Time Unit B and the Part Time Recreation Workers Collective Agreements.</p>
<p>Contracting Out: Letters of Intent</p>	<p>Deleted Letter of Intent (2005) - Contracting Out, Employment Security and Continuous Improvement. Deleted Letter of Intent – Contracting In Review (This was redundant language that never applied to this unit.)</p> <p>These changes were also negotiated in Part time Unit B and the Part time Recreation Workers Units.</p>
<p>Absenteeism/Sick Plans Amend sick leave provisions to reduce the rate of absenteeism (Effective August 7, 2013)</p>	<p>Amended the sick pay and illness plans to include occurrences as follows:</p> <ul style="list-style-type: none"> • 1st, 2nd and 3rd occurrence – payment from the first (1st) day of absence • 4th and subsequent occurrences – payment from the second (2nd) day of absence <p>Any employee who is hospitalized as an inpatient will be paid from the first day of absence and this would not be counted as an occurrence.</p> <p>Assuming an absenteeism pattern that is similar to pattern for all Local 79 members in 2011, the City will achieve an estimated savings of: \$7.3 million annually or \$21.9 million over the term of the three Local 79 contracts where there are sick pay provisions (i.e., Full-time, Part Time Unit B and Part Time, LTCH&S).</p>

The 1.5% one-time non-base non-pensionable lump sum payment of \$1.027 million will be funded from the Tax Rate Stabilization Reserve which includes savings realized from the 2012 Collective Agreements with TCEU/CUPE Local 416 and CUPE Local 79.

Sufficient funds have been budgeted in the Non-Program Expenditure Budget to account for the 0.5% base wage increase in 2013 and the benefits provided in this final award.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial information.

DECISION HISTORY

The Employee & Labour Relations (ELR) Committee approved the City's mandate for collective bargaining on September 16, 2011. A subsequent update was provided on January 5, 2012.

ISSUE BACKGROUND

The four Collective Agreements between the City and CUPE Local 79 (Full-Time Unit; Part Time Unit B Unit; Recreation Workers Unit; and Long Term Care Homes & Services Part-Time Unit) expired on December 31, 2011. The City and CUPE Local 79 commenced bargaining on December 9, 2011.

On March 25, 2012, the City provided CUPE Local 79 with Final Offers to settle the four CUPE Local 79 collective agreements. The Union proposed taking the Final Offers to their membership, without endorsement, for their respective membership ratification votes. The members of the Full-Time Unit and Part-Time Unit B ratified their agreements on March 28, 2012. The members of the Recreation Workers Unit failed to ratify their agreement on March 28, 2012; however, after subsequent minor negotiation adjustments the members ratified their agreement on April 3, 2012. City Council approved these three collective agreements at its meetings of April 2, 2012 and April 10, 11, 2012. The decision documents are found at the following links.

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilDecisionDocumentReport&meetingId=6348>

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.CC22.2#>

The Long Term Care Homes & Services Part-Time Unit failed to ratify the City's final offer on March 28, 2012. The members whose terms and conditions of employment are covered by the collective agreement for the CUPE Local 79 Long Term Care Homes & Services Part-Time Unit fall under the *Hospital Labour Disputes Arbitration Act*, R.S.O. 1990, c.H.14, as amended. The *HLDA Act* prohibits strikes or a lockout; therefore, the outstanding matters in dispute were referred to a Board of Arbitration.

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COMMENTS

Arbitrator William Kaplan was appointed by the parties to chair the Board of Arbitration.

The parties exchanged information regarding outstanding issues commencing June 11, 2012. It was the City's position that the only matters in dispute for the Board of Arbitration to determine were proposals in the City's final offer of March 25, 2012, that were specific to the terms and conditions of employment in the Long Term Care Homes & Services Part-Time Unit; that issues in common with the four collective agreements, known as "flow through" issues (i.e. common/same issues) had already been agreed to by the parties during the collective bargaining process. Initially, CUPE Local 79 did not agree with this position and sought to expand the number of issues in dispute for the Board of Arbitration to make a determination. Subsequently, the parties were able to resolve this matter and only twenty (20) outstanding residual issues in dispute were referred to interest arbitration.

The parties required one (1) day of arbitration which was held on July 19, 2013. The Arbitration Board issued its award on August 1, 2013.

The Arbitration Award for the Long Term Care Homes & Services Part-Time Unit collective agreement maintains consistency, including same wage increases and benefit cost containment changes, with the other CUPE Local 79 Unit collective agreements.

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SIGNATURE

Bruce L. Anderson
Executive Director of Human Resources

Joseph P. Pennachetti
City Manager

ATTACHMENT

Appendix A Interest Arbitration Award, City of Toronto (Part-time Long Term)

Staff report for action on Results of the Interest Arbitration with CUPE Local 79 Long Term Care Homes & Services Part Time Unit

Care Homes & Services and CUPE, Local 79