

Attachment 3 – Confidential Information

**Summary of the Memorandum of Settlement
Canadian Union of Public Employees Local 2998 and the City of Toronto**

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Results of Collective Bargaining Negotiations with CUPE Local 2998 – Summary of the Memorandum of Settlement

Date:	November 7, 2016
To:	City Council
From:	City Manager Director, Employee and Labour Relations

ISSUE BACKGROUND

The Collective Agreement between the City and CUPE Local 2998 expired on December 31, 2015.

The City's bargaining mandate was approved by the Employee & Labour Relations Committee on October 9, 2015. The City's goal in collective bargaining for the AOCC's was based on key mandates from collective bargaining with CUPE Local 79 and TCEU Local 416. Specifically on efficiency, responsibility and fiscal sustainability, as reflected in the provisions of the collective agreement. The specific proposals related to the AOCC's were approved on June 18, 2016.

The City commenced bargaining with the CUPE Local 2998 on June 20, 2016.

During the bargaining period, the City and Local 2998 had a total of 9 bargaining sessions. A tentative agreement was reached between the parties on September 23, 2016. The Memorandum of Settlement was signed on September 23, 2016.

CUPE Local 2998 ratified the Memorandum of Settlement on October 18, 2016.

FINANCIAL IMPLICATIONS AND IMPACT STATEMENT

The Deputy City Manager & Chief Financial Officer has reviewed this report and concurs with the information identified in the financial implications and impact statement section.

PART A - Bargaining Results: Canadian Union of Public Employees, Local 2998 Bargaining Results: Canadian Union of Public Employees, Local 2998

Wages (in millions)

Wages	Core Admin Costs (100% City Funded)		Program Costs (Not City Funded)		Total	
5% base pay negotiated increases over four years						
0.75% Base Pay (January 1, 2016)	2016	\$29,193	2016	\$58,739	2016	\$87,932
0.50% Base Pay (July 1, 2016)						
0.75% Base Pay (January 1, 2017)	2017	\$29,551	2017	\$59,449	2017	\$89,000
0.50% Base Pay (July 1, 2017)						
0.75% Base Pay (January 1, 2018)	2018	\$29,914	2018	\$60,205	2018	\$90,119
0.50% Base Pay (July 1, 2018)						
0.75% Base Pay (January 1, 2019)	2019	\$30,352	2019	\$61,294	2019	\$91,646
0.50% Base Pay (July 1, 2019)						
5.00%						
Total Base Cost	Base	\$119,010	Base	\$239,686	Base	\$358,696

Wages	Core Admin Costs (100% City Funded)		Program Costs (Not City Funded)		Total	
0.25% Lump Sum payment (January 1, 2019)	Lump Sum	\$6,196	Lump Sum	\$12,736	Lump Sum	\$18,931

The City provides funding for Core administration costs only with the Boards of Community Centres responsible for funding Program costs.

Active Benefit Plan & Absenteeism Management

Objective	Bargaining Result
Active Benefit Costs (Health & Dental) - to contain and minimize the rise in costs over the term of the contract: 2015 health & dental costs were \$556,672.	Achieved changes to Benefit Plan provisions resulting in an estimated 2.5% reduction in 2016 and additional incremental savings in 2017, 2018 and 2019 for a total savings of \$14,188: Savings Orthotics, every 2 years - \$7,685 Mandatory Generic - \$6,503
Absenteeism – amend the Long Term Disability Plans to facilitate improved attendance and enhance productivity and efficiency. The current annual costs are \$252,600.	Amended the Long Term Disability Plan to provide income level at 70% (from the current 75%) for all new LTD claims approved after ratification: - Savings of \$ 26,600
Total Benefit and LTD Savings	Total Savings – \$40,788 (5.04% decrease of current costs)

Wages & Benefits

Over the four-year term, changes to the collective agreement negotiated through collective bargaining with Local 2998 will result in overall incremental base wage costs totalling \$0.359 million gross.

In addition, there will be a one-time non-base lump sum payment in 2019 of \$0.019 million gross.

The 2016 Council Approved Operating Budget includes wages and benefits provisions for City-funded CUPE Local 2998 employees. Staff will make the necessary adjustments to the 2016 Non-Program Expenditure Budgets and Operating Budgets of the Community Centres to reflect the provisions of the Memorandum of Settlement.

PART B – Management Rights and Business Operations Improvement

In addition to the above, the changes and improvements to various terms and conditions of employment provisions of the CUPE, Local 2998 collective agreement will enhance the City's (AOCC's) ability to effectively manage its operations and the services that it provides to the public on an ongoing basis in every year, going forward. Such changes and improvements will have a favourable long-term financial impact on the City (AOCC'S) and its services and should lead to improved customer service delivery.