



## REPORT FOR ACTION

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

**Date:** May 10, 2018

**To:** City Council

**From:** Interim City Manager and Executive Director, Human Resources

**Wards:** All

## SUMMARY

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The purpose of this report is to provide Council with the results of the City's interest arbitration award issued by the Board of Arbitration on February 15, 2018, and subsequently finalized by the parties on April 12, 2018, 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 the 2016 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, 2016, to December 31, 2019. The results of the award maintain consistent terms and conditions of employment across all three part-time collective agreements with CUPE Local 79 (Unit B Part-Time; Recreation Workers Part-Time and LTCHS Units), including the same wage increases and benefit cost containment changes.

## RECOMMENDATIONS

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The Interim City Manager recommends that:

1. City Council approve an increase to the 2018 approved Operating Budget for Long-Term Care Homes & Services of \$2.212 million to fund the cumulative cost of COLA provisions arising from the Final Interest Arbitration Award for the period 2016 to 2018, to be funded from a transfer from the 2018 approved Non-Program Expenditure Budget.

## FINANCIAL IMPACT

The financial impacts arising from this Final Interest Arbitration Award are set out below:

Table 1: **Wages (in \$millions)**

Year	Effective Date	Wage Increase	Incremental Cost (Gross & Net)
2016	January 1	0.75% Base Pay	\$0.778
	July 1	0.50% Base Pay	
2017	January 1	0.75% Base Pay	\$0.710
	July 1	0.50% Base Pay	
2018	January 1	0.75% Base Pay	\$0.724
	July 1	0.50% Base Pay	
2019	January 1	0.75% Base Pay	\$0.728
	July 1	0.50% Base Pay	
<b>Total Incremental Base Cost (2016 – 2019)</b>			<b>\$2.939</b>

Note: 5.0% base pay increase over four years

Wages	Cost (Gross & Net)
0.25% Lump Sum payment January 1, 2019	\$0.184

### Wages

The overall wage costs represent a gross 5% increase to base salaries over four (4) years.

Over the four-year term, the changes awarded will result in overall incremental base wage costs totalling \$2.939 million gross and net.

The Non-Program has the budget provision of \$2.212 million to cover the funding for 2018 COLA payments for Long-Term Care Homes & Services Division. An accrual for 2016 and 2017 has been made in Non-Program account in the amount of \$2.266 million to cover the retroactive payments as a result of the Final Interest Arbitration Award.

The Long-Term Care Homes & Services staff will review the arbitration results to determine the financial costs and savings from these results for 2019. Any additional funding required to uphold this award will be included in the Long-Term Care Homes & Services 2019 Operating Budget submission.

## Benefits and Other Items (in \$millions)

**Table 2 Active Benefit Plan & Absenteeism Management**

Active Benefit Costs (Health & Dental) - to contain and minimize the rise in costs over the term of the contract: 2015 health & dental costs were \$61.0 million (for all Local 79 members)	<p>Achieved changes to Benefit Plan provisions resulting in an estimated 4.5% reduction in 2016 and additional incremental savings in 2017, 2018 and 2019 for a total savings of \$3.09 million:</p> <p>Savings*</p> <p>Orthotics, every 2 years - \$2.41 million (approximately \$0.23 million for LTCH&amp;S PT)</p> <p>Mandatory Generic - \$0.68 million (approximately \$0.07 million for LTCH&amp;S PT) (for all Local 79 members)</p>
Absenteeism – amend the Sick Plans (Illness or Injury Plan) to facilitate improved attendance and enhance productivity and efficiency.	<p>Amended the Illness or Injury Plan, as of January 1, 2017, to provide sick pay per calendar year at a rate of: 20 days @ 100%; and 110 days @ 75%; with up to 15 days carryover (usage of 2 to 1) from one year to the next year</p> <p>Savings* of \$1.12 million (for all Local 79 members)</p>
Absenteeism – amend the Long Term Disability Plans to facilitate improved attendance and enhance productivity and efficiency.	<p>Amended the Long Term Disability Plan to provide income level at 70% (from the current 75%) for all new LTD claims approved after ratification:</p> <p>Savings* of \$ 1.72 million (for all Local 79 members)</p>
Total Benefit, Sick & LTD Savings	<p>Total Savings* - \$5.93 million (5.0% decrease of current costs) for all Local 79 members</p> <p>Approximately \$25.0 million in long term actuarial LTD liability savings (for all Local 79 members).</p>

\*Benefits Savings - for all Local 79 Bargaining Units (Full-Time, Unit B Part-Time, Recreation Workers Part-Time, & LTCH&S Part-Time) for the term of the Collective Agreement (January 1, 2016 to December 31, 2019)

**Table 3 Management Rights with Financial Impacts**

Scheduling Pilot – Agreement of the parties to discuss alternative scheduling processes/practices for part-time employees	Reduce precarious/unpredictability of scheduled work and improve scheduling of part-time staff that meets operational needs
Part-Time Schedules to be posted two (2) weeks in advance	Improve communication of pre-scheduled work and improve scheduling of part-time staff that meets operational needs
Reasonable effort to respond to vacation requests within three weeks' of submission	Improved communication of approved vacation requests.
Union Leaves – reduce the number of City Paid Union Leaves.  In the Full-time, Unit B - Part-time and Recreation Workers – Part- time, and LTCHS Part-time Collective Agreements	Reduce City paid Union Negotiating Committee from 28 to 24 members resulting in approximately \$142,000 of cost savings Full-Time Office (President) no longer accrue sick leave while on full-time union leave resulting in approximately \$ 13,200.00 of cost savings  Savings of \$0.16 million (For all Local 79 members).
Paid Vacation – In the Full-time collective agreement	Amended language to reduce costs associated with double payment of vacation when a formerly part time employee moves to the full-time bargaining unit.  Savings of \$0.9 million (For all Local 79 members)

The Interim Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## DECISION HISTORY

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The Employee & Labour Relations Committee approved a mandate for collective bargaining with CUPE Local 79 on October 9, 2015.

## COMMENTS

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The four Collective Agreements between the City and CUPE, Local 79 (Full-time Unit; Unit B Part-Time Unit; Recreation Workers Part-Time Unit; and Long-Term Care Homes & Services Part-Time Unit) expired on December 31, 2015.

The City commenced bargaining with Local 79 on October 23, 2015.

Conciliation with Local 79 was requested on January 13, 2016 and commenced on January 21, 2016, with the appointment of a Conciliation Officer.

On January 29, 2016, Local 79 requested a No Board Report from the Ontario Minister of Labour in order to put a focus on the City's interest in negotiating an agreement.

A No Board Report was issued on February 3, 2016, and the Ministry of Labour set a strike or lockout deadline for 12:01 a.m. on Saturday, February 20, 2016.

During the bargaining period, the City and the Local 79 had a total of 35 bargaining sessions including continuous bargaining over a 21-hour period of time from March 2nd to March 3rd, 2016. Tentative agreements for the Local 79 Full-Time, Unit B Part-Time, and Recreation Workers Part-Time Unit were agreed to by the parties on March 2, 2016. The Memoranda of Settlements were signed on March 3, 2016. City Council ratified the three collective agreements on March 10, 2016. The decision documents are found at the following links:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.CC16.1>

The parties were unable to achieve a freely negotiated collective agreement for the Long-Term Care Homes & Services Part-Time Unit. 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, (HLDA) R.S.O. 1990, cH14, as amended. The HLDA Act prohibits strikes or a lockout; therefore, the outstanding matters in dispute were referred to a Board of Arbitration.

### **Interest Arbitration**

Arbitrator Jasbir Parmar was appointed by the parties to chair the Board of Arbitration.

The parties exchanged information regarding outstanding issues commencing January, 2017.

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 2, 2016, 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 eleven (11) outstanding residual issues in dispute were referred to interest arbitration.

The parties required one (1) day of arbitration which was held on January 31, 2018. The Arbitration Board issued its award on February 15, 2018. The award included the requirement for the parties to meet within 60 days to discuss the employer's proposal for a memoranda to discuss a scheduling pilot project. This discussion occurred on April

12, 2018 and resulted in the parties agreeing to a memorandum to discuss a pilot project for exploring regular part-time scheduling.

### **Additional Items Awarded**

This decision awarded three (3) items, two proposed by CUPE Local 79 related to posting of schedules and confirmation of vacation requests, and one (1) proposed by the City to explore alternate scheduling.

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.

### **CONTACT**

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### **SIGNATURE**

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Giuliana Carbone  
Interim City Manager

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Kerry Pond  
Executive Director, Human Resources

### **ATTACHMENTS**

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Attachment 1: Interest Arbitration Award between the City of Toronto and CUPE Local 79 Long-Term Care Homes & Services Part-time Unit date February 15, 2018 (including the Memorandum - Pilot Project to Explore Regular Part-Time Scheduling, dated April 12, 2018)

Attachment 2: Final Offer to Local 79 dated March 2, 2016 and Long-Term Care Homes & Services Part-time Unit Agreed Items