

February 3, 2012

To: City Councillors

From: Joseph P. Pennachetti
City Manager

Copy to: Mayor Rob Ford
Deputy Mayor Doug Holyday, Chair, Employee & Labour Relations Committee

Re: **Collective Bargaining Update Regarding TCEU Local 416 (CUPE)**

We are committed to negotiating a new collective agreement with the Union.

However, Local 416's continuing position is simply untenable and misaligned with the current and future requirements of the City of Toronto and the cost-effective delivery of services to the public.

Late on Thursday, February 2, 2012, the City of Toronto tabled a comprehensive proposal to Local 416 at the bargaining table that we believe is fair and reasonable for employees and the residents and businesses of Toronto.

The proposed changes would include new or modified terms and conditions of employment and will also include wage improvements over the next four years and new or modified terms for the employees' benefit plan. Such wage adjustments will be:

- **1.25%** Lump Sum Payment - January 1, 2012 (to be paid March 15, 2012);
- **1.50%** Lump Sum Payment - January 1, 2013;
- **1.75%** Lump Sum Payment - January 1, 2014; and
- **1.75%** Base Wage Increase effective January 1, 2015.

The highlights of the City's proposals follow in the chart below.

HIGHLIGHTS SUMMARY OF PROPOSALS & IMPLEMENTATION	
Proposal	Effective Date
Wages	
<p>Wages: *lump sums upon employee's base salary and pro-rated based on previous calendar year's regular hours worked *lump sums non-pensionable, union dues payable</p>	<p>Jan 1, 2012 LS Payment 1.25%* (to be paid March 15, 2012) Jan 1, 2013 LS Payment 1.5% Jan 1, 2014 LS Payment 1.75% Jan 1, 2015 Base Increase 1.75%</p>
Workplace Practices and Terms	
<p>Hours of Work: *Management has the right to schedule shifts as required (deleted need for union's agreement re: Shift Schedules)</p>	February 5, 2012
<p>Running Lunch: Continue to be permitted only where operationally efficient (was employees can vote to have it)</p>	February 5, 2012
Employment Security and Redeployment	
<p>Employment Security: Delete Letter of Agreement protecting <u>ALL</u> Permanent Employees when work is contracted out (LOA from 2005)</p>	February 5, 2012
<p>Employment Security: Change Letter of Agreement protecting Permanent Employees with 22 Years of Seniority (previous LOA was 10 Years of Seniority)</p>	February 5, 2012
<p>Redeployment, Layoff & Employment Security (Art 28) *Old article deleted, New article introduced ● 30 calendar days notice when layoff/job reduction (was 3 mos.) ● Employees receive 14 days notice (was 2 mos.) ● 4 Quadrants for vacancies (was employee's location choice and also bumping of any employee junior in same or lower classification) ● Delete union disallowing vacancies use (was union could deny city using vacancies) ● Wage Protection 18 months (was 30 months or 60 months for employees within 5 years of retirement)</p>	February 5, 2012
<p>Layoff and Recall (Art 29) *Old article deleted, New article introduced ● 4 Quadrants junior employee in the same classification then same wage rate, then lower paid (was bump junior in any classification up or down city-wide) ● Employee must stay in same classification for bumping if there is a more junior person ● Wage Protection 18 months (was 30 months or 60 months for employees within 5 years of retirement)</p>	February 5, 2012
Sick Plans	
<p>(a) Sick Pay Plan, or (b) Illness or Injury Plan *2011 Employee Average Absentee Rate: 13.4 days Eligibility for pay based on occurrences as follows: 1st Occurrence: Pay from 1st day of Absence 2nd and 3rd Occurrence: Pay from 2nd day of Absence 4th and Subsequent Occurrences: Pay from 3rd day of Absence</p>	January 1, 2013
Benefits: Cost Containment Provisions	

95% Employer paid cost of Drugs, subject to an out-of-pocket max of \$500 for single and \$1,000 for family per benefit year (was 100% Employer paid)	March 1, 2012
Drugs Dispensing Fee Cap of \$9.00 (was no cap)	March 1, 2012
Eyeglasses \$400 per person in 24 consecutive month period (was \$450)	March 1, 2012
Laser Eye Surgery \$800 per person limit 48 months (was \$900)	March 1, 2012
One (1) pair of orthopaedic devices per person every two (2) benefit years [off-the-shelf allowed with modifications only] (was one(1) pair per benefit year)	March 1, 2012
Dental Plan – One Year Lag on Fee Guide (was Current Year)	March 1, 2012
Health Care Spending Account (HCSA) for retirees up to age 65 of \$3,000 for single and \$4,000 for family plus Group Life Insurance (was same as active employees)	January 1, 2013
Senior Qualified Job Competition changes <ul style="list-style-type: none"> Deemed qualified for job if same duties performed of the position for 4 months continuously in a year (was 4 mos. within 2 years) 	February 5, 2012
Collective Agreement Administration	
Leave of Absence for Union Business (up to 8 Unit Chairs) 50%/50% co-pay (was 100% Employer Pay)	February 8, 2012
OTHER ISSUES AGREED TO: TO BE IMPLEMENTED BY CITY	
Temporary Job Postings – Perms can only apply for temp jobs of 20 weeks duration or longer (was 8 weeks duration)	February 5, 2012
Vacation Savings Pay	February 5, 2012
Mileage Allowance	February 5, 2012
Tool Allowance	February 5, 2012
OTHER IMPLEMENTATION ISSUES	
Stop collection of union dues (except paramedics/LTCH ee's)	February 5, 2012
Revised Grievance Procedure, No Policy Grievances	February 5, 2012
No Arbitration Procedure	February 5, 2012
OTHER KEY ISSUES	
Conditional upon acceptance of the City's offer: City proposed Memorandum of Agreement on <u>Paramedics</u> to provide for "interest arbitration" in next round of negotiations. City's proposal included creating a separate collective agreement, represented by Local 416, and the hiring of part-time Paramedics.	

We strongly believe that our proposed new or modified terms and conditions are fair and reasonable and that they will continue to provide our employees with leading wages, benefits and terms and conditions of employment comparable to any other leading large private or broader public sector employer.

Although everyone prefers a negotiated settlement, we need to continue to move forward if we are unable to reach a new collective agreement with Local 416 that meets the mandate approved by the Employee & Labour Relations Committee. We have been bargaining since October with no settlement in sight.

Given the lack of a settlement and the distance between the parties, I have concluded, in consultation with the City's Executive Director of Human Resources, my Senior Management Team, the City Solicitor's Office, and our external legal counsel, that it would be inappropriate to

delay the necessary changes to the collective agreement if we are unable to negotiate a new agreement. To be clear, the *Labour Relations Act, 1995* provides the City of Toronto with the ability to implement new terms of employment once the negotiations have broken down and after the 17-day No Board period has expired. Based on those consultations, I have decided, if we do not reach a new agreement by the deadline, that it would be appropriate and necessary to exercise this option.

The City, in tabling its proposals has told Local 416 that ***if the parties fail to reach a negotiated settlement by 12:01am Sunday, February 5, 2012***, it will be implementing changes that include new or modified terms and conditions of employment for employees represented by Local 416 beginning February 5, 2012, *except* for employees who work in the Long-Term Care Homes & Services Division and employees who are Paramedics who work in Toronto Emergency Medical Services. Both of these groups of employees are covered by special legislation.

Paramedics

The City of Toronto will not be implementing new or modified terms and conditions of employment, nor implement a wage adjustment to employees represented by TCEU Local 416 who work as Paramedics in Toronto Emergency Medical Services division. There are approximately 850 such paramedics in TEMS who are covered by the *Ambulance Services Collective Bargaining Act*. An employer is not able to make changes to terms and conditions of employment for employees covered by an Essential Ambulance Services Agreement (EASA) that would include new or modified terms and conditions of employment. Such an EASA was determined by the Ontario Labour Relations Board on January 12, 2012.

Long-Term Care Homes and Services' Employees

The City of Toronto will not be implementing new or modified terms and conditions of employment nor implement a wage adjustment to employees represented by TCEU Local 416 who are employed in the Long-Term Care Homes and Services (LTCHS) division. There are 34 employees, represented by Local 416, in LTCHS who are covered by the *Hospital Labour Disputes Arbitration Act*. Such employees are not able to strike, and the employer is neither permitted to lock out nor make changes to or introduce new terms and conditions of employment. Any such matters between the parties must be negotiated or, failing agreement, disputes must be decided by arbitration.

The changed terms and conditions shall be phased in with different effective implementation dates depending on the specific term.

Most importantly, we remain ready to meet with Local 416 to finalize the terms of a new collective agreement based on our offer. TCEU Local 416's Executive has been provided these terms and conditions at the bargaining table and have been notified of our intention to implement them.

Local 416 has not called for a strike vote. A strike cannot occur until after that happens. Without a strike all employees represented by Local 416 are required to continue to work.

Staff will continue to update the City's Employee and Labour Relations Committee on developments regarding bargaining as required.

Please note that negotiations with CUPE Local 79 are unaffected and negotiations are continuing.

This information is also available at: www.toronto.ca/bargaining

(signed)

Joseph P. Pennachetti
City Manager

c: Deputy City Managers
Division Heads
Accountability Officers
Executive Director, Human Resources