

Subject: IAFF Local 2494 Collective Bargaining**APPROVALS:****Annette Antoniak**_____
Director_____
Chief Administrative Officer**Recommended Motion:**

THAT the Collective Agreement with International Association of Fire Fighters (IAFF) Local 2494 for a four (4) year term from January 1, 2017 – December 31, 2020 be approved.

Summary:

The current Collective Agreement with the International Association of Fire Fighters (IAFF) Local 2494 expired on December 31, 2016 and remains in effect until a new agreement is ratified. Bargaining commenced on October 5, 2017. Under the Alberta Labour Relations Act, both parties had a duty to bargain in good faith for a new agreement upon expiry of the current agreement.

Background:

The Collective agreement between RMWB and IAFF Local 2494 expired on December 31, 2016. For the period of January 1, 2014 - December 31, 2016 the agreed to wage increase was 10.57% (3.02%-3%-4.55%) over the course of 36 months.

The bargaining committee met with the union 12 times since the beginning of bargaining.

Our last meeting dates with the union were November 16 & 20, 2018.

The parties reached a tentative agreement during the November 16, 2018 meeting. A Memorandum of Settlement for the parties to take forward for ratification was finalized, agreed to and signed on November 20, 2018.

Current Status:

- The Municipality and IAFF Local 2494 tentative agreement includes proposed increases to wages and benefits.
- Wage increase as per the table below for the IAFF are proposed as follows:

2.00% January 1, 2017,
2.25% January 1, 2018,
1.25% January 1, 2019,
1.00% July 1, 2019,
1.25% January 1, 2020, and
1.25%, July 1, 2020.

- Employer cost share from 60%/40% Employer/Employee paid to 70%/30% Employer/ Employee paid effective January 1, 2019 and are outlined in the table below.
- Increased Employer match of employee contributions to RRSP program as per the table below from 1.85% to 2.25% effective January 1, 2019 and then to 2.50% effective January 1, 2020.
- A one percent (1%) increase in wages equates to \$307,600 increase in labour costs.
- A 0.1% increase in RRSP contributions equates to a \$26,566 increase in labour costs.
- Adjusting the cost share for Extended Healthcare to a 70/30 split represents a \$53,856 increase in labour costs.
- The wage increase for the proposed Collective Agreement is nine percent (9%) over four years. This is substantially lower than the 2014 agreement which provided 10.57% over three (3) years. The contract has also been back loaded to offer additional year over year cost containment.
- The Municipality's current proposed settlement provides contract stability with the IAFF Local 2494 until January 1, 2021.

| Wage Increase | 2017 | 2018 | 2019 January 1 | 2019 July 1 | 2020 January 1 | 2020 July 1 | Total |
|------------------|-----------|-----------|----------------|-------------|----------------|-------------|-------------|
| Increase | 2% | 2.25% | 1.25% | 1.00% | 1.25% | 1.25% | 9% |
| Approximate Cost | \$615,200 | \$692,100 | \$384,500 | \$307,600 | \$384,500 | \$384,500 | \$2,768,400 |

*Total increased cost, effective July 1, 2020

| Benefit Increase | Current Extended Health Benefit Cost Share | Extended Health Benefit Cost Share January 1 2019 |
|------------------------|--|---|
| Percentage Split | 60% Employer Paid/40% Employee Paid | 70% Employer Paid/30% Employee Paid |
| Employer Cost per year | \$323,134 | \$376,990 |

* Increased cost for the employer of \$53,856 per year

| RRSP Increases | Current RRSP Contribution | RRSP Contribution Effective January 1, 2019 | RRSP Contribution Effective January 1, 2020 |
|----------------|---------------------------|---|---|
| Percentage | 1.85 | 2.25 | 2.5 |
| Increased Cost | N/A | \$92,981 | \$159,396 |

* Increased cost for the employer for \$159,396 effective January 2020.

| Paramedic Premium | Current Premium | Premium Effective January 1 2019 |
|-------------------|-----------------|----------------------------------|
| Percentage | 6% | 7% |
| Increased Cost | N/A | \$27,082 |

Benefits increases and RRSP increases represent an additional 0.78% wage increase. Total increase for the contract as a percentage of wages is 9.78% over four (4) years. This equates to an increase in annual costs of \$3,008,734 by July 1st, 2020.

Alternatives:

Council could choose to reject the IAFF Local 2494 offer, which was accepted by the RMWB’s bargaining team as a tentative agreement and direct the negotiating team to go back to the bargaining table with a revised mandate. However, the recommendation of the RMWB bargaining team is to accept the terms of the proposed collective agreement.

Budget/Financial Implications:

- A one percent (1%) increase in wages equates to \$307,600 increase in labour costs.

- A 0.1% increase in RRSP contributions equates to a \$26,566 increase in labour costs.
- Adjusting the cost share for Extended Healthcare to a 70/30 split represents a \$53,856 increase in labour costs.
- The wage increase for the proposed Collective Agreement is nine percent (9%) over four years. This is substantially lower than the 2014 agreement which provided 10.57% over three (3) years. The contract has also been back loaded to offer additional year over year cost containment.

Rationale for Recommendation:

The Collective Agreement is within the mandate approved by Council. Acceptance of the tentative agreement will continue to foster positive labour relations.

Strategic Priorities:

Responsible Government