

# Confidential Attachment - made public on July 5, 2024

## Attachment 1 - Confidential Information

### TTC and Lodge 235 – Collective Agreement Ratification

Date: April 11, 2024

#### Reason for Confidential Information

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This report is about labour relations or employee negotiations.

#### Confidential Recommendations

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It is recommended that the TTC Board:

1. Ratify the tentative collective between the TTC and Lodge 235, International Association of Machinists and Aerospace Workers (Lodge 235).

#### Confidential Information or advice

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This confidential attachment provides details regarding a tentative collective bargaining agreement between the TTC and Lodge 235.

#### Negotiations

The parties commenced negotiations on March 21, 2022 and met at the negotiating table over the course of fourteen (14) days between March and August 2022. In August, it was determined by Lodge 235 that the parties were at impasse, and Lodge 235 filed for conciliation. At conciliation, the parties were unable to reach a collective agreement, and a No Board Report was issued by the Ministry of Labour on January 17, 2023.

Following the No Board Report, and pursuant to the *Toronto Transit Commission Labour Disputes Resolution Act, 2011* (“the Act”), the TTC and Lodge 235 were proceeding to interest arbitration to resolve the collective agreement. Interest arbitration was scheduled for June 29, 2023.

On May 8, 2023, the Ontario Superior Court of Justice rendered a decision that determined that the Act was unconstitutional, and that the Act was to be struck down with immediate effect. As interest arbitration was no longer mandated under the Act, the TTC and Lodge 235 agreed to resume bargaining.

The TTC bargaining team’s efforts were focused on streamlining the proposals, in an attempt to reach a renewal collective agreement with a four (4) year term, to bring stability to labour relations.

Despite the initial differences between the parties and having been at impasse, the TTC and Lodge 235 were able to reach a tentative collective agreement on March 18, 2024.

## Agreement Highlights

**Term and Wages** – The parties agreed to a four-year term, commencing on April 1, 2022 and expiring on March 31, 2026.

Wage increases are within mandate, representing 12.75% over the 4-year term of the collective agreement, as follows:

April 1, 2022 – 3.75%

April 1, 2023 – 3.00%

April 1, 2024 – 3.00%

April 1, 2025 – 3.00%

**Benefits** – the tentative agreement proposes the following amendments to the healthcare plan, as per the approved mandate:

- Increase from \$500.00 to \$550.00 every two (2) years for vision care.
- Increase from \$1,500.00 to \$2,000.00 for psychological services every calendar year, subject to reasonable and customary limits.
- Restructuring of hearing aids benefit from \$1,000.00 annually to \$3,000.00 every three (3) years.
- Chiropractic will be added to the available Paramedical Services.
- Long-Term Disability (LTD) benefits month cap will increase from \$2,550.00 to \$2,800.00 effective April 1, 2022. Effective January 1, 2024, the LTD benefit monthly cap will increase to \$3,050.00.

**Skilled Trade Allowance** – increased from \$1.00 to \$1.25 for each regular hour paid for employees who hold a trade license issued by the Province of Ontario.

**Wage Adjustment** – An adjustment of \$0.45 per hour to the wage grid, in recognition that employees of Lodge 235 perform work similar to employees represented by the Amalgamated Transit Union, Local 113 (“ATU, Local 113”), but earn less than their ATU, Local 113 counterparts.

**Bereavement Leave** – increase from four (4) working days to five (5) working days for the death of an employee’s spouse, parents, children, step-parents or step-children.

### Ratification:

This agreement has not yet been ratified by Lodge 235. The ratification vote is expected to take place sometime next week.

## Financial Summary

The cumulative costs of this collective agreement are summarized in Table 1 below:

**Table 1: Lodge 235 Total Cost of Contract (April 1, 2022 to March 31, 2026)**

Item	April-Dec 2022	Jan-Dec 2023	Jan-Dec 2024	Jan-Dec 2025	Jan-Mar 2026	Total April 2022- Mar 2026
Wages	97,240	209,290	419,480	551,800	146,235	1,424,045
Premiums and Other Entitlements	-	-	14,800	19,700	4,925	39,425
Benefits	-	-	3,400	3,400	825	7,625
<b>Total Cumulative Impact</b>	<b>97,240</b>	<b>209,290</b>	<b>437,680</b>	<b>574,900</b>	<b>151,985</b>	<b>1,471,095</b>
<b>Breakdown of Cumulative Impact:</b>						
Operating cost	86,251	185,639	388,220	509,950	134,795	1,032,965
Capital cost	10,989	23,651	49,460	64,950	17,190	131,600
<b>Accrual Total</b>	<b>97,240</b>	<b>209,290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>306,530</b>
<b>Total Cumulative Impact</b>	<b>97,240</b>	<b>209,290</b>	<b>437,680</b>	<b>574,900</b>	<b>151,985</b>	<b>1,471,095</b>

The incremental costs of this collective agreement are summarized in Table 2 below:

**Table 2: Lodge 235 Total Incremental Impact (April 1, 2022 to March 31, 2026)**

Item	April-Dec 2022	Jan-Dec 2023	Jan-Dec 2024	2024 Budget Impact	Jan-Dec 2025	Jan-Mar 2026	Total April 2022- Mar 2026
Operating cost	86,251	99,388	202,581	<b>388,220</b>	121,730	7,308	517,258
Capital cost	10,989	12,662	25,809	<b>49,460</b>	15,490	952	65,902
<b>Total Incremental Impact and 2024 Budget Impact</b>	<b>97,240</b>	<b>112,050</b>	<b>228,390</b>	<b>437,680</b>	<b>137,220</b>	<b>8,260</b>	<b>583,160</b>

### Operating Budget Impact

Increases for 2022 wages totalling \$97,240 and 2023 wages totalling \$209,290 were accrued as part of the 2022 and 2023 year-end financial results.

The 2024 operating impact is \$388,220 which represents the 2024 increase for the compounding effect of wage increases from 2022; an increase in the skill trade premium rate of \$0.25 and a \$0.45 increase in the 2022 base rate for wage groups 7 to 12.

The operating funding required in 2024 will be addressed through a provision set aside in the City's Non-Program Budget for wage increases on all expired collective bargaining agreements. Lodge 235 is the second of six bargaining units to reach an agreement in 2024.

### **Capital Budget Impact**

The capital cost of this agreement for 2024 of \$49,460 will be absorbed in the 2024 Capital Budget and will be accounted for in the 2025-2034 Capital Budget and Plan submission.

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

### **Next Steps**

Following ratification from the Board and Lodge 235, the TTC will implement the changes flowing from the tentative collective agreement.