

Confidential Attachment - made public on July 5, 2024

Attachment 1 - Confidential Information

TTC and CUPE, Local 5089 – Collective Agreement Ratification

Date: January 25, 2024

Reason for Confidential Information

This report is about labour relations or employee negotiations.

Confidential Recommendations

It is recommended that the Board:

1. Approve the tentative collective agreement between the TTC and Canadian Union of Public Employees (CUPE), Local 5089 as set out in this confidential attachment and ratify the tentative collective agreement.

Confidential Information or advice

This confidential attachment provides details regarding a tentative collective bargaining agreement between the TTC and CUPE, Local 5089.

Negotiations:

The parties commenced negotiations on March 24, 2022 and met at the negotiating table over the course of five (5) days between April and June 2022. In June, it was determined by CUPE, Local 5089 that the parties were at impasse, and CUPE, Local 5089 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 July 7, 2022.

Following the No Board Report, and pursuant to the *Toronto Transit Commission Labour Disputes Resolution Act, 2011* (“the Act”), the TTC and CUPE, Local 5089 were proceeding to interest arbitration to resolve the collective agreement. Interest arbitration was scheduled for January 31, 2024.

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 CUPE, Local 5089 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 CUPE, Local 5089 were able to reach a tentative collective agreement on December 21, 2023.

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 the approved 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:

- Addition of Mandatory Generic Substitution for prescription drugs. Brand name drugs will be replaced with their least expensive generic equivalent.
- Increase from \$450.00 to \$500.00 every two (2) years for eye-glasses and eye exams.
- Increase from \$1,000.00 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) calendar years.
- Restructuring of Chiropractor, Physiotherapist, Athletic Therapist, and Registered Massage Therapist benefits to one combined benefit, with a \$1,500.00 per calendar year cap, subject to reasonable and customary limits.
- Increase in boot voucher allowance for eligible employees to \$200.00.
- Long-Term Disability (LTD) benefits month cap to increase from \$2,550.00 to \$2,950.00 effective January 1, 2024. Effective January 1, 2025, the LTD benefit monthly cap will increase to \$3,150.00.

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

Ratification:

On January 4, 2024 the CUPE, Local 5089 membership ratified the tentative agreement, with a reported vote 93 per cent in support of the proposed terms.

Financial Summary

Combined, the cost of this collective agreement is approximately \$8.88 million as outlined in the following table.

Table 1: CUPE Local 5089 Total Cost of Contract (April 1, 2022 to March 31, 2026)

In millions	April 1 - Dec 2022	Jan-Dec 2023	Jan-Dec 2024	Jan-Dec 2025	Jan-Mar 2026	Total April 2022- Mar 2026
Wages	0.52	1.23	2.59	3.51	0.94	8.79
Other Entitlements & Benefits	-	-	0.04	0.04	0.01	0.09
Total cost	0.52	1.23	2.63	3.55	0.95	8.88

Increases for 2022 wages totalling \$0.52 million and 2023 wages totalling \$1.23 million were accrued as part of the 2022 and 2023 year-end financial results.

The 2024 operating budget impact is \$2.63 million which represents the compounding effect of wages. The operating funding requirement will be addressed through a provision set aside for wage increase on all expired collective bargaining agreements. CUPE Local 5089 is the first of six bargaining units expected to reach a tentative collective agreement in 2024.

The cost of the compounding wage effect for 2024 is higher than anticipated. The requirement for additional funding is being monitored and will be re-evaluated pending the outcome of other outstanding bargaining settlements.

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

Next Steps:

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