

Confidential Attachment - made public on July 5, 2024

Attachment 1 - Confidential Information

TTC and ATU, Local 113 – Collective Agreement Ratification

Date: June 20, 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 Amalgamated Transit Union, Local 113 (“ATU, Local 113”) 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 ATU, Local 113.

Negotiations:

The parties commenced negotiations on February 7, 2024 and met at the negotiating table over the course of 55 days between February and June 2024.

On April 18, 2024, the ATU, Local 113 filed for conciliation with the Ministry of Labour. The ATU, Local 113 held a strike vote on April 26 and 27, 2024, and received 98 per cent support for a strike. The meeting with the Conciliation Officer occurred on May 15, 2024. At the request of ATU, Local 113, a No Board Report was issued on May 21, 2024, with the earliest date of a strike being June 7, 2024.

After the No Board Report was issued, the TTC and ATU, Local 113, continued negotiations. On May 23, 2024, the ATU, Local 113 announced a strike deadline of midnight on June 7, 2024.

The TTC and ATU, Local 113 reached a framework of settlement on June 6, 2024, and averted the strike before the midnight deadline. A memorandum of settlement for the renewal collective agreement was signed in the early morning of June 7, 2024.

Agreement Highlights

Term and Wages – The parties agreed to a three-year term, commencing on April 1, 2024, and expiring on March 31, 2027.

Wage increases are 13.04% over the three-year term of the collective agreement, broken down as follows:

April 1, 2024 – 4.79%

April 1, 2025 – 4.25%

April 1, 2026 – 4.00%

Benefits – the tentative agreement includes the following amendments to the healthcare plan:

- Reduction in frequency of dental recall examinations from every six months to every nine months.
- Removed the requirement to provide a sick note for the first five sick days in a calendar year.
- Vision care entitlements to be combined into a single benefit for greater utilization, totaling \$600.00.
- New Cognitive Behavioural Therapy program rooted in Indigenous traditions added to the Employee Family and Assistance Program, and commitment made to discuss unique benefit initiatives for Indigenous employees through the life of the new collective agreement.
- Refinement of processes for eligibility for sick pay while traveling, and for multiple absences relating to the same ailment.
- Improvements to the benefits for retired employees:
 - Increased vision benefit by \$75, from \$375 to \$450;
 - Restructured hearing aid benefit to provide for \$3000 every three years instead of \$1000 annually; and,
 - Increased per visit cap for paramedical benefits to \$50. The caps previously varied depending on the benefit, but were generally lower than \$10.

Other Compensation Increases – the tentative agreement proposes the following compensation and premium increases for employees:

- Shift premium increase from \$0.75 to \$1.00 an hour over the term of the contract, for all shifts starting between 1:00 p.m. and 1:00 a.m.

- Skilled trade allowance increase of \$0.50 to \$1.75 per hour.
- Upgraded classification of Customer Service Agents to higher wage rate from a wage grade 5 to wage grade 7.
- Increase in allowance for Transportation employees for missed meal breaks by \$150 over the life of the collective agreement. The allowance was previously approximately \$1200 annually. It had previously only increased in line with the across-the-board wage adjustments, but had fallen behind inflation and comparator organizations.
- Implementation of paid travel time regardless of duration for Operators. Previously, Operators were only entitled to be paid their regular rate of pay for travel time longer than 19 minutes.
- Increase to clothing allowance for Maintenance employees by \$25 to \$325.
- Increase to boot allowance for Maintenance employees of \$25 or \$50 depending on the classification.

Modernization

- The Collector position to be eliminated and replaced with the Customer Service Agent (“CSA”) across subway stations in 2024. The antiquated Collector work rules are eliminated and replaced with the CSA work rules. CSAs will now be able to validate fares. This finally resolves litigation between the parties that had been ongoing for eight years.
- The introduction of an “Operator Pool” of up to 130 positions. Newly hired operators will begin as CSAs, and as staffing needs dictate, will be pulled and trained to be operators. This new model of hiring operators is intended to be more responsive and flexible to fluctuating staffing needs while increasing staffing presence in stations and providing coverage across secondary entrances.
- Efficiencies in Operator sign-up and the elimination of two board periods, one in 2025 and the second in 2026, will reduce administrative and overhead costs associated with board period sign-ups.
- Elimination of the seven remaining Combine Operator positions. These positions were first introduced in 1961, and the TTC has been required to keep a minimum complement as a result of a 1992 arbitration award. These positions did not meet modern business requirements, and had significant costs associated with maintaining the complement.
- Elimination of the requirement to print paper pay stubs from the collective agreement.

- Elimination of all dry cleaning entitlements, in recognition of the fact that the availability of dry cleaning services is significantly diminished in the market and with the view to moving to machine washable uniforms. The entitlement was replaced with a \$200 allowance.

Job Security and Contracting Out

- Renewed commitment not to contract out of bus, streetcar, or subway Operators for the life of the collective agreement.
- Introduction of a commitment not to sub-contract out the work of Operators on the LRT.
- A guaranteed level of 422 positions and a commitment the TTC will not reduce the number of Wheel-Trans Operators for the life of the collective agreement. Agreement to mediate the arbitration award relating to the Wheel-Trans modal split.
- Agreement to implement cross-boundary service integration on four routes, with the ability to reallocate service from those routes across the TTC.
- Various commitments relating to joint discussions related to job security, upskilling and training employees, and a renewed commitment to not lay any employee off as a result of the roll out of enterprise software for time, attendance, and scheduling.
- The work of pre-service streetcar cleaning, currently performed by TBM Service Group, will be brought back in house and performed by ATU, Local 113 employees effective January 2025. This will result in an increase of 42 positions, and the TTC committed to keep this work in house for the life of the collective agreement. The work will be performed by classifications at the wage group 2 level, whereas the work had previously been done by classification at the wage group 5 level when the work was last done by TTC employees.
- The electrical work on escalators, currently performed by the contractor CEE Elevator Service LTD., will be brought back in house and performed by ATU, Local 113 employees commencing January 2025. Employees will be trained on the new job requirements, and receive an hourly rate increase as a result of the additional job duties. The work will be performed at a lower cost compared to contracted rates.

Ratification:

ATU, Local 113's ratification vote is scheduled for June 18, 2024.

Financial Summary

The tentative collective agreement with ATU, Local 113 will have incremental costs of \$176.33 million, excluding the financial impact of Wheel-Trans Modal Split, over the 3-year term of the contract, as summarized in Table 1 below:

Table 1: ATU, Local 113 Total Incremental Impact (April 1, 2024 to March 31, 2027)

Item in millions	2024	2025	2026	2027	Total
Wages	43.28	54.66	52.89	13.16	163.99
Benefits and Other Entitlements					
Transportation Subtotal	2.05	2.83	1.04	0.02	5.94
CSA Wage Group Increase & Entitlements	1.01	0.85	0.16	-	2.02
Shift Premium	-	0.60	0.90	-	1.50
Other Transportation Entitlements	1.04	1.38	(0.02)	0.02	2.42
Maintenance Subtotal	1.78	1.91	0.77	0.10	4.56
Pre-service Streetcar Cleaning	0.49	1.77	0.24	0.10	2.60
Shift Premium	-	0.40	0.61	-	1.01
Other Maintenance Entitlements	1.29	(0.26)	(0.08)	-	0.95
Other Entitlements & Benefits	1.07	0.77	-	-	1.84
Total Benefits and Other Entitlements	4.90	5.51	1.81	0.12	12.34
Total Wages, Benefits and Other Entitlements	48.18	60.17	54.70	13.28	176.33
Operating & Capital Incremental Break-down					
Operating impact	45.46	56.87	51.60	12.51	166.44
Capital impact	2.72	3.30	3.10	0.77	9.89
Total Incremental Budget Impact	48.18	60.17	54.70	13.28	176.33
Forgone savings of Wheel-Trans Modal Split minimum workforce Guarantee	7.90	(4.70)	(1.50)	(0.18)	1.52
Total Incremental Budget Impact including Wheel-Trans Modal Split	56.08	55.47	53.20	13.10	177.85

Operating Budget Impact

The 2024 operating impact is \$45.46 million, which represents the cost of the negotiated 2024 wage increase, work of pre-service streetcar cleaning being brought back in house, increases in the skill trade premium and other entitlements and benefits.

In addition to the increases in wages, benefits and entitlements, this contract also includes two key changes:

- As part of the resolution of the outstanding grievance, the Customer Service Agent (CSA) position was re-evaluated at a wage grade (WG) 5 effective June 4, 2023. As part of this settlement, the CSA position has been negotiated to a WG 7, effective April 1, 2024. A retroactive payment of \$1.30 million will be paid from WG 4 to WG 5 for work performed up to June 4, 2023. The cost of the retroactive payment was recognized in the 2017 to 2023 year-end financial results. The impact of WG5 to WG7 is reflected in the 2024 operating impact above.
- Effective January 2025, pre-service streetcar cleaning will be performed by ATU, Local 113 employees at a WG 2 resulting in an incremental operating impact of \$0.49 million in 2024 for transition costs and a total of \$2.60 million over the term of the collective agreement.

The incremental increase in 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 agreements¹. TTC is within the provision by \$0.34 million for 2024 and \$0.55 million over the term of the collective agreement.

The negotiated agreement guarantees a minimum number of Wheel-Trans Operator positions over the term of the collective agreement. Without this minimum guarantee requirement, the 38% Wheel-Trans modal split was projected to achieve an estimated forgone savings of \$7.90 million in 2024 and a total projected net forgone savings of \$1.52 million over the term of the collective agreement. This provides stability in operator requirements while the parties mediate the arbitration award relating to the Wheel-Trans modal split.

ATU 113 is the fourth of six bargaining units expected to reach a tentative collective agreement in 2024.

Capital Budget Impact

The capital impact of this agreement for 2024 of \$2.72 million will be absorbed in the 2024 Capital Budget and updated requirements will be included in the 2025-2034 Capital Budget and Plan submission for the Board's consideration and approval.

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.

¹ The operating impact excludes changes to the post-retirement benefits liability, which is funded on a cash basis.