

Confidential Attachment - made public on July 5, 2024

Attachment 1 - Confidential Information

TTC and CUPE, Local 2 – Collective Agreement Ratification

Date: May 16, 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, Local 2 (CUPE, Local 2) 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 2.

Negotiations:

The parties commenced negotiations in April 2022 and met at the negotiating table over the course of seven days between April and June 2022. In September 2022, it was determined by CUPE, Local 2 that the parties were at an impasse, and CUPE, Local 2, filed for conciliation.

Pursuant to the *Toronto Transit Commission Labour Disputes Resolution Act, 2011* (“the Act”), the TTC and CUPE, Local 2 were set to proceed to interest arbitration to resolve the collective agreement.

However, 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 2 agreed to resume bargaining.

The meeting with the Conciliation Officer did not occur until June 9, 2023 and the parties were unable to reach a collective agreement. The Ministry of Labour issued a No Board Report on June 16, 2023.

Given the change to the legislation restoring the Union’s right to strike and rising inflation, the TTC secured a new collective bargaining mandate in November 2023. Negotiations continued in January 2024 and the parties met several more times to try and reach a negotiated agreement. CUPE, Local 2 held a strike vote on February 8,

2024, and reported that 88% of their approximately 661 members voted, with 99% in favour of a strike. CUPE, Local 2 issued a strike deadline of April 22, 2024 at 12:01am.

The TTC and CUPE, Local 2 continued negotiations over the course of the weekend of April 21 and 22, 2024. The TTC and CUPE, Local 2 agreed to extend the strike deadline by one hour, and a tentative collective agreement was reached within that hour on April 22, 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 the approved mandate, representing 13.90% over the 4-year term of the collective agreement, as follows:

April 1, 2022 – 3.75%
April 1, 2023 – 3.50%
April 1, 2024 – 3.50%
April 1, 2025 – 3.15%

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

- Increase from \$450.00 to \$550.00 every two (2) years for eyeglasses and eye exams.
- Reduction in frequency of Dental Recall examinations from every six (6) months to every nine months.
- Restructuring of hearing aids benefits from \$1,000.00 annually to \$3,000.00 every three calendar years.
- Restructuring of Chiropractor, Chiropody, Physiotherapist, Athletic Therapist, and Registered Massage Therapist benefits to one combined benefit, with a \$2,000.00 per calendar year cap, subject to reasonable and customary limits.
- Long-Term Disability (LTD) benefits month cap increased from \$2,550 a month to \$3,150 a month.

Clothing and Boot Allowances: The boot voucher allowance for eligible employees was increased to \$180.00 annually. The clothing allowance was increased to \$314.00 annually.

Special Wage Adjustment – A special adjustment is applied to all classifications excluding apprentices. This adjustment will be an increase of \$0.40 per hour, retroactive to 2022.

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

Rotation Premium – In recognition of rotating shift work and those working the night shift, an increase of \$0.15 per hour, to \$1.35 an hour.

Vacation – New hires will now be eligible for up to five days of vacation within their first year of employment. The eligibility for two weeks of vacation reduced from upon completing one year of service, to the year in which the first anniversary of employment falls.

Ratification:

The ratification vote for the tentative CUPE, Local 2 agreement was held April 30, 2024, and it was reported that the CUPE, Local 2 membership ratified the tentative agreement.

Financial Summary

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

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

Item in millions	2022	2023	2024	2024 Subtotal	2025	2026	Total
Wages	2.77	3.07	2.93	8.77	2.83	0.68	12.28
Premiums and Other Entitlements	-	-	0.05	0.05	0.24	-	0.29
Benefits	-	-	0.63	0.63	(0.48)	-	0.15
Subtotal Incremental Budget Impact	2.77	3.07	3.61	9.45	2.59	0.68	12.72
One Time Signing Bonus	-	-	0.29	0.29	(0.29)	-	-
Total Incremental Budget Impact	2.77	3.07	3.90	9.74	2.30	0.68	12.72
Breakdown by Operating and Capital							
Operating cost	1.49	1.65	2.09	5.23	1.24	0.37	6.84
Capital cost	1.28	1.42	1.81	4.51	1.06	0.31	5.88
Total Incremental Budget Impact	2.77	3.07	3.90	9.74	2.30	0.68	12.72

Operating Budget Impact

The 2024 operating impact is \$5.23 million, which represents the 2024 increase for the compounding effect of wage increases from 2022, a \$0.40 increase in the 2022 base rate, \$0.15 increase in rotational premium for night shifts, an increase in benefits and a one-time signing bonus of \$350.

The total cost for wages paid out in 2022 and 2023 is \$5.71 million. Of which, a total of \$4.86 million was recognized in the 2022 and 2023 year-end financial results. The difference of \$0.85 million will be recognized against the 2024 operating results.

Item	2022	2023	2024 Subtotal
in millions			
Prior Year Operating Retro Impact			
Operating Provision	1.55	3.31	4.86
Projected Operating Retro Payment*	1.83	3.88	5.71
Variance to existing provision	0.28	0.57	0.85

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. Local 2 is the third of six bargaining units expected to reach a tentative collective agreement in 2024.

Capital Budget Impact

The capital cost of this agreement for 2024 of \$4.51 will be absorbed in the 2024 Capital Budget and will be accounted for in the 2025-2034 Capital Budget and Plan submission.

The total cost for wages paid out in 2022 and 2023 is \$2.44 million. Of which, a total of \$2.08 million was recognized in the 2022 and 2023 year-end financial results. The difference of \$0.36 million will be recognized against the 2024 capital results.

Item	2022	2023	2024 Subtotal
in millions			
Prior Year Capital Retro Impact			
Capital Provision	0.66	1.42	2.08
Projected Capital Retro Payment*	0.78	1.66	2.44
Variance to existing provision	0.12	0.24	0.36

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.