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Item No. 2
Audit & Finance Standing Committee
December 17, 2014

TO: Chair and Members of Audit & Finance Standing Committee

SUBMITTED BY: Original Signed
Greg Keefe, Director of Finance and ICT/CFO

DATE: September 23, 2014

SUBJECT: **Heritage Day – Financial Implications**

INFORMATION REPORT

ORIGIN

On July 22, 2014 the following motion was passed by Regional Council. MOVED by Councillor Adams, seconded by Councillor Mosher, that Halifax Regional Council request a staff report outlining the financial implications of the provincially-mandated February holiday in terms of staffing costs, both union and non-union employees. MOTION PUT AND PASSED.

LEGISLATIVE AUTHORITY

Halifax Charter section 35(2): The Chief Administrative Officer may (d) subject to policies adopted by the Council, (vi) determine the salaries, wages and emoluments to be paid to municipal officers and employees.

Halifax Charter section 79 (1): The Council may expend money required by the Municipality for (r) salaries, remuneration and expenses of the Mayor, councillors, officers and employees of the Municipality.

BACKGROUND

Bill No 15 was passed in the Nova Scotia Legislature on December 12, 2013, creating another statutory holiday on the 3rd Monday in February beginning in 2015. On June 26, 2014 the Department of Labour and Advanced Education announced the new February holiday would be named Heritage Day.

DISCUSSION

Bill No 15 amended Clause 37 (1) of Labour Standards Code by adding the February holiday to the existing list of 5 general holidays which are New Year's Day, Good Friday, Canada Day, Labour Day, and Christmas Day. The change to the Labour Standards Code automatically affects non-union employees.

The holiday pay provisions of the Labour Standards Code do not apply to unionized employees. The holiday pay for unionized employees is determined by the applicable collective agreement. The collective

agreements may contain wording that allow for the new holiday to automatically be added to the collective agreement. If the wording of the collective agreement does not allow for the holiday to automatically be added, it may be added through a letter of understanding or added during the negotiations of a new collective agreement.

The wording in the collective agreements with the following unions allow for the Heritage Day holiday to automatically be added to the collective agreement.

Amalgamated Transit Union, Local 508 (ATU)
Canadian Union of Public Employees, Local 108 (CUPE 108)
Nova Scotia Union of Public and Private Employees, Local 13 (NSUPE 13)
Nova Scotia Union of Public and Private Employees, Local 14 (NSUPE 14) (Library)
Halifax Regional Police Association (HRPA)

The following collective agreements do not contain wording to automatically add the holiday to the collective agreement

Canadian Union of Public Employees, Local 4814 (CUPE 4814)
International Association of Fire Fighters, Local 268 (IAFF).

Note: With the HRPA collective agreement, for employees who work a 12 hr shift, they are given 96 hrs. of holiday entitlement to be used at any time. The change to the Labour Standards Code does not automatically adjust this entitlement.

FINANCIAL IMPLICATIONS

Generally, there are four types of costs associated with paid holidays.

- 1) Paid time off work for the holiday
- 2) Paid for work performed on the holiday at overtime rates or working overtime on another day as a result of the holiday
- 3) If the holidays were not taken in time off but paid out in money.
- 4) Having employees paid to be on standby in case they are required to work

Considering the increased holiday entitlement for all non-union employees and the increased entitlement for the applicable union collective agreements, the estimated value of another holiday for all employees that would be entitled to time off is estimated to be approximately \$727,000. However, the cost of the employee having paid time off work is not an incremental cost to HRM since they would be paid for that day whether it was a holiday or not.

Based on historical data, the cost of the estimated overtime worked on a holiday is approximately \$104,000. The cost of paying out a holiday for an employee unable to take the holiday in time off is estimated at \$41,000. The cost of having employees available and on standby is estimated at \$2,200. Therefore, the total incremental cost of another holiday is estimated to be \$147,200.

COMMUNITY ENGAGEMENT

None required

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

None

ATTACHMENTS

None

A copy of this report can be obtained online at <http://www.halifax.ca/boardscom/SCfinance/index.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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Original Signed

Report Approved by: _____
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