

# HALIFAX

P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 5**  
**Halifax Regional Council**  
**January 13, 2015**

**TO:** Mayor Savage and Members of Halifax Regional Council

Original Signed

**SUBMITTED BY:**

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Councillor Bill Karsten, Chair, Audit & Finance Standing Committee

**DATE:** January 6, 2015

**SUBJECT:** Heritage Day – Financial Implications

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## INFORMATION REPORT

### ORIGIN

December 17, 2014 meeting of the Audit & Finance Standing Committee, Information Item No. 1.

### LEGISLATIVE AUTHORITY

The principle role of the Audit and Finance Standing Committee is to provide advice to Council on matters relating to Audit and Finance. In particular, Section 3.2.6 of the Audit and Finance Standing Committee's Terms of Reference shall 'Review as required, any other policies, procedures, forecasts, reports or process as agreed to mutually by the Municipalities CAO and the Committee

### BACKGROUND

An Information Report dated September 23, 2014 pertaining to the Financial Implications of Heritage Day was provided to the Audit & Finance Standing Committee as an information item at its December 17, 2014 meeting.

For further information please refer to the attached Information Report dated September 23, 2014.

**DISCUSSION**

The Audit & Finance Standing Committee received the Information Report dated September 23, 2014 at its meeting held on December 17, 2014 and forwarded it to Regional Council as an information item.

**FINANCIAL IMPLICATIONS**

As outlined in the attached Information Report dated September 23, 2014.

**COMMUNITY ENGAGEMENT**

All meetings of the Audit & Finance Standing Committee are open to the public. The agenda and reports are posted online in advance of the meeting.

**ATTACHMENTS**

1. Information Report dated September 23, 2014.

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A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.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.

Report Prepared by: Liam MacSween, Legislative Assistant, 902.490.6521

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**Attachment 1**  
**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

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**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 3<sup>rd</sup> 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

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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.

Report Prepared by: Kevin Hislop, Manager Payroll, 902.490.4977

Original Signed

Report Approved by: Greg Keefe, Director of Finance & ICT/CFO, 902.490.6308

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