

November 20, 2017

MEMO TO: Mayor Barrow and Members of Council

COPY TO: Executive Leadership Team

FROM: Samara Kaplan, Director of Human Resources
David Dexter, Director of Financial Services

SUBJECT: Bill 148, Fair Workplaces, Better Jobs Act, 2017, Budget Implications

Purpose:

This report is to advise Council about the potential budget implications of Bill 148, Fair Workplaces, Better Jobs Act, 2017. This memorandum is to advise Council about the potential budget implications of Bill 148, Fair Workplaces, Better Jobs Act, 2017.

Background:

On June 1, 2017, the Provincial government introduced Bill 148, *Fair Workplaces, Better Jobs Act, 2017*, in its effort to create more opportunity and security for workers. Bill 148 will amend various sections of the *Employment Standards Act, 2000*, the *Labour Relations Act, 1995*, and provides for minor changes to several other employment related legislation.

Bill 148 passed first reading on June 1, 2017 and was referred to the Standing Committee on Finance and Economic Affairs over the summer months. During that time, interested stakeholders had the opportunity to provide oral or written submissions. The Association of Municipalities of Ontario (AMO), the Ontario Municipal Human Resources Association, and other organizations made submissions to the Standing Committee. Bill 148 passed Second reading and was referred back to the Standing Committee on Finance and Economic Affairs on October 18, 2017. Recently, there was a second round of public hearings, where stakeholders such as AMO provided submissions. The Standing Committee met for a clause-by-clause consideration of Bill 148 on November 16, 2017, which resulted in some changes to Bill 148.

Impact to the Town

Staff have been reviewing Bill 148 to ascertain the impacts to the Town. The items that are likely to have a major financial impact to the Town are:

- **Minimum wage increase** – The minimum wage will move to \$14.00 effective January 1, 2018 and \$15.00 effective January 1, 2018. There are also similar changes to the Student minimum wage. This will have a significant impact on the Recreation and Culture Division as their part-time positions follow the general minimum wage. Other part-time positions such as outside students, office summer students, interns and school crossing guards will also be affected.

- **Vacation Pay** – Currently, employees have a minimum entitlement of two weeks of vacation (4% vacation pay). Bill 148 proposed to increase this to three weeks of vacation (6% vacation pay) for employees with five or more years of service. Although full-time vacation entitlements meet the proposed change, this will have an impact on the Town's part-time workforce.
- **Public Holiday Pay** – Bill 148 proposes a new formula to calculate public holiday pay for employees which will increase the cost of public holiday pay for part-time employees who do not work a regular full-time hours or the same number of hours five days per week. The employees affected by this proposed change are generally part-time employees in Recreation and Culture, as well as Seasonal staff.
- **Personal Emergency Leave** – Currently, employees are entitled to take up to ten unpaid personal emergency leave days each year. Bill 148 proposes that, the first two personal emergency leave days are to be paid days. Full-time staff already have access to paid sick leave days, family/emergency care leave, and bereavement leave. However, this will result in additional costs as part-time, seasonal, temporary and contract employees will be able to take two days of paid personal emergency leave each year.
- **Equal Pay for Equal Work** - Under Bill 148, equal pay for equal work has been extended to include employment status. As a result, with some exceptions, the Town will not be able to pay part-time, seasonal, temporary, contract employees or Temporary Help Agency employees a different rate of pay than full-time employees performing the same work. Staff have been reviewing the Town's part-time and other non-full-time positions that appear to have similar duties as full-time positions in order to determine whether any difference in pay can be justified under Bill 148.
- **On-Call / Standby Pay** – Bill 148 introduces a new on-call / standby pay provision. On November 16, 2017, the government passed amendments to the draft legislation to exclude employees who are on call to ensure the continued delivery of essential services from the new on-call / standby pay provision. Staff will review the impact of these amendments to the Town. .

Other changes proposed to Bill 148, including the introduction of five days of paid Domestic or Sexual Violence Leave, plus additional unpaid time, and unpaid Child Death Leave, a longer length of term for unpaid Family Medical Leave as well as Pregnancy and Parental Leave (to mirror the Federal government's changes to Employment Insurance), as well as restrictions on scheduling changes and a minimum paid three hour shift, will likely have operational impacts to the Town, but they are different to quantify in a monetary manner at this point in time.

Staff are working to understand the financial ramifications of this draft legislation and will report to Council as part of the 2018 Budget Process on the impacts.

Conclusion:

Bill 148 has major budget implications to the Town. Staff will continue to monitor the draft legislation for changes as it moves through the legislature and will examine current business practices for ways of reducing the financial burden on the Town.