

Minimum wage increase will result in budget hit at Town Hall: staff

By Brock Weir

Ontario's plans to increase the minimum wage will result in a big challenge to Aurora's 2018 Budget, according to municipal staff. The Town's Finance Department informed Council, sitting at the Committee level last Tuesday, that this change could result in sweeping changes across the board, ranging from the cost of municipal programs currently enjoyed by residents to how Town Hall employs contract workers.

The report, prepared by Vesna Barbe, Acting Manager of Human Resources for the Town, says by the time the minimum hourly wage is increased to \$14 next year and to \$15 in 2019 from the current \$11.40, it could result in an additional budget pressure of \$541,000 next year alone.

At the high end, the potential impact could be around \$541,000 additional costs to the operating budget in 2018 with further impact in 2019, reads the report. This impact is the result of the applied 20 per cent proposed minimum wage increase to the existing pay rates for the part-time wage scales. There is minimal impact to full-time staff costs as this issue is primarily within the part-time pay structures.

Additional impacts will be felt in proposed increases to vacation pay after five years of service.

Should the government's proposals be adopted into law, the total impact on the Operating Budget with all considerations would be \$605,000. Staff will work to minimize the impacts these legislative changes will have on the Town. These costs will be incorporated into 2018 and 2019 operating budget submissions.

Going over the report last week, ahead of this Saturday's first sweep of the 2018 Capital Budget, lawmakers expressed a number of concerns.

The government seems quite intent on this legislation going through despite probably every small business and large business in the municipality I have talked to who is against it, said Mayor Geoff Dawe. The ramifications are huge [and will be] a substantial pressure on our budget this year.

The report also generated discussion on how the increases will impact Aurora's relationship with contractors. CAO Doug Nadorozny said there are bound to be increased costs related to contractors as well and how contractors are deployed by Aurora might need to be adjusted as well.

Contractors are used to facilitate numerous municipal programs, added Techa van Leeuwen, Aurora's Manager of Corporate Services, such as fitness instructors contracted to provide services to Club Aurora, among many other examples.

[One of the sectors the Province] is sort of trying to correct [is] within their views of injustice that organizations will sometimes use outside contractors to get around provisions of usually a unionized environment, said Mr. Nadorozny. Those organizations turn to contracting out as a way of getting around some of those things. The Province has stated in its broad objectives of where it is going with these proposed changes and that is one of the vulnerable employee sectors, they call them, they are trying to bring some balance to. [The report states] will make sure we're using contractors appropriately and not to get around our collective bargaining agreement or those types of things the Province is trying to eliminate.

At the end of the day, Councillors said they would like to increase their advocacy in driving home to the Province the many ramifications their legislation will have in just about every sector in Ontario. This is something Mayor Dawe said had been championed to the Province at the recent Association of Municipalities of Ontario Conference and that will continue to be the case. Councillor Michael Thompson also encouraged the Mayor to press the case with Newmarket-Aurora MPP Chris Ballard.

I think it is important to share that information, said Councillor Thompson.