

Living Wage Compliance Report



Submitted to Syracuse Common Council and Living Wage Commission

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Introduction

The Office of the City Auditor has agreed to perform, at least annual, reports regarding compliance of the Living Wage Ordinance. This report represents the results of our examination into the City of Syracuse Living Wage Ordinance and specifically those Companies who are required to comply with the Living Wage Ordinance as adopted by the City of Syracuse Common Council and amended on Dec 17th, 2012. Compliance Letters were mailed by the Office of the City Auditor to each company on Sept 23rd 2013 requesting certified payrolls for their employees who work on City contracts. The letter requested that the certified payrolls be returned to our office no later than Oct 7th 2013. In the first week of Nov 2013, my Office followed up with phone calls to those Companies who had not responded to our request.

Effective April 1st 2013, the Living Wage rate is \$12.43 per hour for those employees who are provided health insurance and \$14.68 per hour for those who are not provided health insurance.

Objective

Our objective is to determine if all Companies required paying their employees the “Living Wage” as defined by the City of Syracuse are compliant with that Ordinance. The Companies that are required to comply with the Living Wage Ordinance are as follows.

- 1) Healthware Rental Inc.
- 2) Central Parking Systems
- 3) Riccelli Enterprises
- 4) First Student
- 5) LAZ Parking
- 6) Republic Parking Systems
- 7) WeCare Transportation
- 8) Tri-Delta Resources
- 9) Birnie Bus Service

Scope

Our examination included the calculation of a per hour rate paid by the Companies to their employees. Also included is if the employees are offered and obtain health insurance as part of their employment benefits.

Conclusion

- **Healthware Rental** provides laundry service for the Syracuse Fire Department. This is a new contract for the City of Syracuse. No payroll information has been received by Healthware Rental and we therefore find them to be non-compliant.
- **Central Parking Systems** provided us payroll information for fourteen employees. All fourteen employees are provided health insurance and all fourteen make equal to or greater than the required rate. We therefore find Central Parking compliant with the ordinance.
- **Riccelli Enterprises** provided payroll information for seven employees. All seven employees make equal to or above the required rate. We therefore find Riccelli Enterprises to be compliant with the Living Wage Ordinance.
- **First Student** provided us payroll information for three hundred and eight employees. All three hundred and eight employees are provided health insurance and all employees are paid equal to or above the required rate. Therefore we find that First Student is compliant with the ordinance.
- **LAZ Parking** provided payroll information for nineteen employees. Initial information that we received showed that fifteen employees made equal to or greater than the necessary wage. Four employees that did not receive health insurance were not paid equal to the wage necessary. I reached out to LAZ by e-mail asking them to address the issue. I have received communication from LAZ and subsequent documentation stating that they have come into compliance with retroactive pay for those four employees. We therefore find that LAZ parking is compliant with the current Ordinance.
- **Republic Parking Systems** provided payroll information for nine employees. Two employees are provided with health insurance and make equal to or above the required rate. Seven employees are not provided health insurance and they do make equal to or above the required wage. Therefore we find that Republic Parking is compliant with the Living wage Ordinance.
- **WeCare Transportation** provided payroll information for five employees. These employees are all truck drivers and are paid on a per trip basis. Based upon our calculations from trips per day, each employee is making well above the necessary rate per hour and we therefore find WeCare Transportation to be compliant
- **Tri-Delta Resources** provided payroll information for one employee that works on a City contract. This employee is provided with health insurance coverage and makes equal to or above the required rate. The Office of the City Auditor finds Tri-Delta Resources to be compliant with the Living Wage ordinance.

- **Birnie Bus Service** provided payroll information for ten employees. None of their employees are provided with Health Insurance coverage. Six employees are paid greater than or equal to the Living Wage. Four employees are above the necessary rate if they were provided Health Insurance but not greater than or equal to the \$14.68 necessary without health insurance coverage. We therefore find Birnie Bus Service to be non-compliant with the Ordinance.

Auditor's Note:

Of the nine Companies required to comply with the Living Wage Ordinance, seven Companies are fully compliant. This is an improvement over our last report where only five were fully compliant. Of the other two Companies, one did not respond to our request and the other one is only partially compliant. The City of Syracuse Corporation Counsel's Office and the City of Syracuse Purchasing Department should take steps necessary to address these Companies compliance issues.