

Living Wage Compliance Report



Submitted to Living Wage Commission

REVISED July 27, 2012

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City of Syracuse Auditor

Introduction

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. Compliance Letters were mailed by the Office of the City Auditor to each company on May 1st 2012 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 June 1st 2012. In the first week of June 2012, my Office followed up with phone calls to those Companies who had not responded to our request. Effective April 1st 2012, the Living Wage rate is \$12.19 per hour for those employees who are provided health insurance and \$14.40 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 is in compliance with that Ordinance. The Companies that are required to comply with the Living Wage Ordinance are as follows...

- 1) Atlas Healthcare Linen Services
- 2) Central Parking Systems
- 3) Duffy’s Equipment Services
- 4) First Student
- 5) K&K Professional Services
- 6) LAZ Parking
- 7) Murbro Parking
- 8) Republic Parking Systems
- 9) WeCare Transportation LLC

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

- **Atlas Health Care** did not provide payroll information for their employees. They did communicate to us that their workers are represented by *Rochester Regional Joint Board Local 2607 Workers United* and therefore are not subject to the Living Wage Ordinance. We disagree with this interpretation and therefore find them noncompliant.
- **Central Parking Systems** provided us payroll information for thirteen employees. All thirteen employees are provided health insurance and all thirteen make more than the required rate. We therefore find Central Parking compliant with the ordinance.
- **Duffy’s Equipment Services** provided us with payroll information for seven employees. Five employees are paid equal to or above the required rate while two employees are paid below the required rate. We therefore find Duffy’s Equipment Services noncompliant.

- **First Student** provided us payroll information for one hundred and forty three employees. While it was unclear to us whether these employees are provided health insurance, all employees are paid equal to or above the required rate for those who are not provided with health coverage. Therefore we find that First Student is compliant with the ordinance.
- **K&K Professional Services** did not respond to our request. K&K Professional Services operated the Clinton Square Ice Rink. It should be noted that the Department of Parks, Recreation and Youth Programs notified K&K that their services would no longer be necessary as the Clinton Square Ice Rink will now be operated by City of Syracuse Parks employees.
- **LAZ Parking** initially did not respond to our request for certified payroll. After many phone conversations with them, they finally responded with payroll information for fifteen employees. Five employees make equal to or greater than the necessary wage as they are provided with health insurance. Ten employees that do not receive health insurance are not paid equal to the wage necessary. Laz has a letter from the Corporation Counsel's Office dated June 3rd 2009 that states "*A covered employee who, for whatever reason chooses not to accept health insurance coverage provided by the covered employer is only entitled under the Living Wage Ordinance to the \$11.54 hourly rate*". The opinion of the City Auditor's Office is that the lower rate may only be paid if the employee accepts health insurance coverage; otherwise the high rate should be paid. Therefore, it is the opinion of the City Auditor's Office that Laz Parking is not compliant with the Living Wage Ordinance
- **Murbro Parking** did not respond to our request of certified payrolls. However, it should be noted that the contract with Murbro Parking had been terminated due to investigation of fraud as reported by Mayor Miner at press conference Jan 13th 2012. Therefore, Murbro no longer is doing business with the City of Syracuse.
- **Republic Parking Systems** provided payroll information for eight employees. Two employees are provided with health insurance and make equal to or above the required rate. Four employees are not provided health insurance but they do make equal to or above the required wage and there are two employees are not provided with health insurance and are not paid equal to the required wage. Therefore we find that Republic Parking is not compliant with the Living wage Ordinance.
- **WeCare Transportation LLC** provided payroll information for five employees. All five employees are paid equal to or above the higher wage and therefore they are compliant with the Ordinance.

Auditor's Note:

Of the nine Companies required to comply with the Living Wage Ordinance, only three Companies are fully compliant. The other six Companies either did not respond to our request or are not fully compliant. The City of Syracuse Corporation Counsel's Office and the City of Syracuse Purchasing Department should take measures necessary to bring these Companies within compliance.