



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	February 7, 2020
SUBJECT/REPORT NO:	Living Wage - School Crossing Guards (HUR20004) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Nenzi Cocca (905) 546-2424 Ext. 3924
SUBMITTED BY:	Lora Fontana Executive Director Human Resources
SIGNATURE:	

COUNCIL DIRECTION

At the General Issues Committee meeting of March 22, 2019, staff brought forward a report (FCS19017) informing Council of approximate costing to bring all minimum wage employees, which includes the part-time, seasonal and other contract employees, up to a Living Wage rate of \$15.85 per hour.

At that meeting, the General Issues Committee approved the Living Wage rate be applied as follows:

- (a) That City of Hamilton School Crossing Guards be paid a Living Wage effective April 1, 2019, and the cost to be included in the 2019 Operating Budget; and,
- (b) That the Living Wage rate for the City of Hamilton School Crossing Guards be adjusted annually to reflect the cost of living (COLA). This adjustment would be made annually on September 1st.

This report provides an update regarding an increase to the Living Wage and options to facilitate the Living Wage initiative for the City of Hamilton School Crossing Guards.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

INFORMATION

In 2016, the Living Wage rate was reviewed and updated by Living Wage Hamilton and the Living Wage Calculation Workgroup of the Hamilton Roundtable for Poverty Reduction. Based on revised local costing and analysis, the rate was increased to \$15.85 per hour. All full time City of Hamilton employees currently earn above the Living Wage rate (with the exception of full time summer students, both unionized and non-unionized). School Crossing Guards are now earning a Living Wage rate of \$15.85 effective April 1, 2019

As part of Living Wage Week this past November, the 2019 Living Wage rates for Hamilton were increased to \$16.45 per hour by the Ontario Living Wage Network. The costing and analysis utilized to determine the Living Wage reflects what a family of four, comprised of two adult earners, who work full time at 37.5 hours per week with two children, need to earn minimally to support the family unit. This Living Wage rate does not take into consideration any savings, retirement planning or debt repayments.

Financial Impact

The 2020 Preliminary Tax Supported Budget was submitted to Council in January of this year. Within that budget, a provision is included to increase the School Crossing Guards hourly wage by 1.6% to approximately \$16.104 per hour. The impact of this provision is approximately \$31,400. COLA increases for School Crossing Guards are implemented September 1 of each year, to coincide with the beginning of the school year.

As a result of the new Living Wage rate increase, staff are providing options for the adoption of the \$16.45 per hour rate for the City of Hamilton School Crossing Guards effective January 1, 2020.

Should Council elect to adopt the new Living Wage rate (\$16.45 per hour) effective January 1, 2020, the estimated total cost would be \$74,551. Since the COLA increase (\$16.104 per hour) for School Crossing Guards is already included in the budget (\$31,400), approving a wage rate of \$16.45 would add \$43,200 to the 2020 budget.

The breakdown of costs is illustrated in the table below.

Table 1 - Estimated cost impact of Living Wage adjustment to \$16.45/hr for School Crossing Guards effective January 1, 2020.

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Department	2020 Cost Impact
Planning & Economic Development	\$64,268
Benefit Overhead Costs (BOC)	\$10,283
Total Cost from January 1 – December 31, 2020	\$74,551
Current amount in 2020 Budget (\$16.104 per hour, equivalent to 1.6%)	\$31,400
Increase required to 2020 Budget to implement Living Wage of \$16.45 per hour (equivalent to 3.79%)	\$43,200

Should Council elect to implement the new Living Wage (\$16.45 per hour), Council may decide to forgo the 1.6% COLA for September 1, 2020 given that the Living Wage increase is greater than the COLA (equivalent to 3.79%).

For costing purposes, the value of vacation pay or other employer paid benefits (where applicable) were included in the calculation of wage rates for City of Hamilton School Crossing Guards. This is consistent with the calculation of the Living Wage rate. Staff utilized budgeted hours from January 1 to December 31, 2020.

Considerations

Council could choose to maintain the 1.6% COLA increase effective September 1, 2020 instead of applying the 3.79% Living Wage increase effective January 1, 2020. A provision is already included in the 2020 Budget to apply the 1.6% COLA increase for the School Crossing Guards.

Council could choose to approve the 3.79% Living Wage increase effective January 1, 2020 and the 1.6% COLA effective September 1, 2020. This would result in a total increased cost of \$105,941.

Human Resources consulted with the Financial Planning, Administration and Policy Division of the Finance & Corporate Services Department and the Transportation

APPENDICES ATTACHED

Appendix A to Report HUR20004 – City of Hamilton School Crossing Guard Rates