



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	February 10, 2022
SUBJECT/REPORT NO:	Living Wage (HUR20003(a) / FCS20013(a)) (City Wide)
WARD(S) AFFECTED:	City Wide
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COUNCIL DIRECTION

N/A

INFORMATION

On March 20, 2020, Council approved the implementation of a Living Wage rate of \$16.45 per hour for the part-time non-union casual employee group, effective July 1, 2020, with the direction that wage rate be adjusted annually to reflect the cost of living. Effective January 1, 2022, as a result of a 1.6% cost of living adjustment, the rate increased to \$16.980.

In the previous year, on March 22, 2019, Council approved the implementation of a Living Wage rate of \$15.85 per hour for the City of Hamilton School Crossing Guards, effective April 1, 2019, with the direction that the wage rate be adjusted annually to reflect the cost of living. The current wage rate is \$16.362 per hour with a scheduled increase of 1.6% to \$16.624 per hour, effective September 1, 2022.

The following provides an update on the Living Wage rate (which was recently increased to \$17.20 per hour by the Ontario Living Wage Network) and provides options to facilitate the adoption of the updated Living Wage rate for the City of Hamilton's School Crossing Guards, non-union and unionized summer student positions and the non-union part-time casual employee group should Council wish to provide additional direction.

In 2021, the Living Wage rate was reviewed and updated by Living Wage Hamilton and the Living Wage calculation workgroup. Based on revised local costing and analysis, the rate was increased from \$16.45 to \$17.20 per hour. All full-time City of Hamilton employees currently earn above the Living Wage rate (with the exception of full-time summer students).

The costing and analysis used to determine this Living Wage reflects what a family of four comprised of two adult earners working full-time at 37.5 hours per week with two children would need to earn minimally to support the family unit. This Living Wage rate does not factor in any considerations for savings, retirement planning or debt repayments.

Financial Impact

As a result of the new Living Wage rate increase, staff is providing costing options should Council wish to adopt the new rate of \$17.20 per hour in one instalment for the School Crossing Guards, non-union and unionized summer student positions and positions in the non-union part-time casual employee group.

Should Council decide to adopt a Living Wage rate for School Crossing Guards, the hourly rate will be increased from \$16.362 to \$17.20 per hour.

Should Council elect to adopt the Living Wage rate for non-union part-time casual staff, amendments would need to be made to the City of Hamilton's existing non-union part-time casual wage schedule. The first four grades (1EK, 1DI, 1DK, and 1CK) do not meet the minimum threshold of a Living Wage rate of \$17.20 per hour. Examples of positions within the non-union part-time casual employee group include Skate/Arena Monitor, Resident Helper and Snack Bar Clerk. The wage rates for non-union part-time staff would need to be amended to the Living Wage rate, and the same percentage increase be applied to the rest of the non-union part-time casual salary schedule (grades 1BK, 1AK, 1K and 2K) to maintain internal equity in accordance with the City of Hamilton compensation policy and practices. Examples of positions within these grades include Dietary Aide, Inclusion Facilitator, Office Assistant and Community Health Worker. Maintaining internal equity ensures employees perceive that they are being compensated in a fair and equitable manner according to the relative value of their roles in an organization.

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Should Council decide to adopt a Living Wage rate for summer student workers, amendments would need to be made to the non-union and unionized summer student salary schedules. Their minimum starting rates would be \$17.20 per hour rather than the minimum wage rate of \$15.00 per hour.

Considerations

The following financial analysis should be considered:

- The updated Living Wage rate for Hamilton is \$17.20 per hour, and the previous Living Wage rate for Hamilton was \$16.45 per hour.
- All costings were determined based on the 2022 budget prepared by program divisions.
- The Hamilton Public Library (HPL) is governed by its own Board and administers its own employee compensation, separate and apart from the City of Hamilton. HPL utilizes the City's male comparator position to meet Pay Equity legislative compliance. Any changes to the non-union part-time casual wage schedule has a direct impact to the Hamilton Public Library's Page positions as they are tied to the City's wage schedule for Pay Equity purposes.

Financial Analysis and Living Wage Implementation Options

Should Council elect to adopt a Living Wage for School Crossing Guards, non-union part-time casual staff and non-union and unionized summer student workers in one instalment, one or all the below options could be implemented.

Option 1 – School Crossing Guards

If Council elects to adopt a Living Wage of \$17.20 per hour for School Crossing Guards, the estimated annual cost impact is illustrated in the table below.

Table 1

Option 1	\$17.20 per hour – Annualized Cost Impact
School Crossing Guards	\$92,840

Approximately 54.41 full-time equivalent (FTE) positions are affected.

Option 2 - Non-Union Part-Time Casual Staff

If Council elects to adopt a Living Wage of \$17.20 per hour for non-union part-time casual staff, the estimated annual cost impact is illustrated in the table below.

Table 2

Option 2	\$17.20 per hour – 2022 Annualized Cost Impact
City of Hamilton	\$64,000
HPL	\$28,720
Total Cost	\$92,720

Approximately 154.86 full-time equivalent (FTE) positions are affected.

Option 3- Non-Union Full-Time Summer Student Staff

If Council chooses to implement a Living Wage rate for non-union full-time summer student positions (summer recreation counsellors and swim attendants), the estimated annual cost to implement \$17.20 per hour is estimated to be \$156,570. These summer student positions are hired to work during their regular school, college or university vacation period or they may be occupying a co-operative education position under a co-operative education program.

Table 3

Option 3	\$17.20 per hour – 2022 Annualized Cost Impact
City of Hamilton	\$156,570
HPL	0
Total Cost	\$156,570

Approximately 25.22 full-time equivalent (FTE) positions are affected.

Option 4 - Unionized Summer Student Staff

A number of City of Hamilton student classifications fall within the scope of CUPE Local 5167. These summer student positions are hired to work during their regular school, college or university vacation period or they may be occupying a co-operative education position under a co-operative education program. Their rates of pay are based on a percentage of the Local 5167 equivalent, as in the case of Inside Student Workers, who earn a minimum rate of \$15.00 per hour and up to a maximum rate of \$19.773 per hour. Outside Student Workers earn \$15.000 per hour due to the minimum wage increase of January 1, 2022. Given that these positions fall under CUPE 5167, they will receive the negotiated COLA increases in future years.

However, during the last round of bargaining, it was agreed that should Council implement a Living Wage that explicitly applies to student workers, the current wage rate for students will be adjusted accordingly to the prevailing Living Wage rates as established and accepted by Council. The student wage adjustment will not be subject to any annual increases negotiated, relative to the collective agreement nor shall they be treated retroactively for the purposes of any timelines set out in the collective agreement.

If Council chooses to implement a Living Wage rate for unionized full-time summer student workers, the estimated cost impact to implement a Living Wage is \$608,330.

Table 4

Option 4	\$17.20 per hour – 2022 Cost Impact
City of Hamilton	\$608,330
HPL	\$0
Total Cost	\$608,330

Approximately 114.60 full-time equivalent (FTE) positions are affected.

The total estimated annual cost from the above four options is summarized in Table 5 for a total annualized cost impact of \$950,460.

The current approved Living Wage rate applies to City of Hamilton School Crossing Guards, City of Hamilton Non-Union Part-Time Staff and HPL Part-Time Staff. Should Council wish to apply the new Living Wage rate to these groups the 2022 annualized cost impact from Options 1 and 2 would be \$185,560.

Table 5

Annualized Impact of All Options	\$17.20 per hour- 2022 Annualized Cost Impact
City of Hamilton School Crossing Guards	\$92,840
City of Hamilton Non-Union Part-Time Staff	\$64,000
City of Hamilton Non-Union Summer Students	\$156,570
City of Hamilton Unionized Summer Students	\$608,330
COH Total Cost	\$921,740
HPL Non-Union Part-Time Staff	\$28,720
HPL Non-Union Summer Students	0
HPL Unionized Summer Students	0
Hamilton Public Library Total Cost	\$28,720
Grand Total COH and HPL	\$950,460

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As the Living Wage rate is set by an external party, staff recommend that any future changes to the Living Wage rate be brought before Council for approval so that the impacts to the internal compensation system can be considered prior to implementation.

Appendix “A” to Report HUR20003(a) / FCS20013(a) details the current and amended rates for the School Crossing Guards, non-union part-time casual employees required to support the Living Wage initiative.

Appendix “B” to Report HUR20003(a) / FCS20013(a) details the current and amended rates for non-union and unionized full-time summer students required to support the Living Wage initiative.

Living Wage in Other Communities

Staff conducted a survey amongst our municipal comparators: Brampton, Brantford, Burlington, Guelph, Halton, London, Mississauga, Oakville, Regions of Niagara, Peel and Waterloo. None of these communities have implemented a Living Wage, and most have reported no plans to implement a Living Wage rate in the near future. Only three are considering implementation of a Living Wage

The City of Cambridge and the City of St Catharines are the only known Ontario municipalities that have adopted a Living Wage policy. The City of Cambridge’s Living Wage rate is \$17.20 per hour. Full-time staff at the City of Cambridge already earn more than \$17.20 per hour. They have adopted a policy to pay part-time staff a Living Wage rate. Students are not part of the Living Wage initiative at the City of Cambridge. The City of St Catharines recently adopted a Living Wage policy and will be paying their part time staff a Living Wage rate of \$18.90 per hour. Student positions are excluded from their Living Wage initiative.

Relevant Consultation

Human Resources, Finance, Hamilton Public Library, Healthy and Safe Communities were consulted on the preparation of this report.

A Living Wage survey was conducted amongst our municipal comparators, the City of Cambridge and the City of St Catharines.

Alternatives for Consideration

Based on the above options, Council can elect to implement a Living Wage to none, some or all the groups. In accordance with the Ontario Living Wage Network, the considerations utilized to calculate a Living Wage is based on an hourly wage to support a family unit with two children. Based on this consideration, Council may consider a cost containment measure whereby non-union full-time summer student positions and unionized summer student positions can be excluded from the increase, as these students are only employed during the summer and scheduled break.

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Alternatively, Council may elect not to apply a Living Wage to any of the aforementioned groups.

APPENDICES ATTACHED

Appendix “A” to Report HUR2003(a) / FCS20013(a) - Existing and Living Wage Rates for Non-Union Part-Time Positions and School Crossing Guards

Appendix” B” to Report HUR2003(a) / FCS20013(a) - Existing and Living Wage Rates for Non-Union and Unionized Full-Time Summer Student Positions