



Hamilton

INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	March 1, 2023
SUBJECT/REPORT NO:	Living Wage (HUR20003(c)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Nenzi Cocca (905) 546-2424 Ext. 3924
SUBMITTED BY:	Lora Fontana Executive Director, Human Resources City Manager's Office
SIGNATURE:	

COUNCIL DIRECTION

On February 7, 2023, Human Resources and Corporate Services Department presented a Recommendation Report to the General Issues Committee (Report HUR20003(b)/FCS20013(b)) The Report recommendations included the implementation of the Living Wage, which was recently increased by 10.8% from \$17.20 to \$19.05 per hour by the Ontario Living Wage Network. As such, the new Living Wage was recommended to be applied to the City of Hamilton’s School Crossing Guards and non-union part-time casual employee group, effective September 1, 2023, and July 1, 2023 respectively. This recommendation was consistent with the employee groups that Council had approved for the Living Wage previously.

An increase for the non-union full-time summer student and unionized full-time summer student classifications were not recommended, as these positions are both seasonal and do not meet the definition used by the Ontario Living Wage Network to calculate Living Wage.

Council deferred a decision on the student wages pending additional information on these wages, along with comparator information regarding summer student rates of pay in neighbouring municipalities and other local government agencies.

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.

This report provides those details, along with additional information outlining the anticipated impact to other salary grids (i.e. compression pay) as a result of the potential increases to the summer student rates of pay for both non union and unionized students.

INFORMATION

The City of Hamilton solicited comparable summer student rates from neighbouring municipalities and local government agencies. A summary of those rates is provided in Appendix “A” to Report HUR20003(c). The City of Hamilton’s unionized full-time summer student rate is currently \$16.00 per hour, with a shift premium of \$0.95 per hour for afternoon and weekend work.

A survey was conducted with our neighbouring municipalities and local government agencies to determine the 2023 rate for their Summer Student General Labourer position (or comparable summer student positions where a labourer position was not available). Appendix “A” to Report HUR20003(c) provides a summary of all organizations surveyed. Some municipalities surveyed only employ non-union summer student positions. Unionized summer student positions ranged between \$16.00 per hour up to \$19.27 per hour. Community organizations that responded to the survey pay summer students \$15.50 per hour.

The City of Hamilton’s job evaluation plans (both union and non-union) are a means for measuring jobs to determine their relative value. It measures skill, effort, responsibility and working conditions so that jobs can be fairly and equitably compared to one another. Job evaluation also ensures external competitiveness and adherence to legal requirements of the *Pay Equity Act* and the *Employment Standards Act*.

Internal equity measures the degree to which employees perceive that they are being compensated in a fair and equitable manner according to the relative value of their roles in an organization. From a pay equity perspective, internal equity may be impacted as individuals start to perceive they are being unfairly compensated when one salary schedule is being compared to another. The recommendation in Report HUR20003(b)/FCS20013(b) to bring the non-union casual part time group to the current Living Wage will result in an adjustment to the entire schedule in order to maintain the same differential. As the Living Wage continues to increase, internal equity and potential compression with other salary schedules will need to be assessed and amended in order to maintain the appropriate differential.

As an example, the lowest pay grade in the CUPE 5167 collective agreement, currently has a maximum rate of \$19.031/hr. Even with an anticipated negotiated cost of living increase through collective bargaining in 2023, the student Living Wage will be relatively the same as the lowest CUPE 5167 salary grade. Consequently, internal equity will become problematic in the event that the summer student rates earn the same or more

than the regular union employees. This inequity will increase with future Living Wage increases that are not commensurate with negotiated cost of living increases.

As an alternative, Council may consider an enhancement to the unionized summer student wages, consistent with the current rate for non union summer students. On March 30, 2022, Council approved the implementation of the updated Living Wage rate of \$17.20 per hour for the non-union full-time summer student group. Unionized outside full-time summer students were approved for a \$1.00 per hour wage enhancement due to attraction and retention issues and a shift premium of \$0.95 per hour for afternoon and weekend work. Council may elect to enhance the unionized full-time summer student wage to \$17.20 per hour, consistent with the non-union full time summer student group. The total cost, of increasing the hourly rate for unionized full time summer students from the 2023 budgeted amount of \$16.40 per hour to \$17.20 is \$214,500.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report HUR20003(c) – Summer Student Rates Comparison