





CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division
and
CITY MANAGER'S OFFICE
Human Resources Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	January 25, 2024
SUBJECT/REPORT NO:	Living Wage (HUR20003(d)/FCS20013(d)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Nenzi Cocca (905) 546-2424 Ext. 3924 Kirk Weaver (905) 546-2424 Ext. 2878
SUBMITTED BY:	Lora Fontana Executive Director Human Resources
SIGNATURE:	
SUBMITTED BY:	Kirk Weaver Acting Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That staff be directed to implement the 2024 Living Wage of \$20.80 per hour for School Crossing Guards effective September 1, 2024; and
- (b) That staff be directed to bring forward a report to Council for approval should there be any future changes to the Living Wage rate prior to implementation in order to consider budget impacts and to assess the effects on the City's internal compensation system.

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.

EXECUTIVE SUMMARY

The costing and analysis used by the Ontario Living Wage Network to determine the Living Wage was updated in late 2023. It is based on the weighted average of costs for three different household or family types and what they would need to earn minimally to support their family unit: a family of four comprised of two adult earners aged 35 working full-time with two children aged seven and three; a single parent aged 35 with a child aged seven; and a single adult. This Living Wage rate does not factor in any considerations for savings, retirement planning or debt repayments.

Report HUR20003(d)/FCS20013(d) provides an update on the Living Wage rate (which was recently increased by 9.2% to \$20.80 per hour by the Ontario Living Wage Network) and provides recommendations related to the adoption of the Living Wage rate for the City of Hamilton's School Crossing Guards. A cost of living adjustment (COLA) will be applied for the non-union, part-time casual employee group. An increase for the non-union, full-time summer student and unionized full-time summer student classifications are not being recommended at this time as these positions are both seasonal and do not meet the definition used by the Ontario Living Wage Network to calculate Living Wage.

Non-union, full-time summer student classifications (summer recreation counsellors and swim attendants) rates will be maintained starting at \$17.20 per hour. Outside unionized student workers will earn \$17.10 per hour after receiving a COLA increase, with a \$0.95 shift premium for afternoon and weekend work and inside unionized student workers continue to earn a minimum of \$17.10 per hour and up to \$21.13 per hour. These full-time 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. This would result in no change to their salary schedule and is consistent in practice to how municipalities that adopted the Living Wage have handled student classifications. All full-time City of Hamilton employees currently earn above the new Living Wage rate (with the exception of full-time summer students).

As a result of the latest Living Wage rate increase to \$20.80 per hour, staff is recommending that:

- The hourly rate for School Crossing Guards be amended from \$19.05 to \$20.80 per hour effective September 1, 2024.
- Staff are to bring forward a report to Council for approval should there be any future changes to the Living Wage rate prior to implementation in order to consider budget impacts and assess the effect on the City's internal compensation system.

Alternatives for Consideration – See Page 5

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: Table 1 outlines the annualized as well as the 2024 budget impact associated with implementing the Living Wage of \$20.80 per hour for the School Crossing Guards.

Table 1 - School Crossing Guards

Recommendation	\$20.80 per hour - Annualized Impact	\$20.80 per hour – Effective Sept. 1, 2024 2024 Budget Impact
School Crossing Guards	\$191,400	\$63,800

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

The updated Living Wage rate for Hamilton is \$20.80 per hour and the previous Living Wage rate for Hamilton was \$19.05 per hour, an increase of 9.2%.

All costings were determined based on the 2024 preliminary budget.

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

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.

On March 20, 2020, Council approved the implementation of the updated 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. City of Hamilton School Crossing Guard rates were adjusted with a 1.6% cost of living adjustment September 1st in 2020 and 2021.

On March 30, 2022, Council approved the implementation of the updated Living Wage rate of \$17.20 per hour for three employee groups: City of Hamilton School Crossing Guards, non-union, part-time casual employee group and non-union full-time summer student group. Unionized outside full-time summer students were approved for a \$1.00 per hour wage enhancement with a shift premium of \$0.95 per hour for afternoon and weekend work due to attraction and retention issues.

On March 29, 2023, Council approved the implementation of the Living Wage rate of \$19.05 for two employee groups: City of Hamilton School Crossing Guards effective September 1, 2023 and non-union part-time casual employee group effective July 1, 2023. Staff was directed to maintain the unionized full-time summer student classifications at their existing rates whereby, unionized student workers earn the minimum wage rate of \$16.00 per hour with a \$0.95 shift premium for afternoon and weekend work and inside unionized student workers earn \$16.55 per hour and up to \$20.51 per hour. Additionally, staff was also directed to maintain the non-union, full-time summer student classifications at their existing rates of \$17.20 per hour.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

None

RELEVANT CONSULTATION

A Living Wage survey was conducted amongst our municipal comparators. A further environmental scan was conducted to identify other municipalities that had implemented a Living Wage which identified the City of Cambridge, the City of St. Catharines and the City of Sudbury.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

Staff conducted an analysis of the City's salary schedules to determine the impact of the latest Living Wage rate increase to \$20.80 per hour on pay equity and internal equity. From a pay equity perspective, rate increase would not cause a concern. Living Wage rates are increasing rapidly which decreases the spread and causes compression between salary schedules. Pay compression occurs when wages for entry level jobs in one salary schedule become too close to the wages of existing more complex jobs in a separate salary schedule. The wage gap between the positions decreases which may result in a new employee starting in an entry level job earning more or earning a rate that is close to the wage rate of someone with greater experience or in a job with greater responsibility.

Internal equity may be impacted as individuals may start to perceive they are being unfairly compensated when one salary schedule is being compared to another or when employees perceive that they are not being compensated in a fair and equitable manner according to the relative value of their roles in an organization. This may result in employee disengagement and turnover. As the Living Wage continues to increase, internal equity and potential compressions with other salary schedules will need to be assessed and amended to maintain the appropriate differential.

Living Wage in Other Communities

Staff conducted a survey in late 2023 with our current municipal comparators: Brampton, Burlington, London, Markham, Mississauga, Ottawa, Richmond Hill, Vaughan, Regions of Halton, Niagara, Peel and Waterloo.

Most of our current comparators have reported no plans to implement a Living Wage rate in the near future with the exception of the Region of Waterloo. The Region of Waterloo adopted a Living Wage policy in 2022 that applies to all employees and contractors, but not to students. Their living wage rate is \$20.90 per hour and they are continuing with the initiative.

The City of Cambridge, City of St. Catharines and City of Sudbury are the only other known Ontario municipalities that have adopted a Living Wage policy.

The City of Cambridge is continuing with their Living Wage policy. Their current rate is \$20.90 per hour. Full-time staff at the City of Cambridge already earn more than \$20.90 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.

The City of St. Catharines adopted a Living Wage policy in May 2022. They are continuing with the Living Wage initiative and are working on implementing the new rate of \$20.35 per hour by the end of 2023. Student positions are excluded.

The City of Sudbury adopted a Living Wage rate effective July 1, 2022. Student positions were excluded. All permanent full-time and part-time employees were paid a Living Wage. They will not be continuing with the Living Wage initiative. Their current Living Wage rate is \$19.70 per hour.

ALTERNATIVES FOR CONSIDERATION

Council can elect to not implement the updated Living Wage rate for the School Crossing Guards. They would receive a cost of living adjustment instead.

APPENDICES AND SCHEDULES ATTACHED

None