



Committee of the Whole Report

For the Meeting of October 24, 2019

To: Committee of the Whole
From: Jodi Jensen, Head of Human Resources
Subject: Certification as a Living Wage Employer

Date: October 10, 2019

RECOMMENDATION

That Council adopt the proposed Living Wage Policy and direct staff to develop an implementation plan and apply for certification as a Living Wage Employer no later than January 31, 2020.

EXECUTIVE SUMMARY

The Living Wage for Families Campaign encourages employers to pay a living wage, which is calculated annually to cover basic expenses for a two-parent family with two children and each parent working full time. Living wage employers commit to paying their direct employees and contracted services employees a living wage.

On July 26, 2018, Council adopted a motion to:

1. Endorse the "Living Wage for Families" campaign.
2. Agree in principle to the adoption of a Living Wage Policy, and direct staff to report back with a draft policy for Council's consideration, as a step toward becoming a certified Living Wage Employer.

Staff have developed a Living Wage Policy for Council consideration. Should Council adopt the proposed Living Wage Policy, staff will develop an implementation plan which includes the following steps:

- Bring forward for Council ratification negotiated amendments to the City's Collective Agreement with CUPE Local 50 to ensure all City employees are paid the Living Wage;
- Provide notice to impacted contractors that upon contract expiry, new contracts will include a living wage clause.

The Implementation Plan will be submitted as part of the City's application for certification as a Living Wage Employer no later than January 31, 2020.

PURPOSE

The purpose of this report is to provide a Living Wage Policy for Council's consideration, as a step toward becoming a certified Living Wage Employer.

BACKGROUND

The Living Wage for Families Campaign encourages employers to pay a living wage and advocates for government policies that would help families make ends meet.

The living wage for Victoria is calculated annually by the Community Social Planning Council of Greater Victoria and is based on a two-parent family with two children (the most common family unit in BC) and each parent working full time, to cover basic expenses including: food, clothing, rental housing, child care, transportation; and small savings to cover illness or emergencies. Non-mandatory employer provided benefits – such as extended health/dental care, professional education development, enhanced vacation and sick leave – are included in the living wage calculation. For 2019, the living wage for Greater Victoria is \$19.39.

Living wage employers commit to paying their direct employees and contracted services employees a living wage. To become certified, employers agree to:

- ensure that all direct employees are paid the current living wage rate for their area within six months of a successful application, taking into account any employer-provided non-mandatory benefits; and
- insert a living wage clause stipulating that contracted and subcontracted workers are to be paid a living wage in all future contracts for regular, ongoing services.

The Living Wage for Families Campaign recognizes that there are different forms of employment which should be exempted from the living wage, including:

- casual employment of less than 120 hours of work per year;
- student, intern and practicum placements;
- social enterprise purchasing; and
- multiple small contracts; for large employers, a small contract is defined as a contract making up no more than half a percentage of its purchasing budget.

There is no fee to apply as a Living Wage Employer. Applications for certification are accepted between May 1 and January 31 each year, and must include a Living Wage Employer Implementation Plan for each of the steps in the application process, which concludes with an independently verified certification. To maintain Living Wage Employer status, employers are required to recertify on an annual basis.

More than 150 organizations across BC have been certified as Living Wage Employers including the Cities of Vancouver, Pitt Meadows, Port Coquitlam, New Westminster, Burnaby and Quesnel.

On July 26, 2018, Council adopted a motion to:

3. Endorse the “Living Wage for Families” campaign.
4. Agree in principle to the adoption of a Living Wage Policy, and direct staff to report back with a draft policy for Council’s consideration, as a step toward becoming a certified Living Wage Employer.

A proposed City of Victoria Living Wage Policy is included with this report for Council consideration as Appendix 1.

ISSUES & ANALYSIS

Application of Living Wage to City Employees

All City employees are compensated at or above the prevailing living wage rate with the exception

of those occupying the following auxiliary positions within the CUPE Local 50 bargaining unit: Door Attendant/Usher, Childminder and Concession Worker. During the 2019 Financial Plan deliberations, Council allocated \$9,000 from new assessed revenue to implement the Living Wage Policy for City employees.

The City has initiated discussions with CUPE Local 50 to reopen the current Collective Agreement (which expires December 31, 2020) to adjust the wage schedule consistent with the living wage. Any agreement to amend the Collective Agreement is subject to Council ratification. The City anticipates reaching an agreement resulting in all City employees being compensated at or above the prevailing living wage effective October 2019.

Application of Living Wage to Contractors and Subcontractors

The City's collective agreements with CUPE Local 50, IBEW Local 230 and UBCJ Local 1598 all include the following provision:

All subcontractors of the City shall provide wages which are at least equal to those specified in this Agreement when work of a similar or same nature is performed.

The City's procurement contracts include the requirement to pay equivalent wages to those established in the relevant collective agreement when the same or similar work is performed by contractors. The majority of contracted services are therefore already at or above the living wage.

Exceptions may exist where the City contracts for services which are not the same or similar to work performed by City employees. Staff have reviewed current contract arrangements and identified that the two existing contracts for security services are not consistent with the proposed Living Wage Policy.

The City is currently developing a new security strategy to guide future decisions on service levels and delivery methods. The financial impact of the Living Wage Policy will be dependent on the future service model for security services. Should the policy be approved, the City will include specific living wage requirements in any competitive procurement processes for contracted security services when the current contracts expire in 2021.

Implementation Plan

Should Council adopt the proposed Living Wage Policy, staff will develop an implementation plan which includes the following steps:

- Bring forward for Council ratification negotiated amendments to the City's Collective Agreement with CUPE Local 50 to ensure all City employees are paid the Living Wage;
- Provide notice to impacted contractors that upon contract expiry, new contracts will include a living wage clause.

The Implementation Plan will be submitted as part of the City's application for certification as a Living Wage Employer no later than January 31, 2020.

OPTIONS & IMPACTS

Option 1 (Recommended)

That Council adopt the proposed Living Wage Policy and direct staff to develop an implementation plan and apply for certification as a Living Wage Employer no later than January 31, 2020.

Option 2 (Not Recommended)

That Council direct staff to revise the proposed policy and/or approach to implementation.

Accessibility Impact Statement

The Living Wage is a policy tool designed to end working poverty among low wage and precarious workers. Given the relationship between disability and poverty, the Living Wage Campaign is a means to address material hardship experienced by working age people with disabilities.

2019 – 2023 Strategic Plan

Application for certification as a Living Wage Employer is a 2019 action under Strategic Objective 4: Prosperity and Economic Inclusion.

Impacts to Financial Plan

During the 2019 Financial Plan deliberations Council allocated \$9,000 from new assessed revenue to implement the Living Wage Policy for City employees and moved consideration of the balance of the funding required to address the implementation of a living wage for contracted services to a future financial planning process. The financial impact for contracted security services will be dependent on the City's future service delivery model, and the living wage requirement will be included in any procurement process initiated for these services in 2021.

Official Community Plan Consistency Statement

Adoption of a Living Wage Policy is consistent with a number of values and objectives set out in the Official Community Plan including individual and community well-being, housing affordability, and economic development.

CONCLUSIONS

Council adoption of the Living Wage Policy will enable City staff to develop an implementation plan and apply for certification as a Living Wage Employer no later than January 31, 2020.

Respectfully submitted,

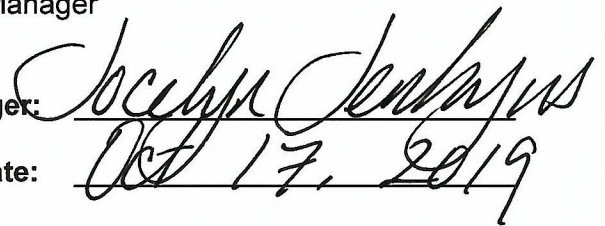


Jodi Jensen
Head of Human Resources

Susanne Thompson
Deputy City Manager

Report accepted and recommended by the City Manager:

Date:


Oct 17, 2019

List of Attachments

Appendix 1 – Living Wage Policy