

## CITY OF VAUGHAN

### EXTRACT FROM COUNCIL MEETING MINUTES OF MAY 17, 2016

Item 8, Report No. 6, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on May 17, 2016.

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### FAIR WAGE POLICY FOR THE CITY OF VAUGHAN

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following resolution submitted by Councillor Carella, dated May 2, 2016:

#### Member's Resolution

Submitted by Councillor Tony Carella

**Whereas**, fair wages, however defined or described (see Attachment 1), have been a feature of the working world for more than a hundred years; and

**Whereas**, the success of the local economy depends on the financial and economic success of employees as well as employers; and

**Whereas**, the City of Vaughan can better promote the economic and financial success of local employees by ensuring that they are the beneficiaries of fair wage policies;

#### ***It is therefore recommended:***

1. That the Committee receive the attached copy (Attachment 2) of the letter addressed to the City Manager by Mr Tony Iannuzzi, President, Carpenters' District Council of Ontario;
2. That the City Manager report to a future Committee of the Whole on the following matters, prior to the end of the current calendar year:
  - a. The feasibility of implementing a Fair Wage Policy for City of Vaughan contracts.
  - b. A review of the implementation and budget implications of Fair Wage Policies in other jurisdictions including, but not necessarily limited to the Cities of Toronto, Hamilton, and London (Ont);
  - c. A review of the Province of Ontario's Fair Wage Policy, including an update from the Ministry of Labour on the progress of their announced plans to modernize the provincial Fair Wage Policy.
  - d. An update from the Federal Government on their election commitment to implement a federal Fair Wage Policy.
  - e. Consultations with relevant stakeholders, most particularly labour organizations with facilities in the City of Vaughan.
  - f. A brief overview of the underground economy in Ontario's construction industry and the implications it has on workplace health and safety.

#### Attachments

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)



## MEMBER'S RESOLUTION

**Meeting/Date: FINANCE, ADMINISTRATION AND AUDIT COMMITTEE- MAY 2, 2016**

**Title: FAIR WAGE POLICY FOR THE CITY OF VAUGHAN**

**Submitted by: COUNCILLOR TONY CARELLA**

**Whereas**, fair wages, however defined or described (see Attachment 1), have been a feature of the working world for more than a hundred years; and

**Whereas**, the success of the local economy depends on the financial and economic success of employees as well as employers; and

**Whereas**, the City of Vaughan can better promote the economic and financial success of local employees by ensuring that they are the beneficiaries of fair wage policies;

***It is therefore recommended:***

- 1. That** the Committee receive the attached copy (Attachment 2) of the letter addressed to the City Manager by Mr Tony Iannuzzi, President, Carpenters' District Council of Ontario;
- 2. That** the City Manager report to a future Committee of the Whole on the following matters, prior to the end of the current calendar year:
  - a. The feasibility of implementing a Fair Wage Policy for City of Vaughan contracts.
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  - e. Consultations with relevant stakeholders, most particularly labour organizations with facilities in the City of Vaughan.
  - f. A brief overview of the underground economy in Ontario's construction industry and the implications it has on workplace health and safety.

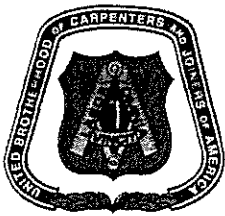
Respectfully submitted,

Councillor Tony Carella, FRSA

**Attachments**

Attachment 1: The twelve dimensions of a fair wage [Source: The Fair Wage Network]

1. Payment of wages	A wage which is regularly and formally paid in full to the workers.
2. Living wage	A wage that ensures minimum acceptable living standards.
3. Minimum wage	A wage which respects the minimum wage regulations.
4. Prevailing wage	A wage which is comparable to wages in similar enterprises in the same sector.
5. Payment of working hours	A wage that does not generate excessive working hours and properly rewards normal working hours and overtime.
6. Pay systems	<p>A wage that leads to a balanced wage structure/composition between the basic wage and additional bonuses and benefits.</p> <p>A wage that reflects different levels of education, skills and professional experience, as well as rewarding individual and collective performance.</p> <p>A wage that complies with regulations on social insurance payments and paid holidays and is not dominated by disciplinary wage sanctions.</p>
7. Communication and social dialogue	<p>A wage on which workers receive sufficient information in advance (through an individual work contract), in the course of the production process (through regular communication channels) and at the time of the wage payment (with a detailed pay slip).</p> <p>A wage that is negotiated individually (with individual employers) and collectively – notably through collective bargaining – between the employer and the workers' representatives who are freely accepted in the company.</p>
8. Wage discrimination and wage disparity	A system of equal wages for equal work that does not lead to wage discrimination and does not generate unjustified, too high and too rapidly growing wage differentials within the company.
9. Real wages	A wage that progresses at least in proportion to price increases.
10. Wage share	A wage that progresses proportionally along with enterprise sales and profit growth and which does not lead to a fall in the wage share in enterprise performance growth.
11. Wage costs	A wage whose progression does not lead to a dramatic reduction in wage costs within total production costs and as a percentage of employment.
12. Work intensity, technology and up-skilling	A wage that progresses along with changes in intensity at work, technological contents and the evolving skills and tasks of the labour force.



# Carpenters' District Council of Ontario

United Brotherhood of Carpenters & Joiners of America

222 Rowntree Dairy Road, Woodbridge, ON L4L 9T2

t: 905 652-4140 f: 905 652-4139



**Tony Iannuzzi**  
*Executive Secretary Treasurer*

**Mike Yorke**  
*President*

Thursday March 3, 2016

Steven Kanellakos  
City Manager, City of Vaughan  
2141 Major Mackenzie Drive  
Vaughan, ON L6A 1T1

Dear Mr. Kanellakos,

On behalf of the Carpenters' District Council of Ontario (CDC), I want to express my appreciation for the positive working relationship that we have with the City of Vaughan and bring to your attention a policy matter that is of critical importance to our members.

The CDC represents more than 26,000 men and women across Ontario in a wide range of skilled trades, including over 10,000 in the Greater Toronto Area. Headquartered in Vaughan, we are committed to providing training and apprenticeship programs that allow people from a diverse range of backgrounds to enter the workforce and build meaningful careers in carpentry, drywall and resilient flooring amongst other areas of construction.

In return for demonstrably fair wages, benefits, pensions and safe working conditions, our members provide their employers with their skills and commitment to mutual success – qualities that are needed to complete projects on time and on budget. In many jurisdictions across Ontario, municipalities have put a Fair Wage Policy in place to ensure stable labour conditions and the highest standards for the construction industry. Vaughan does not currently have such a policy in place for municipal bids and this is of great concern to the CDC.

A Fair Wage Policy sets a minimum threshold for employee compensation when government contracts are being awarded. The goal of a Fair Wage Policy is to establish a level playing field amongst bidders. This will, in turn, create positive competition between companies that is based on the quality of work and project management, not the cost of labour. Fair Wage Policies protect all workers, not just those that are union members. It has been proven repeatedly, in cities across Ontario, that Fair Wage Policies do not have a negative impact on open competition. Rather, they ensure that all workers are protected.

In addition to establishing fair wages for employees; Fair Wage Policies promote skills training, improve workplace safety, and are directly related to the uptake of apprenticeships by our younger members. Most importantly, Fair Wage Policies protect employees and municipalities from bad actors that are engaged in unfair compensation practices. When employers pay less than market value to their employees they put both quality and health and safety at risk – this does not serve the public good.

The adoption of a Fair Wage Policy will help Vaughan become better aligned with labour practices across Ontario. This is a public policy priority for the CDC and our members. I would like to request a formal meeting with you in March to discuss these matters further. We will follow-up with your office to book an agreeable time.

I look forward to working with you.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tony Iannuzzi', written over the printed name.

Tony Iannuzzi

Executive Secretary Treasurer

The Carpenters' District Council of Ontario