

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 21, 2017

Item 4, Report No. 10, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on November 21, 2017.

4 UPDATE: FEASIBILITY ASSESSMENT- FAIR WAGE POLICY FOR CITY OF VAUGHAN

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Chief Financial Officer and City Treasurer and the Director of Procurement Services, dated November 6, 2017:

Recommendation

The Chief Financial Officer and City Treasurer and the Director of Procurement Services, recommend:

1. That staff report to a future Finance, Administration and Audit Committee on the findings of the feasibility assessment regarding implementation of a potential Fair Wage Policy for City of Vaughan once the updated Provincial Fair Wage Policy is announced.

Contribution to Sustainability

This report contributes to Service Excellence. Procurement Services supports improving the City of Vaughan's operational performance to enable the delivery of Term of Council priorities while meeting Council's tax rate increase target of no greater than three per cent each year.

Procurement Services strives to ensure that the way we acquire goods, services and construction, help ensure value-for-money and contributes to the City's long-term financial sustainability.

Economic Impact

The financial implications of implementing a Fair Wage Policy for the City will be included in the final consultant report.

Communications Plan

The report is available publicly on the Agenda, Minutes & Extract page of the City's website (www.vaughan.ca).

Purpose

This report is to provide an update on the work completed on the feasibility of implementing a Fair Wage Policy in the City. The report will also advise when the consultant's report will be presented at Finance, Administration and Audit Committee.

Background - Analysis and Options

At the [December 2016](#)¹ Council meeting, staff report Feasibility Assessment – Fair Wage Policy for City of Vaughan, in response to a [May 2016](#)² Council resolution, was adopted as amended deferring consideration of a feasibility assessment for a potential Fair Wage Policy. It was identified that external resources would be required to complete a fulsome feasibility assessment.

In [May 2017](#)³, staff advised Council that a contract for consulting services was awarded to Prism Economics and Analysis (Prism) through public bid RFP17-045. The consulting services are to

¹ Finance, Administration and Audit Committee, Report No. 5, Item 2

² Finance, Administration and Audit Committee, Report No. 6, Item 8

³ Finance, Administration and Audit Committee, Report No. 15, Item 3

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complete a feasibility assessment of implementing a Fair Wage Policy for City of Vaughan contracts. The assessment will include:

- Consultations with relevant stakeholders
- Review of municipal, Provincial and Federal Fair Wage Policies
- Overview the underground economy and implications on workplace health and safety
- Review of implementation and budget implications of a Fair Wage Policy

Since the award of the contract, the consultant has completed stakeholder consultations and research and analysis. Work continues to finalize the report to Council.

Stakeholder Consultations Completed

A key component of this assessment is the consultation of federal, provincial, municipal and labour organization stakeholders. The project plan included 4 weeks for stakeholder consultations. Due to schedule availability, the consultation process took 10 weeks. At the end of the process, consultations included:

- 7 unions and union organizations
- 8 employer and business organizations
- 6 municipalities with a fair wage policy
- City of Vaughan staff
- Provincial and Federal governments

Prism's report will include a summary of comments received from stakeholder consultations.

Federal and Provincial Fair Wage Policies Progress Varied

The Fair Wages and Hours of Labour Act providing the authority for the Federal Fair Wage Program was repealed, effective January 1, 2014. The Prime Minister's mandate [letter](#)⁴ to the Minister of Employment, Workforce Development and Labour directs the minister to "work with the Minister of Public Services and Procurement and the President of the Treasury Board to implement a modern Fair Wages Policy". At the time of this report, there has been no announcement of the process to be undertaken to implement this policy.

The current Provincial Fair Wage Policy was adopted in 1995. In [February](#)⁵ 2017, the Provincial government announced its intention to update the policy. Since this announcement, the Ministry of Labour has held consultation meetings with unions, employers and other stakeholders. Written submissions from interested parties were received until the end of September 2017. As Cabinet approval is required to update the Provincial Fair Wage Policy, the City's consultant has speculated an announcement of the updated policy is anticipated for later in 2017 or in the first half of 2018.

Staff recommend that a report on the feasibility assessment of a fair wage policy for the City be finalized and presented to Council once the Provincial Fair Wage Policy update is announced. As part of their engagement, Prism is currently working on recommendations for consideration by Council. Prism has indicated that the results of the update to the Provincial policy could impact these recommendations.

Options with Economic Impacts Under Development

Prism has also completed research and analysis on:

- City competitively tendered construction contracts

4 <http://pm.gc.ca/eng/minister-employment-workforce-development-and-labour-mandate-letter>

5 <https://news.ontario.ca/mol/en/2017/02/ontario-seeking-public-input-to-update-fair-wage-policy.html>

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- Fair wage policies of other municipalities and provincial and federal governments
- Labour costs in construction work

Considering what was heard during the stakeholder consultations and the additional research and analysis, recommended options are being developed by Prism. These options will be presented in Prism's report for Council's consideration. Each option will include any additional work that may need to be completed and the cost associated with implementing the option.

A Final Report is Underway

Prism is working with staff on a final report to be brought to Council. Staff recommend this report be presented to Finance, Administration and Audit Committee once the updated Provincial Fair Wage Policy is announced.

Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

This report contributes to Service Excellence. Procurement Services supports improving the City of Vaughan's operational performance to enable the delivery of Term of Council priorities while meeting Council's tax rate increase target of no greater than three per cent each year.

Regional Implications

It is not anticipated that there will be any Regional implications. The final report will be shared with the Region.

Conclusion

Staff and the consultant continue to work on finalizing the report. This report will be brought forward to a future Finance, Administration and Audit Committee, once the updated Provincial Fair Wage Policy is announced. The report will include:

- Summary of comments received from stakeholder consultations
- Options for consideration, with the associated economic impact of each option
- Recommendation and suggested next steps

Attachments

Not applicable

Report prepared by:

Jackie Lee Macchiusi, CPA, CGA
Manager, Procurement Services

Asad Chughtai
Director, Procurement Services

UPDATE: FEASIBILITY ASSESSMENT- FAIR WAGE POLICY FOR CITY OF VAUGHAN**Recommendation**

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Economic Impact

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- Review of implementation and budget implications of a Fair Wage Policy

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Report prepared by:

Jackie Lee Macchiusi, CPA, CGA
Manager, Procurement Services

Asad Chughtai
Director, Procurement Services

Respectfully submitted,

Asad Chughtai
Director of Procurement Services

Laura Mirabella-Siddall, CPA, CA
Chief Financial Officer & City Treasurer