

# **REPORT**

## ***Finance and HR and IT***

**To:** Mayor Johnstone and Members of  
Council

**Date:** November 27, 2023

**From:** Jacqueline Dairon  
Acting CFO/Director of Finance

**File:**

Richard Fong  
Director, Human Resources and  
Information Technology

**Item #:** 2023-760

**Subject:** Fair Wage Policy at the City of New Westminster

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### **RECOMMENDATION**

THAT Council direct staff to proceed with the proposed workplan and funding request for phase one of a two-phased process to review the impact on the City by adopting a Fair Wage Policy and report back to Council in Q2 2024.

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### **PURPOSE**

The purpose of this report is to outline a process and potential impacts for the City of New Westminster to adopt a Fair Wage Policy as per Council's motion dated September 11, 2023.

### **BACKGROUND**

On September 11, 2023, Council passed the following motion directing staff to outline a process for adopting a Fair Wage Policy (FWP) similar to the City of Burnaby or the City of North Vancouver.

WHEREAS the City of New Westminster was a leader in adopting a Living Wage Policy in 2011 to assure all employees of the City and service providers to the City earn a living wage as a minimum; and

WHEREAS cohort municipalities such as the City of North Vancouver and Burnaby have adopted Fair Wage Policies to ensure that no contractor or sub-contractor working for the City gets an unfair advantage by paying lower than fair market wages for skilled workers; and

WHEREAS New Westminster is committed to affordability for working people, and ensuring fair and household-supporting wages are paid for all work performed by or on behalf of the City; and

WHEREAS Metro Vancouver is a major builder of capital works that are funded by utility ratepayers through municipal governments, and has significant procurement power that impacts the regional labour market;

THEREFORE BE IT RESOLVED THAT staff bring a report to Council outlining a process to adoption of a Fair Wage Policy similar to that of Burnaby or the City of North Vancouver to complement New Westminster's successful Living Wage Policy; and

BE IT FURTHER RESOLVED THAT Mayor Johnstone take a motion to the Board of Metro Vancouver on behalf of New Westminster Council requesting that Fair Wage and Living Wage policies be developed and adopted by the Regional Government.

### **Existing Policy and Practice**

The City of New Westminster currently has a Living Wage Policy that has been in place since January 2011. The purpose of the City's Living Wage Policy (LWP) is to ensure that all City Staff and Service Providers to the City who work on City premises for a specified period of time earn, at a minimum, a living wage. On an annual basis, the City is required to recertify that the City is in compliance with the LWP. See Appendix A for the City's Living Wage Policy.

### **ANALYSIS**

The LWP sets a minimum level that all staff and consultants are required to be paid through a specific formula created by Living Wages for Families BC. A FWP may need an analysis on certain positions to determine specific wage requirements that will impact City staff and all contractors and sub-contractors working for the City.

The process to move towards adopting a Fair Wage Policy at the City of New Westminster would involve a two-phased process:

- Phase 1: Research and review the impact of implementing a Fair Wage Policy
- Phase 2: Develop and implement a Fair Wage Policy

- 1) Research and Review Phase – The City would need to research how other Cities have implemented the FWP. There would be a resource requirement on both Human Resources and Finance staff, specifically Purchasing staff, to conduct this comprehensive research as to the extent of Phase 2 work required.
- 2) Policy Development and Implementation – Following the research phase, staff would be required to work with an external consultant to develop the new policy. Consultation would be required with internal and external stakeholders who would be impacted by this policy such as the City's unions, the supplier community, and other internal or external stakeholders who may be directly or indirectly impacted by the FWP. New processes on how to manage the policy on an annual basis would also need to be developed.

Legal input would also be required to review the policy prior to implementation.

Due to the current workload of the impacted departments, it is estimated that the information and findings collected in Phase 1 would be brought forward in early quarter two 2024 for Council's review and consideration prior to proceeding with Phase 2 work.

### **FINANCIAL IMPLICATIONS**

The City would require the services of a consultant to support the development and implementation of a policy and ongoing policy management. The initial estimated cost is \$30,000.

There may also be a long term financial implications on the current City budget. These financial implications would need to be fully explored and outlined in the Phase 2 report.

### **INTERDEPARTMENTAL LIAISON**

HR and Finance will work collaboratively on this initiative. Input from Legal and other departments will also be required when a new policy is developed.

### **OPTIONS**

Option 1: THAT Council direct staff to proceed with the proposed workplan and funding request for phase one of a two-phased process to review the impact on the City by adopting a Fair Wage Policy and report back to Council in Q2 2024.

Option 2: That Council provides staff with other direction.

Staff recommend Option 1

## **CONCLUSION**

Proceeding with a Fair Wage Policy would require a two phased process whereby additional reports would be presented at future Council meetings outlining the time and resources required to research, develop and implement a Fair Wage Policy.

## **ATTACHMENTS**

Living Wage Policy

## **APPROVALS**

This report was prepared by:

Patrick Shannon, Manager, Purchasing

Richard Fong, Director, Human Resources & Information Technology

This report was reviewed by:

Eva Yip, Senior Manager, Human Resources

This report was approved by:

Lisa Spitale, Chief Administrative Officer