

## Committee of the Whole (2) Report

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**DATE:** Monday, March 8, 2021

**WARD(S):** ALL

**TITLE:** VAUGHAN FAIR WAGE SCHEDULES

**FROM:**

Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

**ACTION:** DECISION

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**Purpose**

As the final piece of the Vaughan's Fair Wage policy, the Fair Wage Schedule is presented to Council for their consideration and approval.

**Report Highlights**

- Vaughan's Fair Wage Policy was adopted December 15, 2020
- Prism Economics & Analysis was engaged to develop the Fair Wage Schedule for the Industrial Commercial and Institutional (ICI), Roads, Sewer and Watermain and Heavy Construction Sectors.
- Fair Wage Schedule was developed in accordance with Section 10 of the Fair Wage Policy

**Recommendation**

1. That the Fair Wage Schedule as contained in Attachment 1 of this report be approved.

**Background**

At the December 2020 Council meeting, staff report 'Vaughan's Fair Wage Policy', was adopted. Council directed staff to develop the Fair Wage Schedule (Schedule) that supports Vaughan's Fair Wage policy (Policy). The Schedule provides the minimum wage employers are to pay workers employed on City construction contracts.

Prism Economics and Analysis (Prism), the consultants that prepared the report '[Feasibility Assessment for a Fair Wage Policy](#)' (Prism Report) and assisted with the development of the [Fair Wage Policy](#), were engaged to develop the Schedule for the Industrial Commercial and Institutional (ICI), Roads, Sewer and Watermain and Heavy Construction Sectors. A communication was provided to the Policy Committee to advise of the creation of these Schedule.

The Policy provides the methodology to use when developing the Fair Wage Schedule. During the development of the Policy, stakeholders had an opportunity to comment on this methodology. Any feedback provided was considered during Policy development.

### **Previous Reports/Authority**

Council Extract December 17, 2019: Feasibility Assessment for a Fair Wage Policy for the City of Vaughan:

<https://pub-vaughan.escribemeetings.com/filestream.ashx?DocumentId=43808>

Council Extract December 15, 2020: Vaughan's Fair Wage Policy:

<https://pub-vaughan.escribemeetings.com/filestream.ashx?DocumentId=56316>

### **Analysis and Options**

With the adoption of the Fair Wage Policy, the methodology by which the Fair Wage Schedule was established. Section 10, item 10.5.1 of the Policy states:

*Based on the wages from the collective agreement that is most representative of prevailing wages in Board Area Eight as defined by the Ontario Labour Relations Board plus a maximum of 15%. The wages to be used in this calculation will be the wages that applied three years prior to date of the Fair Wage Schedule. For example, the total hourly compensation rates for the Fair Wage Schedule for 2021 will be based on the wages that applied in 2018 plus a maximum of 15%.*

To develop the Schedule, Prism compiled a collection of collective agreements for the Industrial Commercial and Institutional (ICI) Sector (*i.e.*, non-residential building construction), the Roads Sector, the Sewer and Watermain Sector and Heavy Construction (*i.e.*, engineering construction such as transit projects, bridges, etc.). For agreements that apply to skilled trades (*e.g.*, electricians), Prism identified the wage rate applicable to journeypersons as of January 1, 2018. For agreements that applied to non-trade occupations (*e.g.*, heavy equipment operators and labourers), Prism identified the wage rate applicable to the principal occupations as of January 1, 2018. Where there was an ambiguity, Prism contacted the employer association or union for written clarification. Per the Policy, these wage rates were then increased by a factor of

15% to take account of non-statutory benefits. Attachment 1 provides the Fair Wage Schedule.

Prism has provided the City with all back up supporting the development of the Schedule.

### **Financial Impact**

The adoption of the Fair Wage Policy and Fair Wage Schedule should have no financial impact on City construction contracts. An impact on costs would occur only if there are a material number of contractors that currently are performing City work and also paying their workers less than the prevailing wage. There is no evidence that contractors are paying their workers less than the prevailing wage. When employers were consulted during the development of the report *Feasibility Assessment for a Fair Wage Policy*, employers stated that market conditions prevent them from paying less than the prevailing wage.

Staff will continue to monitor the City's construction costs as part of their project management practices. If required, capital project amendments will be included during the capital planning process and included in future capital budgets.

### **Broader Regional Impacts/Considerations**

The City will be having discussion with the Region of York and its municipalities, as well as all neighbouring municipalities, to advise them of the City's intent when it comes to a Fair Wage Policy. For example, cross-Municipal/Regional projects, such as City of Vaughan and Region of York, will need to be discussed to determine the extent of their inclusion, or exclusion, from the City's Fair Wage Policy.

Staff will continue to monitor what is happening at the Federal and Provincial levels as it relates to their Fair Wage Policy initiatives.

### **Conclusion**

The Fair Wage Schedule developed by Prism employed the methodology approved in the Fair Wage Policy. The appropriate agreements provided the fair wage for the Industrial Commercial and Institutional (ICI), Roads, Sewer and Watermain and Heavy Construction Sectors. The Schedule provides the minimum wage employers are to pay workers employed on City construction contracts.

With the adoption of [Infrastructure Health and Safety Association's Certificate of Recognition](#) (COR™) and the Fair Wage Policy and Fair Wage Schedule, the City demonstrates its commitment to protecting workers engaged on City construction

contracts, as well as the community of Vaughan as a whole.

**For more information**, please contact: Asad Chughtai, Director Procurement Services, Ext. 8306

**Attachment**

1. Fair Wage Schedule, Procurement Services, March 8, 2021

**Prepared by**

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**Approved by**



Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

**Reviewed by**



Jim Harnum, City Manager