SUBJECT: Minimum Wage Increase (HUR08001) - (City Wide)

RECOMMENDATION:
That the minimum wage jobs in the part-time non-union salary schedule be increased by 75 cents per hour in 2008, 2009 and 2010 to comply with The Employment Standards Act.

JOSEPH L. RINALDO
General Manager,
Finance & Corporate Services

EXECUTIVE SUMMARY:
The City of Hamilton has approximately 518 staff members working part-time in 12 distinct minimum wage job classifications.
BACKGROUND:

General wage increases were approved by the Ontario Government over a three year period as follows:

<table>
<thead>
<tr>
<th>Ontario General Minimum Wage Rate per Hour</th>
<th>Implementation Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$8.75</td>
<td>March 31, 2008</td>
</tr>
<tr>
<td>$9.50</td>
<td>March 31, 2009</td>
</tr>
<tr>
<td>$10.25</td>
<td>March 31, 2010</td>
</tr>
</tbody>
</table>

The minimum wage will increase from $8.00 per hour in 2007 to $8.75 per hour in 2008, $9.50 per hour in 2009 and $10.25 per hour in 2010. The government has balanced the needs of Ontario’s low-income wage earners by phasing in the minimum wage increases over three years.

Staff will provide a follow-up report recommending 2008 increases for the balance of the part-time non-union and seasonal full time positions that are tied to the minimum wage group.

ANALYSIS/RATIONALE:

The increases to the lowest wages are required to comply with the Employment Standards Act, which will introduce increases in the minimum wage on March 31, 2008, March 31, 2009 and March 31, 2010.

ALTERNATIVES FOR CONSIDERATION:

There is no alternative to increasing wages to comply with the minimum wages prescribed by the Employment Standards Act.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Sufficient funds have been provided in the 2008 budget for the minimum wage adjustment. Funds will be allocated for the 2009 and 2010 budgets to provide for the minimum wage adjustment.

The net budget impact for the period March 31, 2008 to December 31, 2008 is approximately $80,932 representing salaries and 12.63% for payroll taxes including Canada Pension Plan, Employer Health Tax, Employment Insurance and vacation pay.

The net budget impact for the period January 1, 2009 to December 31, 2009 is approximately $107,909 representing salaries and 12.63% for payroll taxes including Canada Pension Plan, Employer Health Tax, Employment Insurance and vacation pay.
The net budget impact for the period January 1, 2010 to December 31, 2010 is approximately $107,909 representing salaries and 12.63% for payroll taxes including Canada Pension Plan, Employer Health Tax, Employment Insurance and vacation pay.

**POLICIES AFFECTING PROPOSAL:**
None.

**RELEVANT CONSULTATION:**
Consultation occurred with the Budgets & Finance Division of the Corporate Services Department in the preparation of this report.

**CITY STRATEGIC COMMITMENT:**

By evaluating the “**Triple Bottom Line**”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

- **Community Well-Being is enhanced.** ☑Yes ☐ No
  Opportunities for part-time employment with the City would be paid fairly and equitably so as to attract and retain the appropriate number of qualified candidates.

- **Environmental Well-Being is enhanced.** ☑Yes ☐ No
  This proposal will have no effect on the environment.

- **Economic Well-Being is enhanced.** ☑Yes ☐ No
  An appropriately skilled and diverse workforce will be attracted and retained through a sound, cost effective salary administration program.

- **Does the option you are recommending create value across all three bottom lines?**
  ☑Yes ☐ No
  Value is created in two out of three bottom lines with the exception of environmental well-being.

- **Do the options you are recommending make Hamilton a City of choice for high performance public servants?**
  ☑Yes ☐ No
  Ensuring compliance with employment standards legislation so that the City is seen as a preferred employer for high performance public servants.