



Report Date: September 27, 2024

VanRIMS No.: 08-3000-30

[Submit comments to the Board](#)

TO: Park Board Chair and Commissioners
FROM: Director, Strategic Operations and Board Relations
SUBJECT: Affirmation of Park Board as a Living Wage Employer – Report Back

RECOMMENDATIONS

- A. THAT the Vancouver Park Board receive this report back for information on the process and budgetary impacts of seeking Living Wage Employer re-certification.

PURPOSE AND SUMMARY

The purpose of this report is to provide information for the Board on the process and anticipated budgetary impacts of seeking Living Wage Employer re-certification. To be recognized as a Living Wage Employer, an organization must implement measures to ensure direct employees and employees of contracted service providers, including subcontractors, are compensated at or above the Living Wage rate established by Living Wage for Families BC and the Canadian Centre for Policy Alternatives.

Between 2017 and 2022, the Vancouver Board of Parks and Recreation (Park Board) was included within the City of Vancouver's certification process as a Living Wage Employer. In 2023, City Council adopted a Fair Wage program as a replacement to being a Living Wage Employer and did not resubmit for annual certification.

To support the Board's request to report back on the steps necessary for re-certification independent of the City, the process is described and a first 'stage gate' is identified: the Board will need to legally confirm it has jurisdiction to provide direction for the wages of City employees (the opinion of CoV legal is that all Park Board employees are City of Vancouver employees) and contracted services provided by the City. High-level budgetary impacts are noted. Other contracted services managed by the Park Board follow the Park Board Procurement Policy, and this policy still requires that contractors meet Living Wage criteria.

Therefore, within its clear jurisdiction, the Park Board continues to affirm the principles of the Living Wage program through the contracted services it is responsible for. Additional legal confirmation related to the administration of the City's direct employees and City-provided contracted services withholds it from ability to officially re-certify as a Living Wage Employer.

BOARD AUTHORITY / PREVIOUS DECISIONS

In July 2015, Council approved a [motion](#) affirming its commitment to have the City of Vancouver become certified as a Living Wage Employer and directed staff to report back on the steps required to achieve that goal.

In September 2015, the Park Board motion "[Endorsing Vancouver's Living Wage Certification](#)" was referred to staff.

In September 2016, City Council passed a motion "[Making the City of Vancouver a Living Wage Employer](#)". As part of that motion, staff were directed to inform the Park Board of the City's plan to pursue Living Wage Certification and seek the Board's endorsement of the Living Wage certification requirements in relation to contracted services procured on behalf of the Park Board.

In March 2017, the Board approved a [report](#) endorsing the City of Vancouver Living Wage certification requirements for contracted services procured on behalf of the Park Board.

In January 2023, Council approved an [In-Camera report](#) directing staff to establish a revised approach to support the Living Wage program, implementing a 5-year moving average living wage as the standard, effectively ending Living Wage Employer certification as administered by Living Wage for Families BC.

In April 2024, a [motion](#) seeking affirmation of Park Board commitment to be a Living Wage employer was passed, directing staff to report back on steps necessary for re-certification and anticipated budgetary impacts.

CONTEXT AND BACKGROUND

In response to the Board's direction for staff to report back on necessary steps for re-certification, staff undertook a review of previous motions, reports, relevant policy and the Implementation Plan and process for the City's original certification, including available direction and updated materials available through Living Wage for Families BC.

Additional considerations were sought through inquiry with Legal Services.

DISCUSSION

Living Wage for Families BC describes a living wage as the hourly amount a worker needs to earn to cover their family's basic expenses within their community. A living wage can be made up of base wage and benefits and is recalculated annually to ensure it accurately reflects living expenses. The Living Wage is currently set at \$25.68 per hour for Metro Vancouver, including direct salary and certain benefits.

The process to apply for Living Wage Employer certification is clear and [well documented](#): employers must prepare and submit a Living Wage Employer Implementation Plan that includes general information on the organization, the representative responsible for oversight of the Living Wage program, the number and compensation levels of direct staff, the estimated number and type of service contracts that will be affected and the mechanism to ensure that renewal contracts are consistent with the Living Wage guidelines.

Applications are reviewed by the Living Wage for Families BC's Employers Committee, and if determined to fulfill the conditions of the program, the employer is deemed a certified Living Wage Employer. Several exemptions to the criteria are provided, including for casual employment, multiple small contracts, interns and students, apprentices and training, staff on probation, and a limited amount of social purchasing.

Before an Implementation Plan can be developed, the Board would need to consider how both Park Board employees and contracted services are addressed under the different mechanisms of administration through the City.

Park Board Employees and Community Centre Staff

Staff working under the direction of the Park Board are employees of the City of Vancouver – the Park Board has no direct employees of its own.

Community Centre staff, per the Joint Operating Agreement, are employees of Community Centre Associations (CCAs) and City of Vancouver employer policies do not apply.

Contracted Services

The Park Board has a Procurement Policy that sets out requirements for the procurement of goods, services and construction as well as the disposition of surplus assets. Park Board owns this policy, and the Supply Chain Management division of the City's Finance, Risk and Supply Chain Management group administers the policy on its behalf.

The policy was last updated in 2022 and includes language to ensure that all contracts meet criteria for contractors to pay no less than the Living Wage. Therefore, for all contracted services under the Park Board's responsibility, the Living Wage continues to apply until the Procurement Policy is updated or revised to align with that of the City. These include contracts for professional services such as consulting, construction, and goods with a service component for parks maintenance and concessions.

Outside of contracts managed by the Park Board, the City also provides several services to the Park Board, including for impacted areas of janitorial services, security services, and graffiti removal services.

FINANCIAL CONSIDERATIONS

In November 2022, the living wage rate was increased by 17.35% for Metro Vancouver to \$24.08 per hour, significantly higher than the rate of inflation. The Canadian Centre for Policy Alternatives accounted this increase to rising food costs and a change to how rental cost is calculated to reflect disparities between new renters and long-time tenants benefitting from protections.

The 2023 Council Report noted that 240 direct employees were not paid at or above this new living wage and 9 contracts for third party services were not in compliance, with an estimated \$1.8M required for alignment to the new living wage standard. Auxiliary staff employed in Park Board positions such as cashier, food server, rink attendance and in the City's Arts Culture and Community Services (ACCS) positions such as civic theatre attendants were identified as the direct staff groups most impacted. The estimated additional annual cost to bring these auxiliary positions into compliance was calculated at \$98,000. For contracted services provided by the City (and exclusive of those managed by the Park Board), the ongoing annual costs required to bring into compliance was estimated at \$1.5M total. When the Living Wage program was originally initiated at the City in 2017, Park Board was estimated to receive about one quarter of these services.

Later in 2023, the living wage rate increased by 6.64% to \$25.68. As Council had approved the replacement Fair Wage program in the preceding year, calculations for impacts up to this date and using this new rate were not undertaken. However, it could be assumed that as this percentage increase is more closely aligned with annual market-based salary range adjustments and merit increases, it would not impact staff to the extent of the 2022 Living Wage rate increase.

Should the Board pursue development of an Implementation Plan for Living Wage Employer certification, additional budget would need to be identified to bring impacted positions into compliance with latest Living Wage rate, typically set in November of each year. Additional funding

to meet the requirements of certification for this program would be presented for Board approval during the annual Service Plan and budgetary process.

OTHER CONSIDERATIONS

An important unresolved question remains: does the Park Board have legal authority to provide direction on the employment policy when it has no direct employees and the City of Vancouver holds jurisdiction over the employment of its staff?

The current advice from the Legal Department is that the Park Board does not have any employees and that re-certifying to be a Living Wage Employer is therefore outside of its jurisdiction. Due to ongoing work related to the governance structure between the Board of Parks and Recreation and Council, the Legal Department is unable to provide further legal advice on this issue.

Without the ability to address the legal question of jurisdiction through available staff, the Board would need to seek outside opinion on its legal ability to provide guidance to the City on employment practices to meet criteria for Living Wage Employer re-certification.

CONCLUSION AND NEXT STEPS

Most employers seeking Living Wage Employer certification follow a fairly standard process described by Living Wage for Families BC. However, the unique position of the Park Board as an independent governing body staffed by employees of the City complicates the pursuit of re-certification following the decision of City Council to provide alternative direction. The steps necessary for the Park Board to pursue independent re-certification are as follows:

- 1. Confirm the legal ability of the Park Board to provide direction on the wages of City employees assigned to its services and City provided contracted services for parks and recreation facilities.**
 - Identify additional budget to bring impacted positions into compliance with the latest living wage rate, as determined by Living Wage for Families BC. This would require efforts to determine the impacted staff and contracted services relative to the new living wage rate, followed by financial analysis of costs necessary for compliance.
 - Develop a Living Wage Employer Implementation Plan in consultation with Living Wage for Families BC. Delivery of an Implementation Plan would require staff resources, considered against other funded and resourced priorities, which could potentially deprioritize other projects or initiatives.
- 2. Submit the Implementation Plan to Living Wage for Families BC for review.**
 - Thereafter, revisit the impacts of the updated Living Wage each year on impacted staff and adjust budgets accordingly for compliance with annual re-certification.

The next steps are for the Board to consider the above process, impacts and resolution of identified stage gate before providing direction to staff, if such direction is within its abilities and desired.