

REPORT TO COUNTY COUNCIL

Living Wage Employer – Feasibility and Budget Implications

To: Warden and Members of County Council

From: Director of Human Resources

RECOMMENDATION

1. That Council receive Report HR 2025-01 entitled “Living Wage Employer – Feasibility and Budget Implications” and direct staff to update the Non-Union Job Evaluation and Salary Administration Policy 5.08 to incorporate the living wage commitment for County employed staff effective January 1, 2026, and not pursue formal living wage certification.

REPORT HIGHLIGHTS

- The purpose of this report is to present the feasibility and budget implications of Oxford County becoming certified as a Living Wage Employer, as requested through a notice of motion at the County Council meeting of February 26, 2025.
- Oxford County directly employs two positions (Library Page and Seasonal Students) that are currently paid lower than the 2024 living wage for London, Elgin, Oxford, which is \$19.50 per hour.
- To become certified as a Living Wage Employer, an organization must also commit to ensuring externally contracted employers that provide services for the organization on a regular basis for at least 120 hours of labour per year, pay their staff at least the living wage. This requirement provides added complexity to becoming certified as a Living Wage Employer for an organization like ours, which is described in the body of the report.

IMPLEMENTATION POINTS

If Council adopts the recommendations in this report, staff will incorporate the living wage commitment in the Non-Union Job Evaluation and Salary Administration Policy 5.08 to take effect in 2026.

Financial Impact

Oxford County Staff – Budget Implications

The cost to adjust Oxford County staff to the living wage as it relates to the regional area of London, Elgin, Oxford are as follows.

Position Currently Paid Below Living Wage	Number of FTE in 2025 Budget	Cost to Adjust to Living Wage (\$19.50) – Annualized
Library Page (currently \$17.20, increases to \$17.60 Oct 1/25 as per the Employment Standards Act minimum wage increase)	4.660	\$21,471
Seasonal Students (currently \$18.00)	6.000	20,874
Total	10.660	\$42,346
<i>General Levy</i>	4.000	\$14,157
<i>W/WW Rates</i>	1.333	\$4,631
<i>Library Levy</i>	5.327	\$23,557

It is important to note that the \$19.50 living wage reflects the London, Elgin, Oxford regional 2024 rate. Once the 2025 rate is determined later this year, appropriate adjustments will need to be incorporated into the 2026 budget process. Similarly, in future budget cycles, the projected rate for the following year will need to be estimated for planning purposes and adjusted accordingly once finalized.

Externally Contracted (Third-Party Staff) – Budget Implications

As previously mentioned, becoming certified as a Living Wage Employer requires the County to include a living wage clause in all future agreements and re-negotiated agreements with hired contractors. Except for a small number of contractors, the County is unaware of the wage rates that our contractors pay their staff, meaning that estimating a future budgetary impact is not possible. While we would not anticipate an immediate budget impact, the cost of doing business with contractors could potentially increase if a living wage clause was included in all new and re-negotiated contracts going forward. Any contractor currently paying their staff minimum wage would see an approximate 10% increase in salary related costs.

Associated Fees

To become certified as a Living Wage Employer by the Ontario Living Wage Network, employers sign a licence agreement and pay an annual employer certification fee. For Oxford County, this fee would be \$600 annually.

Communications

Staff that will be impacted by Council's adoption of the recommendation in this report will be appropriately informed.

2023-2026 STRATEGIC PLAN

Oxford County Council approved the **2023-2026 Strategic Plan** on September 13, 2023. The Plan outlines 39 goals across three strategic pillars that advance Council's vision of "Working together for a healthy, vibrant, and sustainable future." These pillars are: (1) *Promoting community vitality*, (2) *Enhancing environmental sustainability*, and (3) *Fostering progressive government*.

The recommendation in this report supports the following strategic goals.

Strategic Plan Pillars and Goals

PILLAR 1	PILLAR 2	PILLAR 3
		
Promoting community vitality	Enhancing environmental sustainability	Fostering progressive government
Goal 1.3 – Community health, safety and well-being		Goal 3.3 – Attract, retain and engage staff

See: [Oxford County 2023-2026 Strategic Plan](#)

DISCUSSION

Background

At the County Council meeting of February 26, 2025, staff was directed to explore the feasibility and budget implications of becoming a living wage employer. Becoming certified as a living wage employer is completed through the Ontario Living Wage Network (<https://www.ontariolivingwage.ca/>) and includes completing an application and licence agreement, paying the required annual fee, and making adjustments within six months whenever a new living wage rate is established.

Becoming certified as a living wage employer includes adjusting the wage rates of any directly employed positions, as well as including clauses in future agreement and re-negotiated agreements with all external contractors who provide at least 120 hours of labour per year.

Comments

Adjusting the wages of our directly employed staff is feasible and the associated costs are noted in the financial impacts section. Clarification was sought on whether our seasonal student positions fall under the living wage requirements, and while there is a small allowance for “trainees, interns, co-op and practicum placements”, guidance was provided that the living wage is expected to be paid for all positions, regardless of age.

The County regularly engages with more than 150 contractors, for work like landscaping, snow removal, and construction projects. While it is feasible to include a living wage clause in all future contracts and re-negotiated contracts, the number of contractors that the County engages is significant. Without knowing what our current and potential future contractors pay their staff; staff are of the opinion that we are not able to accurately predict future impacts with any degree of certainty.

Based on the foregoing, it is recommended that Council not pursue the Living Wage Network certification but adopt the living wage philosophy for our directly employed staff by amending the County’s Non-Union Job Evaluation and Salary Administration Policy and including the revised wage rate in the 2026 budget.

CONCLUSIONS

By making this commitment, the County would be taking steps towards becoming a living wage employer, by ensuring all positions that we directly employ are paid the established living wage for our geographical area. While becoming formally certified as a living wage employer is desirable, the high volume of contractors that the County engages makes the long-term impacts of this endeavor unknown. As recommended through this report, it is most feasible to adopt the living wage philosophy with our directly employed staff and forego the formal certification at this time.

SIGNATURES

Departmental Approval:

Amy Smith
Director of Human Resources

Approved for submission:

Benjamin R. Addley
Chief Administrative Officer