The Chamber
The Winnipeg Chamber of Commerce

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Michael Jack
Chief Corporate Services Officer
City of Winnipeg
Email: mjack@winnipeg.ca

Dear Mr. Jack:

On behalf of The Winnipeg Chamber of Commerce, I want to thank you for the opportunity to provide input into the City's assessment of a $15/hour minimum wage for all civic employees. We have several concerns with this proposal and the impact it would have on the city's financial situation.

1. The arbitrary calculation of $15/hour minimum wage

The $15/hour minimum wage proposal appears to be based solely on a calculation made by the Canadian Centre for Policy Alternatives (CCPA). It considers just one model family unit of two parents, both earning a minimum wage, and two children. As a current calculation guide is not publicly available, it's unclear how the assumptions were made for various expense categories.

We do know the CCPA figure includes amounts for public transit, private health insurance and education. However, the City of Winnipeg already provides generous employee benefits which include transit discounts, health insurance, and education and development opportunities. The City also offers a defined benefit pension plan, which represents a significant value to employees. And most City employees work within a negotiated wage scale which includes defined steps that would take them far beyond $15/hour within their first few years of employment.

The 'Fight for $15' political movement began in the United States in 2012 and has expanded to over 300 cities on six continents. The fact that a single wage has been advanced politically as a socio-economic remedy across more than 300 cities, each of which have widely different cost of living realities and social support systems, underscores the arbitrariness of the wage calculation and illustrates the lack of rigorous objectivity.

2. The accordion effect on other civic wage bands

Resetting the floor of the City's wage scale to $15/hour for all positions – even temporary or seasonal workers – will almost certainly lead to demands to correspondingly increase wages further up the scale, from $15 to $17/hour, $17 to $19/hour, and so on.

This accordion effect could dramatically increase wage costs for the city at a time when it is trying to practice financial restraint.

Given reports of more than 8 of 10 city employees earning in excess of $15/hour, the accordion effect on civic finances is beyond significant.

3. **Salaries should be negotiated in collective agreements**

   If any of the city's bargaining units want the City to have a $15 minimum wage, they should ask for that as part of the collective bargaining process, with the City seeking a corresponding benefit for ratepayers. By considering this change outside of the collective bargaining process, the City is essentially bargaining against itself.

4. **It weakens the City's position in negotiating a new revenue model with other levels of government**

   Neither the provincial or federal governments have a $15/hour minimum wage for their own employees. It would undermine the strong argument for a new civic revenue model, and make more difficult the City's negotiating position, if it willingly, outside the scope of collective bargaining, sets its own minimum wage at a rate that is 28% higher than the provincial requirement.

5. **A civic minimum wage should not be extended to procurement**

   There has also been some discussion about requiring any vendor or contractor the City does business with to also adopt a $15/hour minimum wage. We feel strongly the City should not be dictating wage terms to private employers and would strenuously object to any such requirement in City tenders.

Thank you for the opportunity to provide input on this issue.

Sincerely,

THE WINNIPEG CHAMBER OF COMMERCE



Loren Remillard
President & CEO