

# MEMORANDUM

Agenda Item No. 7(B)

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**TO:** Honorable Chairman Jean Monestime  
and Members, Board of County Commissioners

**DATE:** April 5, 2016

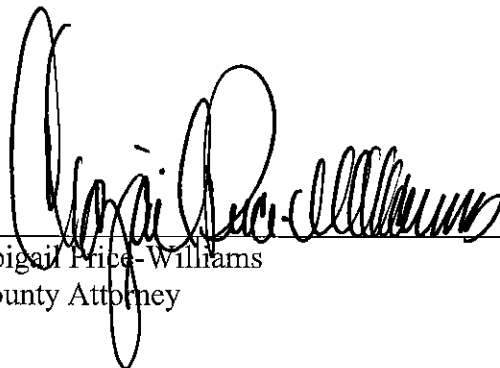
**FROM:** Abigail Price-Williams  
County Attorney

**SUBJECT:** Ordinance relating to the Living Wage Ordinance; amending section 2-8.9 of the Code to update wage and health benefit rates

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**This item was amended at the 3-17-16 Economic Prosperity Committee to make clear that the applicable category of costs to be used for indexing is the “medical care” index and also to clarify the effective date of the amendment.**

The accompanying ordinance was prepared and placed on the agenda at the request of Prime Sponsor Chairman Jean Monestime, and Co-Sponsors Commissioner Daniella Levine Cava, Commissioner Audrey M. Edmonson, Commissioner Sally A. Heyman, Commissioner Barbara J. Jordan, Commissioner Dennis C. Moss and Commissioner Xavier L. Suarez.



Abigail Price-Williams  
County Attorney

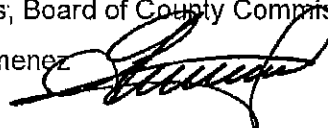
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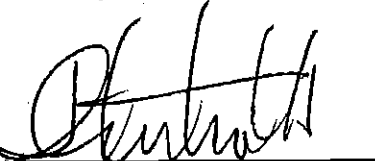
**From:** Carlos A. Gimenez  
Mayor 

**Subject:** Fiscal Impact for Ordinance Pertaining to the Living Wage

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The proposed ordinance pertaining to the Living Wage rate for County service contracts amends Section 2-8.9 of the Code of Miami-Dade County updating wage and health benefit rates by utilizing the consumer price index for medical costs when adjusting compensation for health benefits.

The proposed ordinance modifies the existing ordinance by changing the methodology by which the living wage is calculated. Currently, the living wage is adjusted based on the Consumer Price Index for all items. The proposed ordinance uses the Consumer Price Index for medical care as a separate factor when calculating the adjusted living wage. Medical care costs have generally grown at a faster rate than other costs. As a result, the living wage should grow at a faster rate. The fiscal impact resulting from this change may be significant, but can only be quantified on a contract by contract basis.



Edward Marquez  
Deputy Mayor

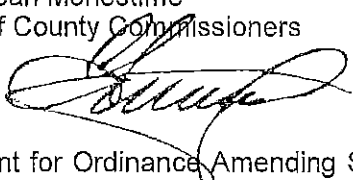
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# Memorandum



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**To:** Honorable Chairman Jean Monestime  
and Members, Board of County Commissioners

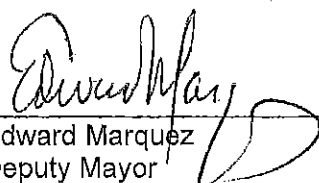
**From:** Carlos A. Gimenez   
Mayor

**Subject:** Social Equity Statement for Ordinance Amending Section 2-8.9 of the County Code  
Relating to the Living Wage Ordinance

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The proposed Ordinance amends Section 2-8.9 of the County Code relating to Living Wage to update the wage and health benefit rates. The Ordinance will change the employee hourly Living Wage rate to \$12.63 with a qualifying Health Benefit Plan of \$2.89. If no qualifying Health Benefit Plan, the employee hourly Living Wage rate shall be \$15.52. Commencing October 1, 2017, the \$2.89 Health Benefit Plan will be adjusted based on the Consumer Price Index for medical costs for the Miami-Ft. Lauderdale area.

The proposed ordinance modifies the existing one by changing the methodology by which the living wage is calculated. As mentioned in the Fiscal Impact Statement for this ordinance (Agenda Item 160565), medical care costs have generally grown at a faster rate than other costs. As a result, the living wage should grow at a faster rate. Updating the Living Wage rate could benefit eligible employees by providing them with increased benefits. However, such benefit to the employees could impact their employers who will be required to comply with any increased amount. Such impact could only be quantified on a contract by contract basis.

  
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Edward Marquez  
Deputy Mayor

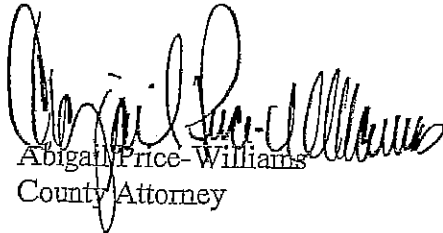


# MEMORANDUM

(Revised)

**TO:** Honorable Chairman Jean Monestime  
and Members, Board of County Commissioners

**DATE:** April 5, 2016

**FROM:**   
Abigail Price-Williams  
County Attorney

**SUBJECT:** Agenda Item No. 7(B)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Statement of social equity required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's \_\_\_\_\_, 3/5's \_\_\_\_\_, unanimous \_\_\_\_\_) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 7(B)  
4-5-16

ORDINANCE NO. \_\_\_\_\_

ORDINANCE RELATING TO THE LIVING WAGE ORDINANCE; AMENDING SECTION 2-8.9 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA, TO UPDATE WAGE AND HEALTH BENEFIT RATES; PROVIDING SEVERABILITY, INCLUSION IN THE CODE, AND AN EFFECTIVE DATE

**WHEREAS**, in 1999, this Board adopted Ordinance 99-44, the Living Wage Ordinance because the County recognized that it has a responsibility when spending public funds to set a community standard that permits full-time workers to live above the poverty line; and

**WHEREAS**, in adopting the Living Wage Ordinance, the County found that sub-poverty level wages do not serve the public purpose because such wages place an undue burden on taxpayers and the community to subsidize employers paying inadequate wages by providing their employees social services such as health care, housing, nutrition, and energy assistance; and

**WHEREAS**, the Living Wage Ordinance in 1999 established a Living Wage of no less than \$8.56 per hour with health benefits or a wage rate of \$9.81 per hour without health benefits which meant that the cost of qualifying health benefits was set at \$1.25 per hour; and

**WHEREAS**, since 1999, the wage rate and health benefit differential of the Living Wage Ordinance has been adjusted annually utilizing the Consumer Price Index calculated by the U.S. Department of Commerce as applied to the County of Miami-Dade; and

**WHEREAS**, the indexed wage rate has effectively kept pace with inflation, ensuring wages are sufficient to permit workers to live above the poverty line; and

**WHEREAS**, the general Consumer Price Index has proven inadequate when applied to the inflationary effects on health benefits, as evidenced by the current health benefit differential of \$1.83 an hour, which is estimated to be \$1.06 less than required to provide for basic health insurance; and

**WHEREAS**, the consumer price index for medical costs in the Miami-Fort Lauderdale, FL Metropolitan Statistical Area is a more appropriate index to utilize when adjusting compensation for health benefits; and

**WHEREAS**, in a 2014 health benefits survey, the Kaiser Family Foundation found that “the average annual premiums for employer-sponsored health insurance are \$6,025 for single coverage and \$16,834 for family coverage.” Assuming a 40 hour workweek, this translates to a minimum of \$2.89 per hour for a health benefit plan; and

**WHEREAS**, the Living Wage Ordinance needs to be amended to accurately reflect current healthcare costs in compliance with this Board’s policy goals of setting a community standard for living wages; and

**WHEREAS**, as it pertains to the health benefits provisions, the Living Wage Ordinance should incorporate the Bureau of Labor Statistics consumer price index for medical costs in the Miami-Ft. Lauderdale area; and

**WHEREAS**, making these changes to update the Living Wage Ordinance after 15 years is in the best interest of Miami-Dade County,

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:**

**Section 1.** Section 2-8.9 of the Code of Miami-Dade County, Florida, is hereby amended to read as follows:<sup>1</sup>

**Sec. 2-8.9. Living Wage Ordinance for County Service Contracts and County Employees.**

\* \* \*

Living Wage.

(A) Living wage paid.

(1) *Service contractors.* All service contractors as defined by this Chapter, performing covered services shall pay to all of its employees providing covered services, the current Living Wage rate >>of \$12.63 per hour with a qualifying Health Benefit Plan valued at no less than \$2.89 per hour per employee and \$15.52 per hour if no qualifying Health Benefit Plan is provided by the Service Contractor<<, applicable to the time when the covered service is performed as that rate is adjusted each fiscal year in the manner provided for herein for the adjustment of the Living Wage rate.

(B) Health Benefit Plan.

(1) For a covered employer or the County to comply with the Living Wage provision by choosing to pay the lower wage scale when a covered employer also provides a Health Benefit Plan, such Health Benefit Plan shall consist of payment of >>\$2.89 per hour per employee commencing in health benefit plan year 2017 and for subsequent years the amount shall be adjusted by the percentage change in the

<sup>1</sup> Words stricken through and/or [[double bracketed]] shall be deleted. Words underscored and/or >>double arrowed<< constitute the amendment proposed. Remaining provisions are now in effect and remain unchanged.

consumer price index for medical~~<<[[services]]~~<sup>2</sup>  
~~>>care<< >>~~for the Miami-Ft. Lauderdale area  
published by the United States Department of  
Labor.~~<< [[the current rate applicable to the time~~  
~~when the covered service is performed as that rate is~~  
~~adjusted each budget year in the manner provided~~  
~~for herein for the adjustment of the Living Wage~~  
~~rate towards the provision of a Health Benefit Plan~~  
~~for employees and, if applicable, their dependents.]]~~  
 The minimum amount of payment by a Service  
 Contractor for the provision of a Health Benefit  
 Plan on a per-hour basis will be calculated based on  
 a maximum of a 40-hour work week. Overtime  
 hours will not require additional payments towards  
 the provision of a Health Benefit Plan. If the  
 Service Contractor pays less than the required  
 amount for providing a Health Benefit Plan  
 provided in this section, then the Service Contractor  
 may comply with the Living Wage requirements by  
 paying the covered employee the difference  
 between the premium it pays for the Health Benefit  
 Plan of the Covered Employee and the minimum  
 amount required by this section for a qualifying  
 Health Benefit Plan. The Service Contractor may  
 require that all employees enroll in a Health Benefit  
 Plan offered by the Service Contractor, provided  
 that the employee is not required to pay a premium  
 contribution for employee-only coverage. Proof of  
 the provision of a Health Benefit Plan must be  
 submitted to the County to qualify to pay the  
 applicable wage rate for employees with a  
 qualifying Health Benefit Plan. Health Benefit Plan  
 for purposes of complying with this section shall  
 qualify if it includes the benefits contained in a  
 standard health benefit plan meeting the  
 requirements set forth in § 627.6699(12)(a), Florida  
 Statutes.

\* \* \*

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<sup>2</sup> Committee amendments are indicated as follows: Words double stricken through and/or [[double bracketed]] are deleted, words double underlined and/or >>double arrowed<< are added.



- (C) *Indexing.* The living wage will be annually indexed to inflation as defined by the Consumer Price Index calculated by the U.S. Department of Commerce as applied to the County of Miami-Dade. The first indexing adjustment shall occur for the 2001-2002 County budget year using the Consumer Price Index figures provided for the calendar year ended December 31, 2000, and thereafter on an annual basis. >>Commencing October 1, 2017, the \$2.89 cost for a qualifying health benefit plan shall be adjusted based on the consumer price index for medical<<[[~~cost~~]]>>care<<>>for the Miami-Ft. Lauderdale area and that indexed cost shall be added to the existing Living Wage rate when a qualifying Health Benefit Plan is provided to determine the newly adjusted Living Wage rate without qualifying health benefits.<<

\* \* \*

**Section 2.** The requirements of this Ordinance shall apply to any contracts ~~[[including but not limited to permits]]~~ entered into, extended (by exercise of option to renew or otherwise), amended, >>or<< modified on or after October 1, 2016>>, and to any existing and future permits subject to the Living Wage Ordinance.<<

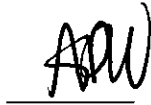
**Section 3.** If any section, subsection, sentence, clause or provision of this ordinance is held invalid, the remainder of this ordinance shall not be affected by such invalidity.

**Section 4.** It is the intention of the Board of County Commissioners, and it is hereby ordained that the provisions of this ordinance, including any sunset provision, shall become and be made a part of the Code of Miami-Dade County, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

**Section 5.** This ordinance shall become effective ten (10) days after the date of enactment unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

PASSED AND ADOPTED:

Approved by County Attorney as  
to form and legal sufficiency:



Prepared by:



Eric A. Rodriguez

Prime Sponsor: Chairman Jean Monestime  
Co-Sponsors: Commissioner Daniella Levine Cava  
Commissioner Audrey M. Edmonson  
Commissioner Sally A. Heyman  
Commissioner Barbara J. Jordan  
Commissioner Dennis C. Moss  
Commissioner Xavier L. Suarez