

ADOPTED - SEPTEMBER 22, 2009

Agenda Item No. 16

Introduced by the County Services Committee of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

**RESOLUTION AMENDING THE INGHAM COUNTY
LIVING WAGE POLICY RESOLUTION #03-248**

RESOLUTION #09-294

WHEREAS, the Ingham County Board of Commissioners adopted Resolution #03-168 which established a policy requiring certain contractors to pay their employees a living wage; and

WHEREAS, the Board of Commissioners has determined it advisable to amend the policy to exclude contracts for Court ordered juvenile residential placement services.

THEREFORE BE IT RESOLVED, that Resolution #03-168 is amended to provide the following additional exemption in the appropriate part of the Resolution:

J. Contracts for services to be provided for Court ordered juvenile residential placements are exempt from this policy.

COUNTY SERVICES: Yeas: Celentino, Koenig, Holman, Copedge, Grebner, Vickers

Nays: None

Absent: None

Approved 9/15/09

ADOPTED - OCTOBER 14, 2003

Agenda Item No. 10

Introduced by the County Services and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION AMENDING THE INGHAM COUNTY LIVING WAGE POLICY

RESOLUTION #03-248

WHEREAS, the Ingham County Board of Commissioners adopted Resolution #03-168, which established a policy requiring certain contractors to pay their employees a living wage; and

WHEREAS, the Board of Commissioners has determined it advisable to amend the policy to exclude contractors who are engaged outside of Ingham County for the purpose of providing services to non-county residents pursuant to underlying agreements with the State of Michigan.

THEREFORE BE IT RESOLVED, that Resolution #03-168 is amended to provide the following additional exemption in the appropriate part of the resolution:

I. Contracts for service to be provided outside of Ingham County to non Ingham County residents pursuant to underlying agreements with the State of Michigan are exempt from this policy.

COUNTY SERVICES: Yeas: Celentino, Holman, De Leon, Schor

Nays: Severino, Nevin **Absent:** None **Approved 10/7/03**

FINANCE: Yeas: Grebner, Swope, Dedden, Hertel, Thomas, Minter

Nays: None **Absent:** None **Approved 10/8/03**

Introduced by the County Services and Finance Committees of the:

INGHAM COUNTY BOARD OF COMMISSIONERS

RESOLUTION ESTABLISHING A POLICY TO REQUIRE THE PAYMENT OF A LIVING WAGE

RESOLUTION #03-168

WHEREAS, the Ingham County Board of Commissioners desires to increase the quality and reliability of services procured for Ingham County or provided Ingham County inhabitants by promoting higher productivity and retention of employees working for Ingham County on Ingham County contracts; and

WHEREAS, the Ingham County Board of Commissioners desires to use Ingham County spending and procurement of services to require covered employers who provide services to Ingham County to pay their employees a "Living Wage" sufficient to meet their employees' basic subsistence needs; and

WHEREAS, the Ingham County Board of Commissioners desires to raise the income of low-income working people and their families employed by covered employers on Ingham County contracts; and

WHEREAS, the Ingham County Board of Commissioners desires to use Ingham County spending to encourage the development of jobs paying wages above the poverty level; and

WHEREAS, the Ingham County Board of Commissioners, under this policy, does not intend to establish any generally applicable County minimum wage, or regulate the wages paid by any business or individual that chooses not to provide services covered by this policy to the County; and

WHEREAS, the Ingham County Board of Commissioners desires to provide incentives for covered employers to provide health insurance to their employees; and

WHEREAS, the economic research summarized in the Economic Policy Institute's August 2000 issue guide, "Higher Wages Lead to More Efficient Service Provision," indicate that payment of higher wages is associated with greater business investment in employee training, higher productivity, and lower employee turnover; and

WHEREAS, the Ingham County Board of Commissioners references the Michigan League for Human Services October 1998 report, "Economic Self-Sufficiency: A Michigan Benchmark," that a family of three required at that time, on average \$2,724 a month to pay for housing, food, child care, health care, transportation, clothing, household supplies, a telephone, and taxes, and this was at the time equivalent to an hourly wage of \$15.83 for households with a single worker and \$7.92 for households with two workers; and

WHEREAS, while the 2002 United States Department of Health and Human Services federal poverty guideline was \$18,100 a year for a four-person family income near the poverty level is not a desirable standard of living sufficient to meet the subsistence needs of a family in Ingham County and its surrounding communities.

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THEREFORE BE IT RESOLVED, that the Ingham County Board of Commissioners hereby requires that each contractor pay its employees providing services under the contract wages which are greater than or equal to a living wage, and meets other conditions, as defined in this policy.

BE IT FURTHER RESOLVED, that this policy applies to any individual, proprietorship, partnership, corporation, trust, association or other entity that is a contractor, defined as follows:

- i. A "contractor" is a party to a contract with Ingham County primarily for the furnishing of services (as opposed to purchasing or leasing of goods or property), where the total expenditure for such contract exceeds \$50,000 in a twelve-month period and employs five or more employees, or where the total value of contracts that the contractor has in effect on the effective date of the contract with Ingham County exceeds \$50,000 and where the contractor employs five (5) or more employees. It does not include contractors who pay Ingham County a commission for the right to offer their services in county facilities or in conjunction with county events;
- ii. A "subcontractor" is a party to a contract with a contractor providing services to Ingham County who is required to pay a "living wage" under the terms of this policy; whose contract with the contractor is for the purpose of furnishing services to Ingham County under the terms of the contractor's contract with Ingham County; where the subcontractor employs five or more employees and where the total value of the subcontractor's contract for that purpose exceeds \$25,000.

BE IT FURTHER RESOLVED, that the living wage requirement of this policy shall apply with respect to any employee of a contractor or subcontractor who is employed either part time or full time providing services directly under the contract.

BE IT FURTHER RESOLVED, that for the purposes of this policy, the following terms and phrases are defined as follows:

1. "Contract" means an agreement to perform services, including the subcontracting of services. Contracts for the purchase of goods and contracts to lease or purchase property are excluded.
2. "Employer" means a person who engages employees to provide labor in exchange for payment of wages or salary.
3. "Federal poverty line" means the official poverty line defined by the Office of Management and Budget based on Bureau of Census data for a family of four (4), as adjusted to reflect the percentage change in the Consumer Price Index for all urban consumers.
4. "Health care benefits" means the right granted to an employee under a contract, certificate or policy of insurance to have payment made by a health care insurer or health care corporation for specified medical or health care services for the employee and dependents.
5. "Living wage" means an hourly wage rate which is equivalent to 125% of the federal poverty line on an annual basis when calculated based on forty (40) hours per week, fifty (50) weeks per year; provided however, that costs paid by the employer for an employee's health care benefits may be counted toward up to one-fifth (1/5) of the hourly rate payable to the employee.

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6. "Person" includes individuals, proprietorships, partnership, corporations, trusts, associations, joint ventures, and other legal entities, either incorporated or unincorporated, however operating or named, and whether acting by themselves or by a servant, agent or fiduciary, and includes all legal representatives, heirs, successors and assigns thereof.

7. "Public entity" means the State of Michigan including all agencies thereof, any public body corporate within the state, including all agencies thereof, or any non-incorporated public body within the state of whatever nature, including all agencies thereof.

BE IT FURTHER RESOLVED, that the County Controller shall annually adjust the living wage as provided herein to incorporate changes in the federal poverty level. The Controller shall notify the Board of Commissioners of any change in the amount of the living wage, and shall notify each contractor of such changes and such contractors shall, no later than 30 days after notification, adjust the hourly rates of affected employees as necessary to comply with this policy.

BE IT FURTHER RESOLVED, that the County Controller shall include an explanation of the requirements of this policy in all requests for proposals that may be covered by this policy.

BE IT FURTHER RESOLVED, that each contract covered by this policy shall require compliance with this policy. Each such contract shall provide that a violation of this policy shall be considered a material breach of the contract and Ingham County shall have the right to terminate the contract and disbar the contractor from future Ingham County contracts as provided below.

BE IT FURTHER RESOLVED, that every contractor shall post in a conspicuous place on all job sites subject to this policy a copy of the living wage rate required under this policy. The contractor shall keep accurate records of the names and actual wages and benefits paid to each employee providing services under the contract and subcontract and provide Ingham County with such records within five (5) business days, if requested by the County.

BE IT FURTHER RESOLVED, that each contract shall provide that contractors who are found to be in violation of this provision shall be required to pay each affected employee the amount of deficiency for each day the violation occurs. The contract shall also provide that contractors shall be required to also pay Ingham County \$100 per affected employee for each day the violation occurs beginning with the third day after the contractor receives notification of the violation. The County may withhold from payments to the contractor such amounts as are necessary to effectuate the payments or penalties provided in this paragraph.

BE IT FURTHER RESOLVED, that a contractor who is found to be in violation of this provision and is subsequently required to pay the \$100.00 penalty provided above for more than three (3) incidents within a two (2) year period shall be barred from bidding on or entering into any contracts with the County for a period of ten (10) years from the date of the last violation. An incident for purposes of this paragraph is defined as a failure to pay the living wage rate in a payroll period, a payday or numerous paydays, regardless of the number of employees affected by each incident.

BE IT FURTHER RESOLVED, that anyone with knowledge of a violation of this policy may file a complaint with the County Controller, who shall have thirty (30) days to investigate and remedy the

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complaint. If the complaint is not resolved to the complainant's satisfaction within the thirty (30) day period, the complainant or his representative may bring forward his/her complaint to the County Services Committee of the Ingham County Board of Commissioners. The Committee shall forward its recommendation on the matter to the Board of Commissioners for final resolution.

BE IT FURTHER RESOLVED, a contractor or subcontractor found to have retaliated in violation of federal or state law against an employee for filing a claim of non-payment of a wage rate shall be ineligible to bid on any contract involving the County for a period of (five) 5 years from the date of such finding.

BE IT FURTHER RESOLVED, that the following exemptions from this policy apply:

- A. Public entities are exempt from compliance with this policy.
- B. Entities with 501(c)(3) status with who have nine (9) or fewer employees are exempt from compliance with this policy.
- C. Employees who are working under the terms of a collective bargaining agreement are exempt from compliance with this agreement.
- D. Exempt employees working on projects where federal, state or local law, or Ingham County policy requires payment of a prevailing wage are exempt from compliance with this policy.
- E. The following programs are exempt if developed specifically for high school and/or college students by Ingham County or one of its contractors: A bona fide training program; A summer or youth employment program; A work study, volunteer/public service, or internship program; Co-op employees employed as part of a high school or college co-op program which is part of the employee's educational curricula. Programs which operate to train people with disabilities and which are designated as community rehabilitation programs, work activity centers and/or sheltered workshops. Temporary or seasonal employees hired by a contractor. For purposes of this policy, temporary and/or seasonal employees are defined as employees hired to augment the regular workforce and are hired for three (3) months or less in the case of a temporary employee or nine (9) months or less in the case of a seasonal employee.

BE IT FURTHER RESOLVED, that a contractor may request a wavier of the provisions of this policy if they believe that the application of the policy to the contractor would violate federal, state, or local laws. Requests for waivers shall be made to the Controller, who shall refer such request to the County Services Committee of the Board. The Committee shall review the request and provide its recommendation to the Board of Commissioners for final action.

BE IT FURTHER RESOLVED, that a non-profit human services agency may request a waiver of the provisions of this policy if they believe that the application of the policy would cause economic harm to the agency in a fashion that would result in the harm created by application of the policy outweighing the benefits of applying this policy. Requests for waivers shall be made to the Controller, who shall refer such request to the County Services Committee of the Board. The Committee shall review the request and provide its recommendation to the Board of Commissioners for final action.

BE IT FURTHER RESOLVED, that this policy shall apply to any contract entered into or renewed after the effective date of this policy.

BE IT FURTHER RESOLVED, that entering an agreement for extension of a contract for a period beyond its original term shall be considered entering a contract for purposes of this policy.

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BE IT FURTHER RESOLVED, that this policy shall go into effect ninety (90) days after adoption by the Ingham County Board of Commissioners.

BE IT FURTHER RESOLVED, that it is the intent of the Ingham County Board of Commissioners that the requirement for payment of a living wage as defined in this policy will apply to employees of Ingham County.

COUNTY SERVICES: Yeas: Celentino, Holman, De Leon, Schor

Nays: Severino, Nevin Absent: None Approved 6/17/03

FINANCE: Yeas: Swope, Dedden, Hertel, Thomas

Nays: Grebner, Minter Absent: None Approved 6/18/03