

ORDINANCE NO. _____

AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AMENDING CHAPTER 2 OF THE CITY OF MIAMI BEACH CODE, ENTITLED "ADMINISTRATION," BY AMENDING ARTICLE VI, ENTITLED "PROCUREMENT," BY AMENDING DIVISION 6, ENTITLED "LIVING WAGE REQUIREMENTS FOR SERVICE CONTRACTS AND CITY EMPLOYEES," BY AMENDING SECTION 2-408, ENTITLED "LIVING WAGE," BY INCREASING THE CURRENT LIVING WAGE RATE OF \$11.62 PER HOUR WITH HEALTH CARE BENEFITS OF AT LEAST \$1.69 PER HOUR, OR NO LESS THAN \$13.31 PER HOUR WITHOUT HEALTH CARE BENEFITS, IN A "PHASE-IN" APPROACH COMMENCING ON JANUARY 1, 2018 AND ENDING ON DECEMBER 31, 2020 AS FOLLOWS: 1) A LIVING WAGE OF NO LESS THAN \$11.62 PER HOUR WITH HEALTH CARE BENEFITS OF AT LEAST \$2.26 PER HOUR, OR A LIVING WAGE RATE OF NO LESS THAN \$13.88 PER HOUR WITHOUT HEALTH CARE BENEFITS, COMMENCING JANUARY 1, 2018, 2) A LIVING WAGE RATE OF NO LESS THAN \$11.70 PER HOUR WITH HEALTH CARE BENEFITS OF AT LEAST \$2.74 PER HOUR, OR A LIVING WAGE RATE OF NO LESS THAN \$14.44 PER HOUR WITHOUT HEALTH CARE BENEFITS, COMMENCING ON JANUARY 1, 2019, AND 3) A LIVING WAGE RATE OF NO LESS THAN \$11.78 PER HOUR WITH HEALTH CARE BENEFITS OF AT LEAST \$3.22 PER HOUR, OR A LIVING WAGE RATE OF \$15.00 PER HOUR WITHOUT HEALTH CARE BENEFITS, COMMENCING ON JANUARY 1, 2020 AND ENDING ON DECEMBER 31, 2020; BY REQUIRING THAT COMMENCING ON JANUARY 1, 2021, AND EACH YEAR THEREAFTER, ANY INCREASE TO THE SUPPLEMENTAL HEALTH CARE BENEFITS RATE, AS APPROVED BY COMMISSION, BE CALCULATED USING THE MIAMI CONSUMER PRICE INDEX EXCLUSIVELY FOR "MEDICAL CARE" FOR ALL URBAN CONSUMERS (CPI-U) IN THE MIAMI/FT. LAUDERDALE AREA; AND, PROVIDING FOR REPEALER, SEVERABILITY, CODIFICATION, AND AN EFFECTIVE DATE.

WHEREAS, pursuant to Section 2-408(a) of the Code of the City of Miami Beach, any service contractor entering into a covered services contract with the City, as defined in Section 2-407, must pay to all its employees, who provide services under the covered contract, the stipulated living wage rates, as approved by the City Commission; and

WHEREAS, pursuant to Section 2-408(d) of the City of Miami Beach Code, the living wage rate may, by resolution of the City Commission, be indexed annually for inflation using the Consumer Price Index for all Urban Consumers (CPI-U) Miami/Ft. Lauderdale area, issued by the U.S. Department of Labor, Bureau of Labor Statistics; and

WHEREAS, at its April 26, 2017 meeting, the City Commission, pursuant to Agenda Item C4-G, approved a referral to the Finance and Citywide Projects Committee (the "Committee") for a discussion on whether or not to change the current Living Wage hourly rate; and

WHEREAS, at its July 10, 2017 meeting, after several discussions, and after considering all available options, the Committee recommended indexing the living wage rate cumulatively by 5.62% in a "Phase-In" approach to catch up with inflation from previous years (from January 1, 2016 through December 31, 2016, and from January 1, 2017 through December 31, 2017)

when no living wage increases took place; and further to require that commencing on January 1, 2021 and thereafter, any annual adjustment for inflation to the supplemental health care benefit hourly rate, as approved by the City Commission, be calculated using the Miami Consumer Price Index exclusively for "medical care" for all Urban consumers (CPI-U), Miami/Ft. Lauderdale area; and

WHEREAS, after considering the Committee's recommendation during First Reading of this Ordinance on September 25, 2017, the Mayor and City Commission directed the City's Administration to increase the health care benefit, by at least 50 cents per hour the first year, with a pathway to make the living wage rate without health care benefits at least \$15.00 per hour using a "phase-in" approach; and

WHEREAS, using a "phase-in" approach, the new hourly living wage rates, as approved by the City Commission, will be as follows:

- Effective January 1, 2018, covered employees must be paid a living wage rate of no less than \$11.62 per hour with health care benefits of at least \$2.26 per hour, or a living wage rate of no less than \$13.88 per hour without health care benefits; and
- Effective January 1, 2019, covered employees must be paid a living wage rate of no less than \$11.70 per hour with health care benefits of at least \$2.74 per hour, or a living wage rate of no less than \$14.44 per hour without health care benefits; and
- Effective January 1, 2020, covered employees must be paid a living wage rate of no less than \$11.78 per hour with health care benefits of at least \$3.22 per hour, or a living wage rate of no less than \$15.00 without health care benefits; and

WHEREAS, all existing covered service contracts and future solicitations for covered services shall reflect and comply with all provisions herein, and as may be amended from time to time.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, AS FOLLOWS:

SECTION 1: That Chapter 2, Article VI, Division 6, Section 2-408 of the Code of the City of Miami Beach is hereby amended as follows:

**CHAPTER 2
ADMINISTRATION**

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ARTICLE VI. PROCUREMENT

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**DIVISION 6. LIVING WAGE REQUIREMENTS FOR SERVICE CONTRACTS
AND CITY EMPLOYEES**

*** * ***

Sec. 2-408. Living wage.

- (a) *Living wage paid.* ~~Effective January 1, 2015, covered employees shall be paid a living wage of no less than \$11.62 an hour with health benefits of at least \$1.69 an hour, or a living wage of not less than \$13.31 an hour without health benefits.~~

~~Using a three (3) year "phase-in" approach for a cumulative 5.62% increase, the new hourly living wage rates are adopted as follows:~~

- ~~(1) Effective January 1, 2018, covered employees must be paid a living wage rate of no less than ~~\$11.84~~ 11.62 per hour with health care benefits of at least ~~\$1.72~~ 2.26 per hour, or a living wage rate of no less than ~~\$13.56~~ 13.88 per hour without health care benefits;~~
- ~~(2) Effective January 1, 2019, covered employees must be paid a living wage rate of no less than ~~\$12.06~~ 11.70 per hour with health benefits of at least ~~\$1.75~~ 2.74 per hour, or a living wage rate of no less than ~~\$13.84~~ 14.44 per hour without health care benefits; ~~plus any increase in the CPI for all urban consumers (CPI-U) for the Miami/Ft. Lauderdale area to the hourly rate, and any increase in the CPI for all urban consumers (CPI-U) for the Miami/Ft. Lauderdale area (for medical care only) to the supplemental health care benefits rate in year 2019 (if any), as approved by the city commission;~~~~
- ~~(3) Effective January 1, 2020, covered employees must be paid a living wage rate of no less than ~~\$12.27~~ 11.78 per hour with health care benefits of at least ~~\$1.79~~ 3.22 per hour, or a living wage rate of no less than ~~\$14.06~~ 15.00 per hour without health care benefits; ~~plus any increase in the CPI for all urban consumers (CPI-U) for the Miami/Ft. Lauderdale area to the hourly rate, and any increase in the CPI for all urban consumers (CPI-U) for the Miami/Ft. Lauderdale area (for medical care only) to the supplemental health care benefits rate in year 2020 (if any), as approved by the city commission.~~~~

- (b) *Health benefits; eligibility period.* For a covered employer or the city to comply with the living wage requirements of this division by choosing to pay the lower wage scale available when a covered employer also provides health care benefits, such health care benefits shall consist of payment of at least ~~\$1.69~~ \$1.72 2.26 per hour toward the provision of a health care benefits plan for covered employees and their dependents effective January 1, 2018, and thereafter, as provided in subsections 2-408(a)(1)-(3).

If the health care benefits plan of a covered employer requires an initial period of employment for a new employee to be eligible for health care benefits (eligibility period) the living wage requirements of this division shall be deemed to have been complied with during the eligibility period, provided the covered employer commences to pay the applicable living wage rate without health care benefits, effective as of the date of hire of the covered employee.

Upon completion of the eligibility period, and provided the new employee will be provided health care benefits, a covered employer may commence to pay the applicable living wage rate with health care benefits.

Proof of the provision of health care benefits must be submitted to the city's procurement director to qualify for the wage rate for employees with health care benefits.

- (c) *Annual open enrollment/election of benefits.* If a covered employee is being paid the hourly living wage rate with health care benefits and elects, during such period of time (but no less than once during the covered employer's fiscal year) on which the covered employer permits its employees an opportunity to change their health benefits plan coverage (hereinafter such election period shall be referred to as the "annual open enrollment period") to no longer continue receiving coverage under the employer's health benefits plan, then notwithstanding the covered employer's continuing to offer a health benefits plan to employees - the covered employee (electing out of coverage during the annual enrollment period) shall, by the next pay period, be paid the applicable hourly living wage rate without health care benefits. The covered employer may, in its reasonable judgment and discretion, determine the length of time for the annual open enrollment period; may require employees to complete and return a benefits election form; and, in the event that a covered employee does not complete and return such election form to the covered employer during the prescribed time of the annual open enrollment period, then the covered employer may treat the covered employee as having elected to continue with the health plan benefits coverage (then in effect) and, accordingly, may continue to pay the covered employee the applicable hourly living wage rate with health benefits.
- (d) *Indexing.* The living wage rate and ~~health care benefits rate~~ may, by resolution of the city commission, be indexed annually for inflation using the Miami PMSA Consumer Price Index for all Urban Consumers (CPI-U) Miami/Ft. Lauderdale, issued by the U.S. Department of Labor's Bureau of Labor Statistics. Commencing in Fiscal Year 2019 on January 1, 2021, the supplemental health care benefits rate (the per hour rate towards health benefits) may, by resolution of the city commission, be separately indexed annually for inflation using the Miami PMSA Consumer Price Index for all Urban Consumers (CPI-U) for the Miami/Ft. Lauderdale area, for medical care only, as issued by the U.S. Department of Labor's Bureau of Labor Statistics. Notwithstanding the preceding, no annual index shall exceed three percent; nor shall an annual increase exceed the corresponding annual compensation increase (if any) provided to unrepresented (i.e., unclassified) city employees. The city commission may also, by resolution, elect not to index the living wage rate in any particular year, if it determines it would not be fiscally sound to implement same (in a particular year). The determination to index (or not index) the living wage rate shall be considered annually during the city commission's review and approval of the city's annual operating budget.

In the event that the city commission has determined, in any particular fiscal year (or years), to not index the living wage rate, and thereafter determines that making up all or any part of the prior year's (or years') unindexed percentage would not have an adverse fiscal impact upon the city, then the city commission shall also have the right, but not the obligation, to cumulatively index the living wage rate to "make-up" for any deficiencies in the prior year (or years) where there was (were) no increase(s) (the "catch up" election). The "catch-up" election must be approved by resolution, and may only be considered during the city commission's review and approval of the city's annual operating budget.

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SECTION 2. REPEALER.

All ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

SECTION 3. SEVERABILITY.

If any section, subsection, clause or provision of this Ordinance is held invalid, the remainder shall not be affected by such invalidity.

SECTION 4. CODIFICATION.

It is the intention of the Mayor and City Commission of the City of Miami Beach, and it is hereby ordained that the provisions of this Ordinance shall become and be made part of the Code of the City of Miami Beach, Florida. The sections of this Ordinance may be renumbered or re-lettered to accomplish such intention, and the word "ordinance" may be changed to "section," "article," or other appropriate word.

SECTION 5. EFFECTIVE DATE.

This Ordinance shall take effect on the 1st day of January, 2018.

PASSED AND ADOPTED this _____ day of _____, 2017.

ATTEST:

Philip Levine, Mayor

Rafael E. Granado, City Clerk

Underline denotes additions
~~Strike through~~ denotes deletions
Double underline denotes additions after First Reading
~~Double strike through~~ denotes deletions after First Reading

**APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION**

Zal Q. [Signature] - 10-4-17

City Attorney *DT*
Date

(Sponsored by: Commissioner Ricky Arriola)