

**CHARTER TOWNSHIP OF PITTSFIELD
WASHTENAW COUNTY, MICHIGAN
ORDINANCE No. 295
LIVING WAGE ORDINANCE**

**SECOND READING
November 9, 2011**

AMENDING CHAPTER 21 LIVING WAGE

AN ORDINANCE TO AMEND THE LIVING WAGE ORDINANCE TO BE IN ACCORDANCE WITH THE ANNUAL LIVING WAGE ADJUSTMENT OF WASHTENAW COUNTY, MICHIGAN.

THE CHARTER TOWNSHIP OF PITTSFIELD, WASHTENAW COUNTY, MICHIGAN, HEREBY ORDAINS:

That Chapter 21, Living Wage, of the Pittsfield Charter Township Code is hereby amended by revising Sections 21.01 through 21.50, as follows:

Section 21-01. Findings.

The Township Board finds as follows:

- A.** Payment of higher wages is associated with greater business investment in employee training, higher productivity, and lower employee turnover, and this Ordinance is intended to promote better quality and reliability of services procured for the Township or provided to Township inhabitants by contractors and grantees by promoting higher productivity and increasing retention of employees working on Township contracts and grants;
- B.** The creation of jobs that pay wages high enough to support families above the poverty level promotes the prosperity and general welfare of the Township and its residents, increases consumer spending with local businesses, and improves the economic welfare and security of affected employees;
- C.** Jobs with Township contractors, recipients of tax abatements, or certain other grantees should pay wages that permit the employees of such contractors and grantees and their families to live above the poverty level and should include employee health care benefits whenever possible;
- D.** According to a report entitled "Michigan's Families: Poor Despite Work" issued in November 1998 by the Michigan League for Human Services, from the late-1970s through the mid-1990s, the State of Michigan experienced a 152% increase in the number of working families that were poor - exceeding increases in all other states - while nearly tripling the 48 percent increase experienced nationally;

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E. The Michigan League for Human Services found in its April 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;

F. The Michigan County Social Services Association found in its 2000 "market basket survey" that a "minimal needs" budget for a family of three (3) in Michigan required \$15,222 per year, while not including anything for health care benefit costs and assuming rent of only \$465 a month. According to the U.S. Department of Housing and Urban Development, the fair market rent for a two bedroom apartment in Ann Arbor Metropolitan Statistical Area (which included Pittsfield Township) for 2000 was \$717 a month, and the fair market rent for a three-bedroom apartment was \$940 a month. This means that a family of three requires at least \$18,246 a year to meet a minimal needs budget in this area, not including health care. This converts to an hourly wage of \$8.77 for a full-time, full-year employee;

G. Federal and state minimum wages, currently set at only \$5.15 an hour, mean that a full-time, full-year minimum wage employee earns only \$206 a week, or \$10,712 a year, while the 2000 [1999] United states Department of Health and Human Services federal poverty [level] guideline was \$11,250 for a two-person family, \$14,150 a year for a three-person family, and \$17,050 a year for a four-person family and income near the poverty level is not a desirable standard of living sufficient to meet the subsistence needs of a family in Pittsfield Township and its surrounding communities;

H. Requiring manufacturers, outside service vendors/contractors, and certain other grantees that receive public dollars in the form of tax abatements, service contracts, and other grants of financial assistance to pay their affected employees a "Living Wage" will be in the best interest of the Township of Pittsfield, the affected employees and their families, as well as Washtenaw County and the State of Michigan, as a whole; and

I. This Ordinance is adopted pursuant to the Township's spending and procurement powers as authorized under Article 7 of the 1963 Constitution and it provides for payment of living wages only to employees of covered employers; further, this Ordinance does not establish any generally applicable Township minimum wage, or affect the wages paid by any business or individual that chooses not to provide services covered by this Ordinance to the Township, or does not accept Township tax abatements or grants falling within this Ordinance's terms.

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Therefore, this ordinance is hereby ordained by the Township of Pittsfield to ensure that outside vendors/contractors and manufacturers who receive public monies through service contracts, tax abatements, and certain other grants of financial assistance pay their affected employees a "Living Wage" as defined herein.

Section 21-02. Definitions.

For the purposes of this Ordinance, the following definitions shall apply:

A. "Contractor/vendor" is a person or entity that has a contract with the Township of Pittsfield primarily for the furnishing of services (as opposed to the purchasing or leasing of goods or property) where the total amount of the contract or contracts exceeds \$10,000 for any 12-month period, including any subcontractors of such contractor.

B. "Grantee" is a person or entity that is a recipient of any financial assistance from the Township of Pittsfield in the form of any federal or state grant program administered by the Township, revenue bond financing, tax increment financing, tax abatement, tax credit, direct grant, or any other form of financial assistance, including any contractors, subcontractors, or leaseholders of the grantee at the subsidized site(s), that exceeds \$10,000 for any 12-month period.

C. "Grant" means any form of covered financial assistance as set forth under the definition of "grantee" as defined in Section 3(B) of this Ordinance.

D. "Covered Employer" means a contractor/vendor or a grantee of covered financial assistance that has not been granted an exemption from this Ordinance pursuant to Section 8 of this Ordinance.

E. "Covered Employee" means an "Employee" as defined in F below, who is employed by a Covered Employer.

F. "Employee" means a person who is employed on a full-time basis (defined for purposes of this Ordinance as more than 21 hours per week) on a year-round (i.e. non-seasonal) basis, and not on a probationary basis. Also, for the purposes of this Ordinance, "Employee" does not include "on-call" public employees or persons otherwise exempted or excluded by other provisions of this Ordinance.

G. "Employee Health Benefits" or "Health Benefits" means providing health care benefits for employees (or employees and their dependents) at employer cost or making an employer contribution toward the purchase of such health care benefits for employees

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(or employees and their dependents), provided that the employer cost or contribution equals no less than \$1 an hour for the average work week of such employee, and provided further that any employee payment or contribution toward health care shall not exceed 50 cents an hour for the average work week for such employee.

H. "Living Wage" has the meaning provided in Section 5.

I. "Person" means one or more of the following or their agents, employees, servants, representatives, and legal representatives; individuals, corporations, partnerships, joint ventures, associations, labor organizations, educational institutions, mutual companies, joint stock companies, trusts, unincorporated associations, trustees, trustees in bankruptcy, receivers, fiduciaries, and all other entities recognized at law by this State.

Section 21-03. Applicability.

A. This ordinance shall apply to any person that is a Contractor/Vendor or Grantee as defined herein that employs or contracts with five (5) or more individuals. Provided, however, that a non-profit contractor/vendor or non-profit grantee shall have at least 10 or more employees and a contract or grant that exceeds \$10,000 in any 12-month period in order for this Ordinance to apply to it.

B. The Ordinance shall apply to any grant, service contract, or subcontract or other form of covered financial assistance as provided by this Ordinance that is awarded or entered into after the effective date of the Ordinance. After the effective date of the Ordinance, entering into an agreement for an extension or renewal of any grant, contract, or subcontract or other form of financial assistance as defined herein shall be conditioned upon compliance with this Ordinance.

Section 21.04. Living Wages Required.

A. Subject to the provisions of this Section 4, every covered employer as defined in Section 3, shall pay its covered employees a Living Wage as established in this Ordinance.

1. For a covered employer that provides employee health care to its employees, the Living Wage shall be at least \$11.05 an hour, or the adjusted wage established in paragraph B of this Section.

2. For a covered employer that does not provide health care to its employees, the Living Wage shall be at least \$12.96 an hour, or the adjusted wage established in paragraph B of this Section.

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B. The amount of the living wage established in this Section shall be adjusted to reflect changes to the Living Wage established by the Washtenaw County Board of Commissioners. The adjustment shall occur and be published by the Township Clerk within 60 days of any adjustments to the Washtenaw County Living Wage.

Section 21.05. Employees Covered.

A. Any contractor/vendor receiving a service contract or contracts covered by this Ordinance and any grantee receiving financial assistance for providing services to the public (or a portion thereof) shall pay any of its employees performing work on each such contract or grant a Living Wage as defined herein.

B. Any covered employer receiving a grant of financial assistance from the Township as defined in Section 21.03, including revenue bond financing, tax increment financing, tax abatement, tax credit, direct grant, or any other form of financial assistance, shall pay all employees working in the workplace or location that is receiving or benefiting from such grant a Living Wage as defined herein.

Section 21.06. Enforcement.

A. The Township of Pittsfield shall require, as a condition of any contract or grant covered by this Ordinance, that the affected covered employer agree to the payment of a Living Wage as a condition of entering into or renewal of said contract or grant. The affected covered employer shall agree to post a notice regarding the applicability of this Ordinance in any work place or other location in which employees or other person contracted for employment are working. The affected covered employer shall agree to provide payroll records or other documentation, as deemed necessary by the Township to the Township Clerk within ten (10) business days from receipt of the Township's request.

B. The Township of Pittsfield shall have the right to modify, terminate, and/or seek specific performance of any contract or grant with an affected covered employer from any court of competent jurisdiction, if it is determined after a public hearing, that based upon the preponderance of evidence, the affected covered employer has not complied with this Ordinance.

Section 21.07. Exemptions.

The Township Board, after conducting a public hearing, may grant a partial or complete exemption from the requirements of this Ordinance, if it determines one of the following:

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1. The application of the Ordinance would violate federal, state or local law(s); and
2. The application of the Ordinance would cause economic harm to a non-profit contractor/vendor or grantee in a fashion that would result in the harm created by the application of the Ordinance clearly outweighing the benefits of applying the Ordinance, when the affected non-profit entity has provided a plan to come into conformity with this Ordinance within 3 years, and to the extent necessary to avoid any such harm.

Section 21.08. Other Provisions.

- A. No affected covered employer shall reduce the compensation, wages, fringe benefits, or leave available to any covered employee or person contracted for employment in order to pay the Living Wage required by this Ordinance. No covered employer or potentially covered employer shall reduce the hours of work, other established working conditions, or terms of employment as previously practiced for any covered employee or potentially covered employee in order to avoid coverage under this Ordinance. Any action in violation of this paragraph shall be deemed a violation of this Ordinance subject to the remedies of Section 7.
- B. Nothing in this Ordinance shall conflict with or supersede any agreement regarding the provision of health care to Township employees.
- C. No employee covered by a federal, state, or local law requiring the payment of prevailing wages shall be covered by this Ordinance.
- D. This Ordinance shall not be construed to apply to any person or entity that is not a beneficiary of financial assistance under this Ordinance solely because the person or entity is a tax-exempt religious or charitable organization under state or federal law.
- E. This Ordinance shall not be applicable to the establishment and/or continuation of the following if developed specifically for high school and/or college students:
 1. A bona fide training program;
 2. A summer or youth employment program; and
 3. A work study program, internship, fellowship, or other similar program.

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Sec. 21.09 Severability.

The provisions of this Ordinance are hereby declared to be severable and if any clause, sentence, word, section, or provision is declared void or unenforceable for any reason by a court with competent jurisdiction, it shall not affect any other portion of the Ordinance, except that part or portion affected by the court's decision.

Sec. 21.10 Repealer.

All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict.

The repeal provided herein shall not abrogate or affect any offense or act committed or done, or any penalty or forfeiture incurred, or any pending fee, assessments, litigation or prosecution of any right established, occurring prior to the effective date hereof.

Section 21-11:Publication and Effective Date

This Ordinance shall be published in the manner as required by law. This ordinance shall take effect the day after the first publication of the ordinance (MCL 41.184).

Secs. 21.12 —21.50. - Reserved

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This Ordinance was duly adopted by the Charter Township of Pittsfield Board at its regular meeting held on the _____ day of _____ 2011, and was ordered given publication in the manner required by law.

Alan Israel
Charter Township of Pittsfield Clerk

Mandy Grewal
Charter Township of Pittsfield Supervisor

Dated: _____, 2011

Dated: _____, 2011

First Reading: October 12, 2011

Posting of Notice: October 6, 2011

Publication of Notice: October 13, 2011

Adoption: _____

Ordinance Publication: _____

Effective Date: _____

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CLERK'S CERTIFICATE

I, Alan Israel, Clerk of the Charter Township of Pittsfield, Washtenaw County, Michigan, hereby certifies that the foregoing constitutes a true and complete copy of Pittsfield Charter Township Ordinance No. 295, which was duly adopted by the Township Board of Pittsfield Charter Township at a Regular Meeting of said Board, held on _____, 2011, after said Ordinance had previously been introduced at a Regular Meeting of the Board held _____, 2011, and published in the form it was introduced in accordance with P.A. 359 of 1947, as amended.

I further certify that Member _____ moved for adoption of said Ordinance, and that Member _____ supported said motion.

I further certify that the following Members voted for adoption of said Ordinance _____, and that the following Members voted against

adoption of said Ordinance _____, and that the following Members were absent or abstained from voting on the adoption of said Ordinance _____.

I further certify that after its passage the Ordinance was published on _____, 2011, in accordance with P.A. 359 of 1947, as amended, by _____.

I further certify that said Ordinance has been recorded in the Ordinance Book of the Township and that such recording has been authenticated by the signatures of the Supervisor and the Clerk.

Alan Israel
Charter Township of Pittsfield Clerk

Dated: _____, 2011

Mandy Grewal
Charter Township of Pittsfield Supervisor

Dated: _____, 2011

Effective Date: _____, 2011