

RESOLUTION NO. 2020-31399

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE, AT ITS JULY 17, 2020 MEETING, TO INCREASE THE LIVING WAGE RATE BY ONE PERCENT, TO NO LESS THAN: (1) \$11.90 PER HOUR WITH HEALTH CARE BENEFITS OF AT LEAST \$3.25 PER HOUR, OR (2) \$15.15 PER HOUR WITHOUT HEALTH CARE BENEFITS, FOR CALENDAR YEAR 2021; AND FURTHER DELEGATING TO THE CITY MANAGER THE AUTHORITY TO AMEND ANY CONTRACT, AS NECESSARY, IN ORDER TO IMPLEMENT THE ONE PERCENT INCREASE TO THE LIVING WAGE RATE.

WHEREAS, Section 2-408 of the City Code requires, for specific service contracts, that contractors pay employees the living wage rates that have been approved by the City Commission for any given year; and

WHEREAS, on September 25, 2019, the Mayor and City Commission approved the living wage rate for the calendar year 2020 as follows: \$15.00 per hour without health care benefits; or \$11.78 per hour with health care benefits of at least \$3.22 per hour; and

WHEREAS, the current rates resulted from a three-year phased-in approach initially approved by the City Commission on October 18, 2017, to establish \$15.00 an hour as the minimum living wage rate, by 2020; and

WHEREAS, every year, during budget discussions for the subsequent fiscal year, the City Commission considers whether to change the living wage rates that specified City contractors are required to pay their employees; and

WHEREAS, generally, the living wage hourly rate increase is calculated according to any prior year increases in the overall Consumer Price Index (CPI) for the local area, and the healthcare benefit rate increase is calculated according to any previous year increases in the CPI for medical costs for the local area; and

WHEREAS, Section 2-408(d) also states that an annual increase to the living wage rates shall not exceed the corresponding increase (if any) provided to unclassified city employees; and

WHEREAS, the City's past practice has been to consider the cost of living adjustment (COLA) approved for unclassified staff; and

WHEREAS, during the FY 20/21 budget process, the City is considering a 1% COLA increase for unclassified employees, which is expected to be approved and adopted on September 29, 2020; and

WHEREAS, the fiscal impact of adopting a living wage increase equivalent to the proposed 1% COLA for unclassified staff is an estimated \$121,115.25; and

WHEREAS, on July 17, 2020, the Finance and Economic Resiliency Committee (FERC) recommended a 1% increase to the living wage rate for calendar year 2021, equivalent to the proposed 1% COLA increase for unclassified staff; and

WHEREAS, if approved, a living wage rate of no less than \$11.90 per hour with health care benefits or at least \$3.25 per hour, or a living wage rate of no less than \$15.15 per hour without health care benefits, will become effective on January 1, 2020.

NOW, THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that the Mayor and City Commission hereby accept the recommendation of the Finance and Economic Resiliency Committee, at its July 17, 2020 meeting, to increase the living wage rate by one percent to no less than: (1) \$11.90 per hour with health care benefits of at least \$3.25 per hour, or (2) \$15.15 per hour without health care benefits, for calendar year 2021; and further delegates to the City Manager the authority to amend any contract, as necessary, in order to implement the one percent increase to the living wage rate.

PASSED AND ADOPTED this 16 day of September 2020.



Dan Gelber, Mayor


ATTEST:



Rafael E. Granado, City Clerk



APPROVED AS TO
FORM & LANGUAGE
& FOR EXECUTION

 9/4/20

City Attorney *RAP* Date

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission
FROM: Jimmy L. Morales, City Manager
DATE: September 16, 2020

SUBJECT: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE, AT ITS JULY 17, 2020 MEETING, TO INCREASE THE LIVING WAGE RATE BY ONE PERCENT, TO NO LESS THAN: (1) \$11.90 PER HOUR WITH HEALTH CARE BENEFITS OF AT LEAST \$3.25 PER HOUR, OR (2) \$15.15 PER HOUR WITHOUT HEALTH CARE BENEFITS, FOR CALENDAR YEAR 2021; AND FURTHER DELEGATING TO THE CITY MANAGER THE AUTHORITY TO AMEND ANY CONTRACT, AS NECESSARY, IN ORDER TO IMPLEMENT THE ONE PERCENT INCREASE TO THE LIVING WAGE RATE.

RECOMMENDATION

Adopt the Resolution.

BACKGROUND/HISTORY

Section 2-408 of the City Code requires, for specific service contracts, that contractors pay employees the living wage rates that have been approved by the City Commission for any given year. The current rates, approved by the City Commission on September 25, 2019, are:

\$15.00 per hour without health care benefits; or

\$11.78 per hour with health care benefits of at least \$3.22 per hour.

The current rates resulted from a three-year phased-in approach initially approved by the City Commission on October 18, 2017, to establish \$15.00 as the minimum living wage rates by 2020.

ANALYSIS

Every year, during budget discussions for the subsequent fiscal year, the City Commission considers whether to change the living wage rates that specific city contractors are required to pay their employees. Generally, the living wage hourly rate increase is calculated according to any prior year increases in the overall Consumer Price Index (CPI) for the local area. The healthcare benefit rate increase is calculated according to any previous year increases in the CPI for medical costs for the local area. Section 2-408(d) of the City Code precludes any annual increase to the living wage rates from exceed the corresponding annual increase (if any) provided to unclassified city employees. The City's past practice has been to consider the cost

of living adjustment (COLA) approved for unclassified staff.

During the FY 20/21 budget process, the City is considering a 1% COLA increase for unclassified employees, which is expected to be approved and adopted on September 29, 2020 Commission meeting.

On July 17, 2020, the Finance and Economic Resiliency Committee (FERC) also recommended a 1% increase to the living wage rate for calendar year 2021, equivalent to the proposed 1% COLA increase for unclassified staff. The fiscal impact of adopting a living wage increase equivalent to the proposed 1% COLA for unclassified staff is an estimated \$121,115.25.

If approved by the Mayor and City Commission, the living wage rates of no less than \$11.90 per hour with health care benefits or at least \$3.25 per hour, or a living wage rate of no less than \$15.15 per hour without health care benefits will become effective on January 1, 2021.

CONCLUSION

The Administration recommends that the Mayor and City Commission adopt the resolution accepting the recommendation of the Finance and Economic Resiliency Committee, approved at its July 17, 2020 meeting, to increase the living wage rate to no less than \$11.90 per hour with health care benefits or at least \$3.25 per hour, or a living wage rate of no less than \$15.15 per hour without health care benefits, effective January 1, 2021; and further seeks approval to delegate authority to the City Manager to amend any contract, as needed, in order to implement the one percent increase to the living wage rate.

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-14?

No

Does this item utilize G.O. Bond Funds?

No

Legislative Tracking

Procurement

ATTACHMENTS:

Description

- Resolution