

**RESOLUTION NO. 2023-32737**

**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 28, 2023 MEETING, TO INCREASE THE LIVING WAGE BY THREE PERCENT TO \$12.63 PER HOUR WITH HEALTH CARE BENEFITS OF AT LEAST \$3.45 PER HOUR, OR \$16.08 PER HOUR WITHOUT HEALTH CARE BENEFITS, EFFECTIVE JANUARY 1, 2024; AND FURTHER DELEGATING TO THE CITY MANAGER OR DESIGNEE THE AUTHORITY TO AMEND ANY CONTRACT, AS NECESSARY, TO IMPLEMENT THE INCREASE TO THE LIVING WAGE RATES.**

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

**WHEREAS**, on September 14, 2022, the Mayor and City Commission approved the living wage rate for the calendar year 2023 as follows: \$15.61 per hour without health care benefits; or \$12.26 per hour with health care benefits of at least \$3.35 per hour; and

**WHEREAS**, the City Code stipulates that the living wage rates may be adjusted annually for inflation by the City Commission. Typically, rate increases are considered by the City Commission during annual budget discussions, as an increase will have a budgetary impact when contract rates are adjusted to compensate for the increased wage requirement; and

**WHEREAS**, as is customary, on March 27, 2023, the Mayor and City Commission approved a referral to the Finance and Economic Resiliency Committee for a discussion and recommendation to the City Commission on any increases to the current living wage rates that the City Commission may want to consider for the calendar year beginning January 1, 2024; and

**WHEREAS**, as stipulated in the City Code, living wage rate increases may not exceed the local area's corresponding Consumer Price Index ("CPI") or the cost of living (COLA) adjustment approved for unclassified staff. The CPI increase for the local area for the preceding year (January - December 2023) was approximately 9.9 % for the overall CPI and 3.4 % for the medical services CPI. On September 28, 2022, the Mayor and Commission approved a COLA increase of three percent (3%) effective April 10, 2023; and

**WHEREAS**, despite any increase in the CPI index, the City Code stipulates that the increase to the living wage rates may not exceed the COLA increase approved for unclassified employees. Therefore, any living wage increase recommended in the current budget cycle is capped at 3%; and

**WHEREAS**, on July 28, 2023, the Finance and Economic Resiliency Committee recommended a 3% increase to the living wage rates for the calendar year 2024; and

**WHEREAS**, the estimated fiscal impact of adopting a living wage increase by 3% is \$486,282.68; and

**WHEREAS**, If approved by the Mayor and City Commission, the living wage rate of no less than \$12.63 per hour with health care benefits of at least \$3.45 per hour, or \$16.08 per hour without health care benefits will become effective on January 1, 2024.

**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 accept the recommendation of the Finance and Economic Resiliency Committee at its July 28, 2023 meeting, to increase the living wage by three percent to \$12.63 per hour with health care benefits of at least \$3.45 per hour, or \$16.08 per hour without health care benefits, effective January 1, 2024; and further delegate to the City Manager or designee the authority to amend any contract, as necessary, to implement the increase to the living wage rates.

**PASSED AND ADOPTED** this 13 day of September 2023.



Dan Gelber, Mayor

**ATTEST:**



SEP 20 2023

Rafael E. Granado, City Clerk



APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION



City Attorney *GH*

8-30-23

Date

# MIAMI BEACH

## COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission  
FROM: Alina T. Hudak, City Manager  
DATE: September 13, 2023

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 28, 2023 MEETING, TO INCREASE THE LIVING WAGE BY THREE PERCENT TO \$12.63 PER HOUR WITH HEALTH CARE BENEFITS OF AT LEAST \$3.45 PER HOUR, OR \$16.08 PER HOUR WITHOUT HEALTH CARE BENEFITS, EFFECTIVE JANUARY 1, 2024; AND FURTHER DELEGATING TO THE CITY MANAGER OR DESIGNEE THE AUTHORITY TO AMEND ANY CONTRACT, AS NECESSARY, TO IMPLEMENT THE INCREASE TO THE LIVING WAGE RATES.

### **RECOMMENDATION**

The Administration recommends that the Mayor and City Commission adopt the Resolution accepting the recommendation of the Finance and Economic Resiliency Committee, at its July 28, 2023, meeting to increase the living wage by three (3) percent (%), effective January 1, 2024. The Resolution also delegates to the City Manager or designee the authority to amend any contract, as necessary, to implement the increase to the living wage rates.

### **BACKGROUND/HISTORY**

Section 2-408 of the City Code requires, for specific service contracts, that contractors pay employees the living wage rates approved by the City Commission for any given year. The current rates, approved by the City Commission on September 14, 2022, are as follows:

- \$15.61 per hour without health care benefits; or
- \$12.26 per hour with health care benefits of at least \$3.35 per hour.

The City Code stipulates that the living wage rates may be adjusted annually for inflation by the City Commission. Typically, rate increases are considered by the City Commission during annual budget discussions, as any increase will have a budgetary impact because contract rates are adjusted to compensate for the increased wage requirement.

As is customary, on March 27, 2023, the Mayor and City Commission approved a referral to the Finance and Economic Resiliency Committee for a discussion and recommendation to the City Commission on any increases to the current living wage rates that the City Commission may want to consider for the calendar year beginning January 1, 2024. The referral was considered by the

Finance and Economic Resiliency Committee on July 28, 2023.

As background information, the living wage rates for local entities that enforce a living wage requirement are listed in the table below.

	<b>Current Hourly Rate without Health Care Benefits</b>	<b>Current Hourly Rate with Health Care Benefits</b>	
		<b>Hourly Rate</b>	<b>Health Benefits Rate</b>
Miami Beach	\$15.61	\$12.26	\$3.35
Miami	\$15.00	\$13.19	\$1.81
Broward County	\$18.65	\$15.00	\$3.65
Miami-Dade County	\$18.73	\$15.03	\$3.70

**ANALYSIS**

As stipulated in the City Code, living wage rate increases may not exceed the local area's corresponding Consumer Price Index ("CPI") or the cost of living (COLA) adjustment approved for unclassified staff. The CPI increase for the local area for the preceding year (January - December 2023) was approximately 9.9 % for the overall CPI and 3.4 % for the medical services CPI. On September 28, 2022, the Mayor and Commission approved a COLA increase of three percent (3%) effective April 10, 2023.

Despite any increase in the CPI index, the City Code stipulates that the increase to the living wage rates may not exceed the COLA increase approved for unclassified employees. Therefore, any living wage increase recommended in the current budget cycle is capped at 3%.

To assist the Committee with determining the recommended increase, if any, to the living wage rates for the subsequent calendar year, the Administration calculated the fiscal impact of each 1% increase (up to 3%) to the living wage rates. See the table below.

<b>Increase</b>	<b>Resulting Rates</b>	<b>Estimated Fiscal Impact<sup>1</sup></b>
1%	\$15.77/HR w/o health benefits or \$12.38/HR with health benefits of at least \$3.38/HR	\$162,267.48
2%	\$15.92/HR w/o health benefits or \$12.51/HR with health benefits of at least \$3.42/HR	\$324,534.95
3%	\$16.08/HR w/o health benefits or \$12.63/HR with health benefits of at least \$3.45/HR	\$486,282.68

<sup>1</sup>Based on current contract usage.

**SUPPORTING SURVEY DATA**

N/A

**FINANCIAL INFORMATION**

The FY 23/24 fiscal impact of adopting a 3% living wage increase is approximately \$486,282.68

annually.

**CONCLUSION**

On July 28, 2023, after discussion, the Finance and Economic Resiliency Committee approved a recommendation to the City Commission to increase the living wage rates by three (3) percent (%) for the calendar year beginning January 1, 2024.

If approved by the Mayor and City Commission, the living wage rates of no less than \$12.63 per hour with health care benefits of at least \$3.45 per hour or \$16.08 per hour without health care benefits will become effective on January 1, 2024.

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 28, 2023, meeting, to increase the living wage rates to no less than \$12.63 per hour with health care benefits or at least \$3.45 per hour, or no less than \$16.08 per hour without health care benefits, effective January 1, 2024. The Resolution also delegates authority to the City Manager, or designee, to amend any contract, as needed, to implement the increase to the living wage rates.

**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