



MIAMI BEACH

OFFICE OF THE CITY MANAGER

LTC # 015-2015

LETTER TO COMMISSION

TO: Mayor Philip Levine and Members of the City Commission
FROM: Jimmy L. Morales, City Manager
DATE: January 12, 2015
SUBJECT: Living Wage Update

The purpose of this LTC is to update the Mayor and City Commission on ongoing discussions related to the City's Living Wage Ordinance.

At its September 30, 2014, meeting, the City Commission adopted Ordinance 2014-3897 increasing the living wage rate by three percent (3%). As a result of the living wage rate increase, effective January 1, 2015, covered employees shall be paid a living wage of not less than \$11.62/hour with health benefits of at least \$1.69/hour, or a living wage of not less than \$13.31/hour without health benefits. At this meeting, the Mayor and City Commission requested a discussion of the Living Wage Ordinance to be scheduled for the November 19, 2014 City Commission Meeting.

At its November 19, 2014 meeting, the City Commission was presented with informational items for discussion purposes, including: 1) a list of municipalities in the tri-county area with Living Wage Laws; 2) a list of Living Wage contracts in the City of Miami Beach; and 3) fiscal impact scenarios relative to Living Wage rate options. At this meeting, after discussion of the information presented, the City Commission requested that the Administration present its recommendations to the Living Wage Ordinance at the January 14, 2015 City Commission meeting. Additionally, at the same meeting the City Commission approved a referral to the Finance & City-Wide Projects Committee for a discussion on the City's Living Wage Ordinance in light of the requirements of the Patient Protection and Affordable Care Act (the "ACA"), commonly known as the ACA or Obamacare. Discussions regarding the impact of the ACA on Living Wage Laws (specifically, the health care differential) is a subject many governmental agencies with these laws have currently undertaken.

Since the November 19, 2014, City Commission meeting the following actions have taken place:

1. The City Attorney's Office has been in contact with Miami-Dade County Attorney's Office on the impact of the ACA on the County's Living Wage requirements, as the City's and the County's Living Wage Laws are very similar. The County has advised that it has reached out to its benefits consultant for guidance on the impact of ACA.
2. The Finance and City-Wide Projects Committee has scheduled a discussion on the impact of ACA on the City's Living Wage Law for its February, 2015, meeting.
3. The Procurement Department is in discussions with the appropriate agencies at Miami-Dade, Broward and Palm Beach County relating to discussions these agencies have undertaken in relation to the impacts of ACA on their Living Wage Laws.
4. The Service Employees International Union (SEIU), local Chapter 32BJ, who represents some of the City's contracted personnel, has met with the City Attorney's Office and the Procurement Department to also discuss the impact of ACA on the City's Living Wage Law.

Given the ongoing discussions, at this time the Administration believes it is premature to present the City Commission with any options for amending (or not) the City's Living Wage Ordinance. Therefore, the Administration is recommending the presentation of the recommendations requested by the City Commission be deferred until such time as the aforementioned discussions can be concluded and the requested recommendations can be developed.

If you have any questions, please do not hesitate to contact me.

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