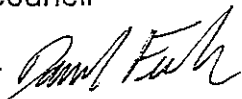


MEMORANDUM

TO: Mayor and Council

FROM: David Ferber 
Director, Human Resources

DATE: July 2, 2001

SUBJECT: Resolution to approve the hardship exemption from the Living Wage Ordinance as requested by the Shelter Association of Washtenaw County.

According to Section 1:817 (2b), Exemptions, of the Living Wage Ordinance if "application of the Ordinance would cause demonstrated economic harm to an otherwise covered employer that is a non-profit organization", the City Council can find that "said harm outweighs the benefits of the Chapter". According to this section of the Ordinance, the organization must "provide a written plan to fully comply with the Ordinance within a reasonable period of time, not to exceed three years". Council can then agree to grant a "partial or complete exemption to ameliorate the harm, and permit the non-profit organization sufficient time to reach full compliance..."

The Human Rights Office has reviewed the application for exemption from the Shelter Association and has found that the request is reasonable and that there is a satisfactory plan to implement the living wage within a satisfactory period of time.

The Shelter Association (SAWC) has had a balanced budget for the last several years which has brought the organization out of a \$95,000 deficit. They have stated that they support the implementation of the Living Wage and have been working to increase its wages and benefits across the board for the last three years. They are extremely close to being in compliance. There are two groups of employees who are currently not being paid the living wage.

The present fulltime night shelter aids receive medical benefits and have a base wage of \$8.25/hour. They are scheduled for an increase to \$8.75/hour beginning

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January 1, 2002 (bringing this work group into compliance). Part-time night shelter workers are not in compliance and will be increased to \$10.20/hour in the next three years (plus any Living Wage increases).

It is the Human Rights staff recommendation that this exemption be granted as the SAWC has shown good faith toward meeting the requirements of the Living Wage Ordinance.

The attached resolution grants the hardship exemption to the Shelter Association of Washtenaw County until June, 2004 as requested on June 19, 2001.

Attachments

Prepared by: Raymond Chauncey, Human Rights Coordinator *lcw*
Julie Steiner, Human Rights Investigator *JS*
Reviewed By: David Ferber, Director of Human Resources *DF*
Approved by: Ron Olson, Associate City Administrator *R. Olson for N.B.*

RESOLUTION TO GRANT A HARDSHIP EXEMPTION FROM THE LIVING WAGE
ORDINANCE TO THE SHELTER ASSOCIATION OF WASHTENAW
COUNTY UNTIL JUNE 2004

Whereas, The Ann Arbor City Council adopted the Living Wage Ordinance (Chapter 23) on March 5, 2001; and

Whereas, The Living Wage Ordinance was adopted, in part, to "use City spending to encourage the development of jobs paying wages above the poverty level;... and to "raise the income of low-income working people and their families employed by covered employers on City contracts or grants;" and

Whereas, The Ordinance provides for "hardship exemptions for certain non-profit employers"; and

Whereas, The Shelter Association of Washtenaw County has demonstrated its commitment to paying its employees a living wage by increasing wages and benefits across the board for the last three years; and

Whereas, The SAWC has committed to raising the wages of its last group of employees who are not currently in compliance within three years to the living wage rate;

RESOLVED, That the Ann Arbor City Council approves the hardship exemption request made by the Shelter Association of Washtenaw County and applauds their efforts to ensure that all of their employees are making a wage sufficient to meet their basic subsistence needs.

Submitted by:	Human Rights Office, Human Resources Department
Date:	July 2, 2001
Approved by:	Ronald Olson, Associate City Administrator