

M.C.O. §38.50 Waiver Criteria

Criteria that the Ways & Means/Budget Committee of the City Council and the City Council may consider in granting a waiver from the provisions of M.C.O. Ch. 38 (Living Wage and Responsible Public Spending Regulations) include, but are not limited to:

1. Economic hardship for the City, City Contractor or a City Business Subsidy Recipient and the City Council determines that such harm would outweigh the benefits of M.C.O. Ch. 38;
2. Financial infeasibility for the City, City Contractor or a City Business Subsidy Recipient and the City Council determines that such harm would outweigh the benefits of M.C.O. Ch. 38;
3. If the imposition of the terms of M.C.O. Ch. 38 would cause a City Contractor or a City business subsidy recipient to make business decisions that adversely impact the City and the City Council determines that such harm would outweigh the benefits of M.C.O. Ch. 38;
4. If a 501(c) entity covered by the terms of M.C.O. Ch. 38 would suffer a reduction in services and the City Council determines that such harm would outweigh the benefits of M.C.O. Ch. 38;
5. If the imposition of the terms of M.C.O. Ch. 38 are not in the best interests of the City and the City Council determines that the harm to the City would outweigh the benefits of M.C.O. Ch. 38; or
6. Any other unanticipated reasons as determined by the City Council and the City Council determines that the harm to the City would outweigh the benefits of M.C.O. Ch. 38.

M.C.O. §38.50 Waiver Process

Only after a public hearing at the Ways & Means/Budget Committee and upon a majority vote of the entire City Council, the City Council may grant a waiver from the provisions of M.C.O. Ch. 38.

City staff or a requesting company or organization shall provide information to the Ways & Means/Budget Committee of the City Council and the City Council regarding the factual background of each requested waiver, whether the waiver request comes from City staff, a potential City contract recipient, a City contract recipient, a potential City Business Subsidy Recipient or a City Business Subsidy Recipient. The City Council must make written findings regarding the reason(s) for waiver in the event a waiver is granted. Factors to consider may include but are not limited to:

- a. The costs associated with applying M.C.O. Ch. 38;
- b. An explanation of why applying M.C.O. Ch. 38 would lead to the stated reason(s) for the requested waiver;
- c. The differential in salaries or wages of affected employees if M.C.O. Ch. 38 is applied to a city contract or not.

If a potential City Contractor, a City Contractor, a potential City Business Subsidy Recipient or a City Business Subsidy Recipient requests a waiver from M.C.O. Ch. 38, the company or organization in question shall provide to the City a complete list of all salaries, wages and benefits for every employee in the company or organization for the past three years and any proposed increases to any wage or salary in the company. The requesting company or organization shall also include a list of reasons why the application of M.C.O. Ch. 38 would harm their business, and shall include an analysis of the effect of the waiver on the costs of healthcare, food stamp programs, the free and reduced lunch program, and other social services for each employee of the company or organization.

If City Staff requests a waiver from M.C.O. Ch. 38, City Staff shall provide to the City a market study of salaries, wages and benefits in the industry that provides a service for which City Staff is seeking a waiver. City staff shall also provide information on the estimated lost wages for the market average worker by granting a waiver and then for the aggregate of all the employees who would be exempted. City Staff should include a list of reasons of why the application of M.C.O. Ch. 38 would harm the city budget, and shall include an analysis of the effect of the waiver on the costs of healthcare, food stamp programs, the free and reduced lunch program, and other social services from granting a waiver.

If a waiver is granted, the company or organization ultimately chosen must submit a written plan to the City Council regarding compliance with M.C.O. Ch. 38 within 3 years. Pursuant to that plan, the City Council shall grant graduated or stepped waivers to bring a City Contractor or City Business Recipient into compliance with M.C.O. Ch. 38 within three years.