

REFERRED TO (NAME OF COMMITTEE)

DATE

97R-053  
**RESOLUTION**  
 of the  
**CITY OF**  
**MINNEAPOLIS**

By Niland, Biernat, Campbell, Cherryhomes, Herron, McDonald, Mead and Thurber

**Adopting a Living Wage Policy.**

Resolved that The City Council of The City of Minneapolis adopt the following Living Wage Policy:

**Preamble:** The following recommendations are made in order to assure that whenever Minneapolis invests public funds in economic development projects, those projects create the greatest number of living wage jobs possible for Minneapolis residents. In addition to these specific recommendations, City policy makers must keep the critical need for living wage jobs before them whenever they consider investing public dollars in development projects.

1. City economic development assistance should require the creation or retention of full time jobs with a living wage -

A) Except when any of the following conditions are met:

- i) the cumulative assistance package totals less than \$100,000 in any one fiscal year; or
- ii) the business receiving the assistance is a small business as defined by Minnesota Statute 645.445; or
- iii) the recipient is an intermediary, such as a community development corporation or community bank, which serves as a pass-through agency for the granting of assistance.

B) Assistance in excess of \$100,000 in any one fiscal year will trigger this provision. For the purpose of this provision, assistance should be broadly defined as:

- i) land sales at less than a fair market price when the amount of the reduction in the sale price below the fair market price exceeds the assistance trigger;

- ii) loans (staff will return with administrative guidelines on how loans will be treated under this policy);
- iii) bonds excluding conduit bonds (which are subject to existing job linkage requirements);
- iv) grants; and
- v) City tax incentives.

City economic development assistance relating to projects in which the primary objective is job creation/retention will be more clearly defined in administrative guidelines.

2. Projects whose only public assistance is site remediation, investigation, and assembly will be reviewed according to Principle Number 6 of this resolution and will be exempt from monitoring and sanctions requirements.
3. Assistance packages above \$100,000 to non-exempted businesses will have to create or retain a fixed ratio of jobs per \$100,000. Administrative guidelines will provide suggested ratios by specific job creation or retention program.
4. A living wage will be defined and indexed as 110% of the federal poverty level for a family of four. Staff are directed to return to the Council/Minneapolis Community Development Agency Board of Commissioners with recommendations on whether the living wage should be defined as 100% of the federal poverty level for a family of four for businesses that provide employer-paid basic health insurance coverage that meets administrative guidelines.
5. The Minneapolis Community Development Agency (MCDA) and the Minneapolis Employment and Training Program (METP) shall work with assisted businesses to establish a goal that 60% of new jobs created will be held by City residents. These jobs should be advertised to the entire community including low-income people through community sponsored organizations and/or job linkage programs.
6. The City of Minneapolis will focus its job creation and retention assistance at businesses which demonstrate a clear and ongoing commitment to the community by providing living wage jobs to their employees and to residents where applicable by giving priority to these businesses over businesses which have not traditionally paid living wages.
7. All other things being equal and to the extent legally possible, the City of Minneapolis will give preferential status for job creation and retention assistance to businesses that engage in responsible labor relations. Responsible labor relations are

defined as neutrality on union organizing, providing a complete and accurate list of names and addresses of employees, reasonable access to employees and facilities during non-working periods, voluntary recognition based on a card check demonstrating that a union represents a majority of employees in a bargaining unit, and binding arbitration on the first contract.

8. The City of Minneapolis, working through the MCDA, will impose sanctions for non-compliance with these requirements.

9. The MCDA and the METP will report on compliance with these requirements, as a part of the annual job linkage report to the City Council.

10. Work presently being performed by City employees may not be contracted out unless the contractors pay employees performing that work a living wage or the current City wage and benefits, whichever is higher.

11. To the extent legally possible, City contracts awarded for service will, within four years, beginning in 1997, be awarded to contractors who pay at a minimum a living wage for employees performing that contract service.

12. The Minneapolis City Council shall direct their purchasing staff to develop by August 1997 policies and practices for contracting and purchasing of goods and services to encourage the creation of living wage jobs.

13. The City of Minneapolis acknowledges the need for job readiness services for some City residents who face serious social and economic barriers to employability. Many of these residents need to establish a stable work history before they are able to move on to living wage jobs. The City of Minneapolis exempts organizations whose primary mission is to provide job readiness and training services, and whose primary purpose of requesting funding is to provide those services.

14. The City of Minneapolis will work with the Metropolitan Council and other appropriate state and regional agencies and the legislature to promote common standards consistent along these guidelines for job creation and retention assistance by public development agencies throughout the region.

15. Although our primary focus is on the creation of living wage jobs where public assistance is received, Minneapolis cannot achieve its economic development goals without a trained and work-ready workforce and adequate day care. Minneapolis will commit to assist area businesses to obtain trained and work-ready employees and to facilitate access to child care.

16. Administrative guidelines should be developed by the MCDA staff and brought before the MCDA Board of Commissioners for review and adoption. These guidelines should explain in detail how each of the policy recommendations will be implemented.

17. Because job readiness is a primary challenge to the success of any wage initiative, and because it is of importance to the residents of Minneapolis as well as to businesses that develop here, the Minneapolis City Council directs the METP to report annually on current job readiness, training and apprenticeship activities.

RECORD OF COUNCIL VOTE (X INDICATES VOTE)													
COUNCIL MEMBER	AYE	NAY	NOT VOTING	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN	COUNCIL MEMBER	AYE	NAY	NOT VOTING	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN
Dziedzie	X						Thurber	X					
Campbell	X						McDonald	X					
Biemet	X						Mead	X					
Rainville	X						Schulstad	X					
Niland	X						Minn			X			
Scott	X						President	X					
Herron	X						Cherryhomes						

PASSED MAR - 7 1997 **APPROVED** NOT APPROVED - VETOED MAR 13 1997  
DATE DATE

*John Chy*  
 \_\_\_\_\_  
 PRESIDENT OF COUNCIL

*Ann Arja Butten*  
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 MAYOR

*mame Kooos*

**Document No. 98-334M amending procedures of implementing the Living Wage Policy will apply to City Resolution No. 97R-053 as follows:**

**"Adopting a Living Wage Policy"**

Resolved that The City Council of The City of Minneapolis adopt the following Living Wage Policy:

Preamble: The following recommendations are made in order to assure that whenever Minneapolis invests public funds in economic development projects, those projects create the greatest number of living wage jobs possible for Minneapolis residents. In addition to these specific recommendations, City policy makers must keep the critical need for living wage jobs before them whenever they consider investing public dollars in development projects.

1. City economic development assistance should require the creation or retention of full-time jobs with a living wage—

- A) Except when any of the following conditions are met:
  - i) the cumulative assistance package totals less than \$25,000 in any one fiscal year; or
  - ii) the business receiving the assistance is a small business as defined by Minnesota Statute 645.445; or
  - iii) the recipient is an intermediary, such as a community development corporation or community bank, which serves as a pass-through agency for the granting of assistance.

B) Assistance (as defined in 1A) in any one fiscal year will trigger this provision. For the purpose of this provision, assistance should be broadly defined as:

- i) land sales at less than a fair market price when the amount of the reduction in the sale price below the fair market price exceeds the assistance trigger.
- ii) loans
- iii) bonds excluding conduit bonds (which are subject to existing job linkage requirements)
- iv) grants
- v) City tax incentives; and
- vi) the above assistance provided through tax increment financing.

2. Projects whose only public assistance is site remediation, investigation, and assembly will be reviewed according to Principle Number 6 of this resolution and will be exempt from monitoring and sanctions requirements. (Note: This provision has been superseded by Principle Number 18.)

3. Businesses are required to create or retain one full-time living wage job per \$35,000 of assistance. The business must indicate whether it will create or retain jobs before receiving assistance.

4. A living wage will be defined and indexed as 110% of the federal poverty level for a family of four. Businesses that provide employer-paid basic health insurance may pay a living wage defined as 100% of the federal poverty level for a family of four. Comprehensive health insurance is defined as:

- Employer 100% premium payment for individual coverage or 80% premium payment for family coverage;
- Employer minimum payment of 80% for office visits, emergency care, surgery, and prescriptions;
- A maximum yearly deduction of \$1,000; and
- Maternity coverage.

5. The Minneapolis Community Development Agency (MCDA) and the Minneapolis Employment and Training program (METP) shall have an overall goal that 60% of new jobs created under this living wage policy will be held by City residents. The MCDA and the METP shall set an annual target for the number of city residents hired into living wage jobs. It is expected that all assisted businesses will have a target. They shall recommend annual increases in this target and additional funding for training and job skill development programs, and other programs to remove impediments to holding a job like lack of child care to help meet these targets. The MCDA and METP will meet quarterly to review progress toward these goals. They will provide quarterly progress reports to the appropriate City Council/MCDA Committees. The MCDA and METP shall work with assisted business to achieve these goals and targets. These jobs should be advertised to the entire community including low-income people through community sponsored organizations and/or job linkage programs.

6. The City of Minneapolis will focus its job creation and retention assistance at businesses that demonstrate a clear and ongoing commitment to the community by providing living wage jobs to their employees and to residents where applicable by giving priority to these businesses over businesses that have not traditionally paid living wages.

7. All other things being equal and to the extent legally possible, the City of Minneapolis will give preferential status for job creation and retention assistance to businesses that engage in responsible labor relations. Responsible labor relations are defined as neutrality on union organizing, providing a complete and accurate list of names and addresses of employees, reasonable access to employees and facilities during non-working periods, voluntary recognition based on a card check demonstrating that a union represents a majority of employees in a bargaining unit, and binding arbitration on the first contract.

8. The City of Minneapolis, working through the Minneapolis Community Development Agency, will impose sanctions for non-compliance with these requirements. If an assisted business fails to comply, MCDA will require pro-rated repayment of the assistance within one year (e.g. if 80% of the living wage requirement is met 20% of the assistance will be repaid.) MCDA may also place the assisted business under temporary or permanent debarment or denial of any future opportunities for additional city assistance.

The MCDA will report annually on compliance with the living wage policy (including any complaints received regarding non-compliance.)

9. The MCDA and the METP will report on compliance with these requirements, as a part of the annual job linkage report to the City Council.

10. Work presently being performed by City employees may not be contracted out unless the contractors pay employees performing that work a living wage or the current City wage and benefits, whichever is higher.

11. To the extent legally possible, City contracts awarded for service will, within four years, beginning in 1997, be awarded to contractors who pay at a minimum a living wage for employees performing that contract service.

12. The Minneapolis City Council shall direct their purchasing staff to develop by August 1997 policies and practices for contracting and purchasing of goods and services to encourage the creation of living wage jobs.

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17. Because job readiness is a primary challenge to the success of any wage initiative, and because it is of importance to the residents of Minneapolis as well as to businesses that develop here, the Minneapolis City Council directs the METP to report annually on current job readiness, training and apprenticeship activities.

18. Appropriate Living Wage and hiring goals for new employees shall be included in Job Linkage Agreements for job creation projects linked to the sale of MCDA property, pollution remediation and other MCDA development activities when the project would not otherwise be covered by this policy.