

A Review of Tompkins County's 2003 Livable Wage Policy  
Findings and Recommendations of the Ad Hoc Livable Wage Work Group

August 8, 2013

## Executive Summary

In 2003, Tompkins County became one of the first local governments in the country to enact a living wage policy that applied to County contractors. The Livable Wage policy requires County staff to “consider the wage levels and benefits, particularly health care, provided by contractors when awarding bids or negotiating contracts, and to encourage the payment of livable wages whenever practical and reasonable.”

The policy does not mandate the payment of living wages. In fact, the operative words in the policy—*consider, encourage, practical, and reasonable*—convey the latitude and judgment the Legislature found necessary to balance its goal of paying the living wage to employees of County contractors with other, sometimes conflicting, goals such as preserving essential services and property tax stability.

Coinciding with the tenth year of the policy, questions have arisen about how the policy is being applied and whether the Legislature’s living wage goals are being adequately considered in the procurement and award of County contracts.

In response, a work group, consisting of County managers and legislators, was formed by the County Administrator to review the policy and make recommendations to address any shortcomings it found in the policy or its implementation.

Over the course of its ten meetings, the work group arrived at a number of findings, particularly the lack of procedural guidance necessary to ensure that the policy is being consistently and rigorously applied. There are not explicit standards and criteria to apply when interpreting a key element of the policy, which is the determination of what is “practical and reasonable.” Without such procedural guidance, each department must decide how to apply the living wage policy, creating the potential of inconsistency of approach and inadequate accountability.

Importantly, the work group also found that nearly three-quarters of the contractors who responded to an in-house survey are paying their employees at or above the living wage rate of \$12.62 per hour<sup>1</sup> calculated by the Alternatives Federal Credit Union (AFCU).

While that attainment level is quite high, the cost to bring *all* contracted employees to the living wage is estimated to range from \$1-\$2 million, the equivalent of a 2.3%-4.6% increase in the County property tax levy. After careful study, the work group has concluded that cost is beyond the County’s immediate reach.

The group found that most County contracts are with local human service agencies and providers. Because of rigid cost-containment measures imposed by their primary funders (e.g., state and federal government and private insurers), these contractors generally have the greatest difficulty in meeting the

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<sup>1</sup> The AFCU living wage rate is \$12.62 per hour if an employer contributes toward the cost of an employee’s health care, and \$13.94 if not.

living wage standard. If required to pay the AFCU wage, these agencies would need to pass-on the full cost of the increase to the County or make a corresponding reduction in service levels.

Summary of Recommendations:

- Although there are clear challenges to achieving the Legislature's living wage goal, the work group recommends that the 2003 policy remain in place as a statement of the Legislature's values and as a goal that the County should aspire to fully achieve.
- To help ensure progress toward attaining the policy goal of a living wage, as well as to mitigate cost, a set of procedures has been recommended that will guide County staff as they "consider and encourage" payment of the living wage, and decide what is "practical and reasonable."

The procedures will:

- Focus on service contracts for which wages are not governed by state or federal law and the County payment is expected to exceed \$50,000. Exceptions are made for certain types of specialized contracts.
- Identify certain excepted employees, such as youth under 18, who can be paid less than the living wage without negating contractor's claim to be paying the living wage to all employees directly involved in providing the County's contracted service. However, no distinction is made between a part-time and a full-time employee, nor between the contractor and a sub-contractor hired to perform the contracted service.
- Establish a set of criteria to be applied when considering whether it is practical and reasonable to incorporate the living wage into a contract. These range from restrictions imposed by primary funders, to evidence of good faith by the contractor to improve wage levels, to the potential loss of service if the wage is required.
- When this procedural arrangement results in a conclusion that it is practical and reasonable to incorporate the living wage into a contract, efforts will be made to implement that conclusion, including identifying resources necessary to pay the higher cost.
- To track progress, and establish accountability, the Legislature will receive periodic reports from the County Administrator that will identify covered contracts that are, and are not, achieving the living wage standard. In addition, the Administrator will conduct a structured review of the impact of the recommended changes two years after their enactment.

The recommendations contained in the report that follows are measured and will require both patience and funds. However, the work group believes the approach it has offered will result in a more diligent and consistent application of the 2003 policy, the establishment of performance expectations and accountabilities, and the surest path toward the attainment of the goals established by the Legislature in its 2003 livable wage policy.

## Introduction and Overview

In 2003, Tompkins County was among the first local governments in the country to enact a living wage policy that extended to contractors doing business with the County.

The essence of that policy requires County staff to “consider the wage levels and benefits, particularly health care, provided by contractors when awarding bids or negotiating contracts, and to encourage the payment of livable wages whenever practical and reasonable.”

The policy does not mandate the payment of living wages. In fact, the operative words in the policy—*consider, encourage, practical, and reasonable*—convey the latitude and judgment the Legislature found necessary to balance its goal of paying the living wage to employees of County contractors with other, sometimes conflicting goals, such as preserving essential services and property tax stability.

The broad statements of principle and approach in the 2003 policy remain relevant today.

Recently, questions have arisen about how the policy is being applied and whether the Legislature’s living wage goals are being adequately considered in the procurement and award of County contracts.

These questions led to a decision to undertake a retrospective review of the 2003 Livable Wage policy and to determine whether shortcomings exist in the policy or procedures that should be addressed.

With the support of the County Legislature’s Government Operations and Budget, Capital, and Personnel Committees, the County Administrator convened an 8-person work group<sup>2</sup>, including 3 Legislators, to review the County’s 2003 Livable Wage Policy.

The group accepted the following charge:

*Undertake a thorough review of the County’s livable wage policy to determine whether County’s policy goals are being adequately achieved, including the extent to which livable wages are now being paid by County contractors. Based on that review, recommend specific changes in the policy or procedure that would address any shortcomings in the policy or its execution. Recommendations made by the work group will be presented to the Legislature for its consideration.*

*To arrive at sound recommendations, the Work Group must consider the full implication of changes that may be proposed. This will require input from knowledgeable groups and individuals with divergent perspectives. Therefore,*

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<sup>2</sup> Legislators Jim Dennis, Kathy Luz Herrera, and Peter Stein; County Attorney Jonathan Wood, County Administrator Joe Mareane, Finance Director David Squires, Solid Waste Manager Barbara Eckstrom, Office of Aging Director Lisa Holmes, Contracts Manager Jackie Kippola,

*the process followed by the work group will be transparent and open to the public. Each meeting should include an opportunity for public comment.*

*Recommendations developed by the work group should be based on clear and specific findings that emerge from its review, and should include the justification for, and expected outcome associated with, each recommendation. The recommendations should be presented in a concise report to the Legislature.*

The work group met nine times, beginning with an organizational meeting on April 16, 2013, and conducted a well-attended public input session on May 1. All of the work group's meetings were conducted in public, with meeting dates posted on the County's calendar, and with individuals who have expressed an interest in the issue receiving email notifications of meetings and agendas. At every meeting, members of the public were invited to speak, and many did. All discussions were on the record.

As a part of its review of the policy and potential new procedures, the work group has had access to a volume of pertinent information and materials, including how other communities have approached the living wage issue. It commissioned several internal reports and an internally-prepared survey of all County service contractors intended to better understand the fiscal and programmatic consequences of various options available for consideration. The work group devoted an early session to gathering input from County department heads.

The review quickly found that the Livable Wage policy is known to department heads and seems to have positively impacted wages paid by County contractors (the living wage is paid by 73% of the 74 contractors who responded to our survey). However, there is not procedural guidance in place that would help contractors and department heads understand how to consistently implement the policy. Accordingly, much of the work group's effort was focused on the development of such procedures.

The work group also found that many of the County's contracts are either subject to State Labor Law dictating the payment of State-calculated prevailing wages (public works and building services) or to State General Municipal Law that prohibits the establishment or consideration of wage levels for items subject to a competitive bidding process. Therefore, the focus has been on service contracts.

Over the course of its nine meetings, the work group has come to fully appreciate the complexity of the issue and the need to find a balance between the goal of providing a living wage to individuals employed by County contractors and other programmatic and fiscal goals.

Cost is a major element in considering the Legislature's livable wage goal, just as it is when considering the feasible level of attainment of any public policy goal. Based on survey and anecdotal information compiled by the work group, it appears an immediate and blanket application of the living wage standard would carry a cost of between \$1 million and \$2 million annually. In the view of the work group, that cost—which is the equivalent of a 2.3%-4.6% increase in property taxes—is beyond the County's immediate reach.

Adding to the complexity of the issue, and to the cost of paying the living wage, the Alternatives Federal Credit Union (AFCU) living wage rate was raised by over 8% mid-way through the work group's review, due largely to an adjustment for higher payroll taxes. The ACFU living wage, which is adjusted every two years, now stands at \$12.62/hour (\$26,250/year) if employers contribute to the cost of health care, and \$13.94/hour (\$28,996/year) if they do not. The 2013 increase raised the bar for those who are not currently paying the living wage, and created significant new cost pressures for those who have committed to pay the living wage.

In spite of the increase, nearly three-quarters of survey respondents said they pay the current living wage to all employees engaged in County contract work. However, as indicated earlier, the estimated cost to raise wages for those who do not currently pay the living wage is quite high. Most of that \$1-\$2 million cost is attributable to agencies that provide human services to the community via a contract with the County.

Reflecting the core mission of New York's counties to provide a diverse range of human services mandated by the State, most of the County's contracts are with local, and generally not-for-profit, human service organizations. These agencies often face funding cuts and restrictions imposed by their primary funders (state and federal governments), adding to the challenge of achieving a broadly-applied living wage. This is reflected in survey results that found that the living wage standard is met by only 60% of the responding not-for-profit organizations--far less than the 86% of for-profit firms that said they meet the living wage goal.

A blanket imposition of a living wage standard is unlikely to be absorbed in smaller profit margins of not-for-profit agencies, or as entrepreneurial risk as might be the case when for-profit firms are competing for County business. Instead, the additional cost would most likely result in either diminished services or a dollar-for-dollar increase in the County's cost. The work group's general sentiment favored sustaining current levels of human services, which means that options may sometimes be limited to raising contract payments by an amount necessary to pay the higher wage, or finding a more gradual course toward attainment of the living wage goal.

**In recognizing the challenges of a mandated living wage standard or rigid policy, the work group has found that the 2003 Livable Wage policy remains a strong and appropriate statement of the community's values and goals, and provides the latitude and judgment necessary to find the right balance between the legislature's living wage goal and other, sometimes conflicting, policy goals.**

However, there is an absence of procedure necessary for a consistent, reasonable, and practical application of that policy. Therefore, the work group recommends a procedural system to fill this void.

The recommended procedure would focus on service contracts that are expected to involve an expenditure of \$50,000 or more in County dollars (net of state and federal reimbursements or earned income).

It would exempt certain positions from the living wage standard, and establish criteria that can be consistently applied when considering if it is practical and reasonable to incorporate the living wage standard into a specific contract, as is called-for in the 2003 Policy.

This procedure is expected to mitigate, but not eliminate, the costs associated with a broader application of the living wage. It will help to balance the conflicting goals of higher wages for employees of County contractors and the County's ability to provide essential services at an affordable cost to taxpayers.

The procedure also establishes a system of accountabilities in which managers and policy makers will be aware of progress being made in attaining the living wage goal, including specific cases in which the living wage standard is not being incorporated into a contract, and the considerations applied in deciding not to apply the standard.

If the recommendations are implemented in 2014, insights will quickly emerge that will further inform the way we approach and implement the livable wage policy. A formal retrospective evaluation of the effects of the policy and new procedures will be undertaken after two years of operation.

In making these recommendations, the work group recognizes that there will remain employees of County contractors who will not be paid the living wage—at least not immediately. It also recognizes there will be contracts for which our policy finds that living wages should be paid—and that there will be associated cost implications. Given this, the Legislature may wish to augment and/or conserve the use of the County's contingency fund in anticipation of additional contract costs required to lift some employees to the higher wage.

The sections below present the detailed findings and recommendations of the work group.

## Findings

### 1. The 2003 Policy remains relevant and appropriate, but procedural guidelines are lacking.

- The County's current policy, passed by Resolution of the Legislature in 2003, requires the consideration of "the wage levels and benefits, particularly health care, provided by contractors when awarding bids or negotiating contracts, and to encourage the payment of livable wages whenever practical and reasonable."
- The policy reflects the need to apply reason and judgment to its application, and that the livable wage goal must be balanced with other, potentially conflicting, legislative goals.
- The work group finds that department heads are aware of the 2003 Livable Wage policy, but in the absence of any procedures accompanying the policy, lack the guidance necessary to consistently and methodically *encourage* prospective contractors to pay employees a livable wage, *consider* such payment when awarding contracts, and apply the standards "*practical and reasonable*" to those considerations.
- The work group finds that procedures should be put in place to guide the implementation of the 2003 policy, and has devoted much of its time to considering such procedures.

- 2. The policy is applicable to County service contracts for which bidding is not required.**
  - The policy does not apply to construction projects or building service contracts. Articles 8 and 9 of the New York State Labor Law govern wages paid for all public works projects and building service contracts. (NYS DOL-determined prevailing wage rates must be paid).
  - The policy does not apply to the purchase of commodities. New York State General Municipal Law dictates that all commodities be purchased through a low-bid process that precludes establishment of wage levels by the buyer.
  - The work group did not consider the application of the policy to projects sponsored by other governments or governmental agencies, including the Industrial Development Agency, and did not find cause to recommend an expansion of the policy to such other organizations.
- 3. For purposes of administering the Livable Wage Policy, the County should use the wage rate established by the Alternatives Federal Credit Union as its standard.**
  - The calculation of the living wage prepared by the Alternatives Federal Credit Union (AFCU) for its own employees has been generally accepted in Tompkins County as the standard definition of the living wage.
  - The AFCU living wage for 2013 and 2014 is \$12.62 per hour (\$26,250/year for employees working a 40-hour work week) when the employer provides employer-supported health care benefits. It is \$13.94 per hour when health benefits are not provided.
  - There are other calculations of the living wage, including one from M.I.T. that estimates the living wage for communities across the country.
    - The M.I.T. rate, which is currently \$10.28/hour, differs from the AFCU rate largely in not providing allowances for recreation, communication, and personal savings.
  - If the AFCU living wage was adjusted to exclude recreation, the internet portion of the communication allocation, and personal savings, the adjusted rate would be \$11.42/hour.
  - Nothing, however, would preclude the County from reviewing the use of the AFCU rate as its standard in the future.
- 4. The recent 8% increase in the AFCU living wage rate adds to the challenge of achieving the Living Wage standard.**
  - During the course of the work group's review, the AFCU living wage rate, which is adjusted every two years, rose by over 8%. The 2011-12 rates were \$11.42/hour (\$23,754/year for employees working a 40-hour work week) with health benefits and \$12.78/hour without. The increase was attributed primarily to higher federal payroll taxes.
  - The increase widens the gap between actual and living wage rates for contractors who are not now paying all employees the living wage, and adds significantly to the cost associated with closing that gap.

- The May increase also raises a concern that many County contractors that have been paying the living wage, including many who are Certified Living Wage employers, will now fall below the living wage threshold. To stay compliant, these organizations may have no alternative other than to seek additional County support or reduce services.
- 5. Most of the County's contracts are with local not-for-profit human service agencies, resulting in particular challenges because of their inelastic funding environment.**
- Counties are unique in delivering a broad range of human service and social welfare programs, many of which are provided by local human service agencies. Most, although not all, of these human services agencies are not-for-profit organizations.
  - The large majority of County contracts are with local not-for-profit human service agencies and providers that have developed a niche that addresses a specific County program need. Competition among local not-for-profits for County contract work is the exception, rather than the rule.
  - Particularly at a time of federal, state, and local cutbacks in funding for programs delivered by not-for-profit human service agencies (and for-profit human service agencies delivering services regulated and funded by State or Federal agencies), it is not reasonable to expect that additional costs for higher wages can simply be absorbed by not-for-profit County contractors.
- 6. Tompkins County's commitment to the living wage is evident in being one of just 89 certified living wage employers in the Country, and among 120 communities in the United States with legislation that speaks to paying living wages to employees of contractors.**
- There are 89 businesses and organizations within Tompkins County, including the County itself, that are listed as "Certified Living Wage Employers," by the Tompkins County Workers Center. These firms and organizations have committed to pay all employees a wage at least as high as the AFCU living wage.
  - According to the National Employment Law Program, 120 communities in the U.S. have living wage laws that apply to businesses that receive contracts from local governments. Similar to the recommendations that the work group will offer, nearly all carve-out certain types of positions and most<sup>3</sup> have financial or other thresholds that exempt smaller firms or contracts.
- 7. Based on survey results, 73% of County contractors pay employees the living wage. However, participation is significantly lower among not-for-profits, and the hurdles in the way of full participation are quite steep even for the largest not-for-profit agencies.**

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<sup>3</sup> 28 of the 31 living wage laws reviewed limited "covered contracts" to those over a certain dollar amount.

- Based on a survey of contractors<sup>4</sup> and input of department heads, nearly three-quarters of County contractors now pay at least the living wage to all employees directly involved in delivering contracted County services.
    - 73% of the contractors who responded to the survey indicated they are paying these employees at least the (2013) living wage.
  - There is a substantial difference in living wage attainment levels between for-profit and not-for profit organization.
    - 86%, or 24, of the for-profit survey respondents said they are paying the living wage to all employees directly involved in providing the contracted County service.
    - 60%, or 18, of the not-for-profit respondents said they are paying the living wage to all employees directly involved in providing the contracted County service.
  - The work group found that the lower wages often paid by human service organizations and firms relate to two primary factors:
    - A generally austere funding environment. Agencies that rely on governmental funds have suffered federal, state, and county funding cuts, often significant, in the wake of the 2008 recession. Wages have often been constrained as a part of an overall agency strategy to preserve service levels during this time of high demand.
    - Reimbursement levels set by state and federal funders. State and federal (e.g., Medicaid) programs often establish either a specific wage rate eligible for reimbursement or a total reimbursement level for a specific service that, when combined with minimum staffing required for that service, essentially establishes a maximum wage level. These cost containment factors have a significant influence on the wages affected agencies can pay their employees.
  - As a result of these factors, some of the community's largest not-for-profit organizations (Franziska Racker Center, Challenge Workforce Solutions, Cayuga Addiction Recovery Services), which run programs serving some of the County's most difficult-to-serve populations, may face the greatest challenges in paying all employees the living wage rate—at least without a dollar-for-dollar increase in County funding.
  - Faced with the same kind of regulatory and revenue constraints, agencies involved in providing home health care, day care, and nutritional services often do not pay all employees involved in their County contracts a living wage.
- 8. The contractor's survey found that several contractors who do not pay all of their employees the living wage do provide employer-supported benefits well beyond the \$1.32/hour contribution to health benefits recognized in the AFCU's living wage calculation.**

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<sup>4</sup> Survey was distributed to approximately 400 County contractors. Seventy-four responses were received, including 31 from for-profit contractors, 34 from not-for-profit contractors, and 8 from other governments.

- In several cases, employers offered vision and dental care, employer-contributions to pensions, educational benefits, and other non-mandated benefits.

**9. There are other complex challenges that have to be a part of the consideration of what is “practical and reasonable” when applying the Livable Wage policy.**

- Several not-for-profit County contractors provide services to County clients that are indistinguishable from services provided to clients from outside the County. For example, a single rehab counsellor may be working with clients from several counties at the same time. In cases like this, it is not possible to pay the employee one rate for serving Tompkins County clients, and a different rate for other clients.
- In raising the wage of its lowest paid employees who are working under a County contract, employers have to consider the equity issues that arise if peers who aren’t working on a County contract don’t receive a similar increase—and the economic consequences if they do. Similarly, in most organizations there is a hierarchy of positions. When one rung of the ladder is adjusted, costs may be incurred to maintain the pay differential between positions that are most often based on levels of responsibility.
- In several cases, the County acts simply as a pass-through of state or federal dollars to an organization. Although the contract is with the County, there are no County dollars involved. The logic of the livable wage policy—that in return for County funding, contractors should agree to pay the livable wage—is diminished or lost when no County dollars are involved.

**10. There are significant cost implications associated with a blanket imposition of livable wage rates that need to be taken into account in the implementation of the Livable Wage policy. Clear, consistently-applied guidelines need to be put in place that will realize the 2003 Policy’s call for a “practical and reasonable” approach.**

- A blanket imposition of the livable wage will result in significant additional costs that will be borne by the contractor, the County and its property taxpayers, or clients in the form of reduced services.
- Based on the contractors’ survey and informal polling by department heads, costs would rise by an estimated \$1-\$2 million with a blanket imposition of the livable wage.
- It cannot be determined how much of that increase would be absorbed by contractors through smaller profit margins, translated into reduced service, or passed on to the County.
  - Most of the County’s contracts are with austere not-for-profits or for-profit agencies that have developed unique niches that align with specific County service needs. There is neither competition nor profits that might otherwise lead to the contractor absorbing all or a significant portion of the added cost.

- It is therefore likely that costs associated with raising wages to the livable wage level will be borne primarily by the County in the form of higher contract prices, or by clients in the form of diminished services.
- Accordingly, the work group finds that procedures that include thresholds on contract size, carve-outs of certain positions, and consistently applied criteria to mitigate the cost impact and speaks directly to the “practical and reasonable” considerations referenced in the Livable Wage policy.

**11. Among those who have interacted with the work group, there seems to be a general appreciation for the goal of paying all employees a living wage, tempered by a concern about cost effects that may either reduce the level of service provided by not-for-profit contractors or cause a significant increase in County property taxes.**

- The work group has invited public input throughout its process, including hosting two public input sessions on May 1, 2013 and opening every meeting with a (frequently accepted) opportunity for public comment.
- We found sentiment in favor of a living wage policy, tempered by concern with the impact of higher labor costs on the ability of organizations, particularly those in the not-for-profit sector, to maintain current levels of service without requiring commensurate increases in the County’s contribution.
  - Over the course of its review, the work group did not hear from anyone who advocated eliminating the 2003 livable wage policy.
  - Most who favor a broader application of the living wage cite the moral value of a wage that allows an individual the dignity of self-sufficiency; the positive economic impact that occurs when higher wages circulate through the local economy; and the diminished reliance on economic assistance programs, including those administered by the County.
  - Most of those who expressed reservations about the implementation effects of the policy raised concerns about regulatory and revenue constraints that would translate into either diminished levels of service or higher County costs if the living wage were mandated. Some indicated that if the added costs of the program exceeded available revenue, an organization would choose not to compete for the County’s work. Some pointed out the logistical issues involved in paying one employee a higher rate under a County contract when a co-worker performing an identical task is paid less.

**12. Any changes made in policy or procedure can only be applied prospectively, to new or renewed contracts.**

## **Recommendations**

1. The 2003 Livable Wage Policy should remain in place and in force. The policy establishes an aspirational goal based on the values of the Legislature, while also recognizing that it must be balanced with other goals, including a fiscally stable, affordable government.
2. The policy should be applied to County service contracts. The work group focused exclusively on County government operations and does not intend its recommendations to be accepted or applied by other public entities, including economic development agencies and other municipalities.
3. Procedures must be put in place to provide clarity and guidance to department heads and others charged with administering the policy. A specific recommended procedure is detailed below.
4. Taken in their entirety, the procedures should help to balance the Legislature's livable wage goals with its fiscal goals, and define the reasonable and practical considerations department heads should apply when evaluating a contract proposal.
5. The Legislature should regularly be informed of the operation of the policy, including a retrospective evaluation of the effect of the changes undertaken two years after the implementation of any changes authorized by the Legislature.

## **Recommended Procedure**

- The living wage rate will be the rate established every two years by the Alternatives Federal Credit Union. The Legislature may choose to periodically review and, as warranted, adjust that standard.
- The policy applies to all service contracts and associated subcontracts that are reasonably expected to result in a local dollar cost of \$50,000 or more. Local dollar cost is defined as the total expected cost of the contract, less any applied aid or program revenue associated with that contract. The purpose of this threshold is to focus on contracts where the County has the greatest leverage and standing and on those contractors that may have the greatest ability to pay, and to mitigate the administrative burden assumed by County departments.
  - Specific exclusions:
    - Other governments
    - Foster care
    - Tourism grants
    - Contracts with or through the NYS Industries for the Disabled
    - Construction or building services contracts governed by Article 8 and 9 of the NYS Labor Law (require payment of prevailing wage rates established by NYSDOL)

- Contracts for goods and commodities (procurement is governed by the competitive bid requirements set in NYS General Municipal Law)
    - Contracts for building or equipment leases or financial services
  - A department head may elect to apply a lower contract expenditure threshold to define a “covered contract” in order to ensure fairness and equity among contractors.
- The policy applies to all employees of the contractor or subcontractor directly involved in the provision of the contracted service other than:
  - Employees under the age of 18
  - Seasonal or temporary employees (90 days or less)
  - Employees in a probationary status (90 days or less)
  - Those employed in a sheltered or supported work environment
  - Employees participating in a limited-duration (90 day) job training program
  - Employees participating in an academic work-study or academic internship program
  - Volunteers
  - Employees participating in mandated welfare-to-work programs
  - Employees paid pursuant to a collective bargaining agreement.
- Considerations to be applied when evaluating whether it is “practical and reasonable” to incorporate living wages into a specific contract:
  - Specific wage levels for covered employees are established by the primary funding source (e.g., State or Federal Government) and are less than the living wage;
  - Wage levels less than the living wage are required to remain within reimbursement levels for specific services established by the primary funding source (e.g., State or Federal government);
  - The value of non-mandated fringe benefits provided to the employee by the employer (e.g., unconditional contribution to employee’s pension, health/vision/dental care, educational benefits, generous paid time off policy, discounts, or other benefits or beneficial terms of employment) can reasonably be judged by the department head, in consultation with the County Administrator and Finance Director, to make up the difference between the living wage and the actual wage paid;
  - Evidence of the contractor’s progress in improving wages of those paid less than the living wages and a reasonable plan by the contractor to improve the wages of those paid less than the living wage;
  - Evidence that the contractor cannot reasonably distinguish Tompkins County from other clients/customers also receiving the service. For example, Tompkins County may contract with Agency X to provide preschool education services to children from

Tompkins County. The classroom housing the Tompkins County children may also include children from other counties, making it impossible to pay the teacher or aide a different rate of pay for work associated with the Tompkins County contract;

- There is an absence of suitable alternative services or contractors ;
- The fiscal impact associated with payment of the living wage is prohibitively high;
- Paying the living wage to a contractor causes a cut in a contracted service.
- The County Administrator must accept or reject a department head's determination that it is not reasonable or practical to incorporate the living wage standard in a specific contract based on the above considerations. In turn, the County Administrator must report all decisions to not incorporate the living wage into a contract to the relevant program committee.
- Additionally, the County Administrator will issue a report to the Legislature twice each year documenting the level of attainment of the Legislature's living wage goal.
- Enforcement will be complaint-based.
  - The County will promptly investigate complaints received regarding a contractor's alleged failure to pay the living wage rate. Action will be taken by the County Attorney to investigate and resolve the complaint.
  - The individual who made the complaint will be advised of the outcome of the investigation.
- During the course of 2014, the application of the recommended procedures will provide insights that fill knowledge gaps and provide additional guidance about how to administer the policy and achieve its goals.
- Within two years of the legislative enactment of any changes in the livable wage policy or related procedures, there will be an objective assessment of the impacts of those changes. The assessment *must* include:
  - Effects on wages paid to employees of county contractors;
  - Additional costs to the County;
  - Changes In levels of service provided by contractors;
  - Administrative burdens caused by changes in policy or procedure;
  - The assessment *may* also include other factors of interests that may be identified by staff or Legislators.

## Appendix

<b>Resolution 167-2003 –Tompkins County Livable Wage Policy .....</b>	<b>4</b>
<b>Livable Wage Framing Memo from County Administrator to Government Operations and Budget, Capital and Personnel Committees .....</b>	<b>5</b>
<b>Work Group Charge.....</b>	<b>13</b>
<b>Work Group Members .....</b>	<b>14</b>
<b>Meeting 1, April 16, 2013</b>	
Agenda (Meeting goal: Organizational) .....	15
Minutes .....	16
Materials	
Framing Memo.....	20
Livable Wage Resolution.....	28
AFCU Living Wage Calculation and Press Release.....	30
Workers Center List of Certified Living Wage Employers .....	33
Draft Charge for Work Group .....	36
Table: Common Features of Other Living Wage Laws .....	37
Outline of Future Meeting Milestones .....	62
<b>Meeting 2, April 23, 2013</b>	
Agenda (Meeting goal-department head input).....	70
Final Charge for Work Group .....	70
Minutes .....	72
<b>Meeting 3, May 1, 2013</b>	
Agenda (Meeting goal-public input) .....	80
Minutes, including written testimony.....	81
<b>Meeting 4, May 6, 2013</b>	
Agenda (Agenda (Meeting goal: identify information needs; establish general work group direction; determine any distinction between approach for non- and for-profit agencies; begin to identify implementation procedures) .....	98
Minutes .....	99
Materials	

New AFCU Living Wage Calculation and Press Release .....	104
MIT Living Wage Calculation .....	107
Human Service Assistance Thresholds .....	110
<b>Meeting 5, May 15, 2013</b>	
Agenda (Meeting goal: Determine whether changes are needed in policy or procedure and, if so, what they should be) .....	112
Minutes .....	114
Materials	
Contractor Survey Results .....	119
Estimated Cost to Implement Living Wage, based on survey results .....	137
Cost impact assessments from testimony or department head polling of contractors .....	138
Cross Tabulation of Contractor Survey, Not-for-Profit contractor response and living wage attainment levels .....	139
<b>Meeting 6, May 21, 2013</b>	
Agenda (Same as Meeting 5) .....	141
Minutes (none taken).....	143
Materials	
Contractor Payment List, 2012 .....	145
Local Dollar Cost, Mental Health Contracts .....	150
Comparison AFCU 2013 Living Wage and MIT .....	151
<b>Meeting 7, May 28, 2013</b>	
Agenda (Meeting goal: Determine whether changes are needed in policy or procedure and, if so, what they should be) .....	159
Materials	
Service Contracts over \$25,000, 2012, Sorted by Total Payments/Cost .....	161
Service Contracts over \$25,000, 2012, Sorted by Estimated “Local Dollar” Cost.....	164
Initial Concepts for Procedural Elements and Approach .....	169
Minutes .....	171
<b>Meeting 8, June 13, 2013</b>	
Agenda (Meeting goal: Establish consensus regarding specific recommended changes in policy or procedure) .....	175
Minutes .....	176

Materials	
Revised Concepts for Procedural Elements and Approach .....	182
<b>Meeting 9, June 25, 2013</b>	
Agenda (Meeting goal: Establish consensus regarding specific recommended changes in policy or procedure) .....	185
Minutes .....	186
Materials	
Revised Concepts for Procedural Elements and Approach from Meeting 8, with possible additions based on June 13 discussions .....	189
<b>Meeting 10, July 23, 2013</b>	
Agenda (Meeting goal: Adopt a final findings and recommendations report).....	192
Minutes .....	193
Materials	
Draft (7/17/13) Report .....	197

August 19, 2003

**RESOLUTION NO. 167 - LIVABLE WAGE POLICY**

WHEREAS, the Tompkins County Legislature believes that any person who works full time should be able to support themselves on their earnings, and

WHEREAS, the State and Federal governments have failed to keep the minimum wage at a level sufficient to maintain self-sufficiency, and

WHEREAS, Alternatives Federal Credit Union has researched what constitutes a livable wage in Tompkins County and regularly updates their study, and

WHEREAS, the concept of a livable wage has gained increasing respect and acceptance, both locally and nationally, as a valuable guideline for economic well being, and

WHEREAS, Tompkins County has demonstrated its commitment to livable wages by ensuring that its own employees are paid a livable wage and by undertaking an initiative to facilitate wage increases for persons employed by human service agencies working under County contracts or grants, and

WHEREAS, Tompkins County awards many contracts to provide services to the public and to County government, and

WHEREAS, Tompkins County engages in a number of programs and initiatives to promote economic development, now therefore be it

RESOLVED, on recommendation of the Planning, Development and Environmental Quality Committee, That the Tompkins County Legislature establishes one of the goals of economic development as increasing the percentage of County residents who are able to support themselves on their own earnings,

RESOLVED, further, That it shall be the policy of Tompkins County to consider the wage levels and benefits, particularly health care, provided by contractors when awarding bids or negotiating contracts, and to encourage the payment of livable wages whenever practical and reasonable,

RESOLVED, further, That Tompkins County urges all employers to make a good-faith effort to pay all of their employees at least a livable wage,

RESOLVED, further, That Tompkins County urges our representatives in State and Federal government to support a significant increase in the minimum wage.



## Tompkins County Department of Administration

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Ithaca, NY 14850  
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Fax: (607) 274-5558

COUNTY ADMINISTRATOR  
Joe Mareane  
DEPUTY COUNTY ADMINISTRATOR  
Paula E. F. Younger

*"Promoting excellence in County operations while respecting the needs of the people we serve."*

TO: GOVERNMENT OPERATIONS COMMITTEE  
BUDGET, CAPITAL, AND PERSONNEL COMMITTEE

FROM: JOE MAREANE

DATE: FEBRUARY 20, 2013

RE: LIVABLE WAGE POLICY

---

By Resolution 167-2003 (Attachment 1), Tompkins County adopted a Livable Wage Policy requiring consideration of "the wage levels and benefits, particularly health care, provided by contractors when awarding bids or negotiating contracts, and to encourage the payment of livable wages whenever practical and reasonable."

Recent questions regarding wage levels paid under a County contract have sparked a discussion about whether the current policy should be strengthened and, perhaps, be made mandatory.

This memo attempts to provide a framework for a constructive discussion about the livable wage policy that can lead to a workable policy clearly reflecting the values and intent of the Legislature.

### Background

**The Current Livable Wage Rate:** In Tompkins County, a calculation of a Living Wage is prepared every two years by the Alternatives Federal Credit Union (AFCU) based on the level of compensation required to support a person above the poverty level. Currently, the AFCU Living Wage rate is \$11.67 per hour for a full time employee who receives employee-supported health care benefits. The rate is \$12.78, or an additional \$1.11 per hour, for employees who are not provided health care benefits.<sup>1</sup> Based on a standard 40-hour week (2080 hours per year), these the \$11.67/hour rate is equivalent to an annual salary of \$24,273; the \$12.78/hour rate is the equivalent of an annual salary of \$26,374.

**County Employees:** The County is a Living Wage Employer as certified by the Tompkins County Worker's Center. All County employees are paid at least the Livable Wage.<sup>2</sup>

**Effective Scope of Coverage:** As all construction contracts are subject to prevailing wage rates that are generally union-scale and therefore higher than the Living Wage, the current County policy is most relevant to service contracts. The County has a wide array of such

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contracts, ranging from engineering services provided by large for-profit firms to day care services provided by small, local not-for-profits.

### **Enforcement of Current Policy**

A review of current practice finds that enforcement of the County's existing livable wage policy has generally been implicit and informal rather than explicit and formal.

Department heads are well-aware of the policy and have encouraged compliance. It is believed that the majority of local service providers with whom we do business, including not-for-profit agencies, are now paying the Livable Wage. However, there is not a system to document and substantiate that belief.

Further, most County's service procurement documents and contract terms do not contain language advising respondents of the Livable Wage policy or pro-actively encouraging payment of the Livable Wage rate.

Language is currently being drafted to insert in all such documents. Department Heads are also being briefed on the need to include discussion of the Livable Wage in all negotiations with contract vendors and are assessing whether their current contractors are paying their employees the living wage.

However, efforts to more actively enforce the policy will be hampered by the absence of any policy guidance in Resolution 167-2003 regarding implementation of the policy. The Resolution is silent on such basic questions as whether consideration should be given to the size or type of the contractor, the special circumstances of some or all employees, which employees should be considered covered by the policy, and several other items pertinent to carrying-out the policy.

It seems clear that the current policy should be revisited, if only to improve the ability of County staff to enforce the Legislature's policy goals.

### **Consideration of Changes in Policy and Law**

The most significant policy question raised by current discussion is whether the good faith approach of the current policy should be replaced with a requirement that contractors pay the livable wage.

While that question is important, there are a number of policy questions that must be answered regardless of whether the policy is based on a more robust version of the good faith approach or mandatory wage rates.

The following section provides context to the discussion of these policy questions by outlining what other communities have done, and by identifying the issues that need to be considered and addressed prior to implementing a stronger livable wage policy.

**Other Communities:** According to the National Employment Law Project (NELP), 125 municipalities in the United States, including several within New York State, have some form of living wage law. A summary of those municipalities, including the general scope of coverage, is provided in Attachment II.

The NELP data indicate that of the 125 municipalities with living wage laws, 122 apply the law to public contracts, 46 to local government employees, and 56 to recipients of economic development assistance.

Based on information contained in the NELP document, and on a sampling of resolutions/laws enacted by communities included in the NELP document, there are certain elements common to nearly all who have adopted living wage laws, and some that vary by community.

**Common Elements:** Nearly all of the sampled communities included the following items in their law:

- A two-tiered living wage rate, with the wage level lower when health benefits are provided;
- A definition of “covered employees” that includes only those who are directly involved in delivering the contracted service.
  - However, some municipalities define direct involvement as a fixed portion of an employee’s time devoted to the contract, e.g., employees who spend 25% or more of their time engaged in work directly related to the contract.
- Exceptions provided for youth participating in seasonal programs or work-study programs, or individuals participating in job readiness or job training program;
- Required number of paid days off (generally 12, including holidays);
- Burden of proof rests with employer to confirm that living wage is being paid;
- Wage rate established by the governing body;
- Exemption of contracts that relate to the provision of equipment, goods, and commodities;
- Requirement that employer post living wage ordinance or advisory;
- Some type of enforcement or compliance mechanism.

**Elements that Vary By Community:**

- Dollar thresholds for contracts subject to the living wage requirement.
  - Some have no dollar thresholds, some as high as \$100,000, most common seems to be \$25,000;
  - If law applies to firms receiving economic development assistance, thresholds are often different than those applied to service contractors’
- Types of contractors that are exempted from the law or have different exemption thresholds, for example
  - Not-for-profit agencies

- Small firms/agencies
- Establishment of specific types of contracts that are subject to the wage requirement (see Bloomington, IN, Gainesville, FL, New York City);
- Broader range of employees who are not subject to the living wage requirement, such as:
  - Individuals enrolled in apprentice programs
  - Managers
  - Individuals covered by collective bargaining agreements
  - Individuals enrolled in supported employment program
  - Individuals paid pursuant to a prevailing wage law;
- Application of wage rate to part-time employees;
- Ways of calculating the living wage, for example
  - Linked to federal poverty level
  - Linked to minimum wage (an adjustment factor applied)
  - Legislated base year wage adjusted annually by CPI
  - Two-tiered (to recognize employer-provided health care) vs. single rate
- Methods of considering waivers
- Approaches to enforcement/compliance
  - Advisory Boards
  - Dedicated staff
  - Complaint-driven
- Scope of Coverage
  - Service contracts
  - Economic Development incentives
  - Community Development assistance

### Significant Public Policy Questions

As changes to the current policy are considered, there are two paramount questions that need to remain at the forefront of the debate:

1. What is the budgetary impact?
  - If County costs rise as the result of a more robust livable wage policy, those costs will be borne by County property taxpayers, some of whom do not earn the livable wage.

2. Will the policy discourage firms and agencies from competing for County work if it must pay one group of employees a different wage than others—or raise everyone's wages to avoid internal disparities?
  - Similarly, if wages of a few employees must be raised to comply with a Livable Wage requirement, will an employer need to make proportionate changes to all other employees to preserve the organization's wage hierarchy, causing an impact on the contract cost beyond the expense of raising only the wages below the Livable Wage?

### A Suggested Approach to Considering a Change in Policy

If the Legislature wishes to consider a change in policy, coming to a consensus on the following items (drawn from examples in other communities) will allow quick progress on the drafting of legislation. In considering each of these items, it would be helpful to elicit the insights of stakeholders including the Human Services Coalition, the Chamber of Commerce, the Workers Center, and County department heads.

To be clear, the policy elements listed below are not recommendations, but instead represent a fairly comprehensive range of options that can be considered when developing the County's policy.

### Deciding Range of Policy Elements

**Scope of Coverage—What kind of financial activities should be subject to the policy?**

**Options include:**

- County (including Airport and Solid Waste) Service Contracts
- Recipients of Economic Development Incentives
- Recipients of Community Development Assistance

**Depth of Coverage—How deep into an organization should the policy apply? Options include:**

- Contractors
  - Employees directly involved in the provision of contracted service
    - Exclusions:
      - Volunteers
      - Youth generally (under 18)
        - Seasonal Youth
        - Work-Study
      - Employees enrolled in apprenticeship programs
      - Employees with disabilities, but who compete with the general population to be hired

- Employees with disabilities working in supported employment programs, such as Challenge Industries, where benefits beyond direct wages are provided
- Temporary employees
- Part-time employees
- Day Care Workers
- Personal health care workers (e.g., home health aides)
- Employees participating in job training or job readiness programs
- Managers (FLSA "exempt")
- Employees covered by collective bargaining agreements
- Employees paid pursuant to mandated prevailing wage
  - Greater of livable wage or prevailing wage
- Employees of other governments (e.g., intermunicipal service agreement)
  - Employees partially involved in provision of contracted service
    - \_\_\_\_\_% of time involved in providing contracted service
- Subcontractors
  - Employees directly involved in the provision of contracted service
  - Employees partially involved in provision of contracted service

**Exemption Thresholds—Will the policy exempt organizations based on size or type of organization? Options include:**

- For Profit Contractors
  - Size of contract(s)
    - \$ \_\_\_\_\_
  - Size of organization (number of employees)
    - \_\_\_\_\_
- Not-for-Profit organizations
  - Size of contract(s)
    - \$ \_\_\_\_\_
  - Size of organization (number of employees)
    - \_\_\_\_\_
- Not-for-profit organization providing specific type of service

**Other Grounds for Exemption (beyond size or structural thresholds listed above)—Will the policy consider other, specific, reasons to exempt a contractor from the policy, such as:**

- The creation of demonstrable financial hardship
  - \_\_\_\_\_% impact on contractor organization budget
- The impact on the County's budget
  - \_\_\_\_\_% increase in contract cost
- Other
  - Highest paid employee/officer paid less than \_\_\_\_\_ times more than lowest paid employee

**Means of Enforcement—How will the County verify the representations of the contractor?**

- Attestation by employer; annual audit by County
- Attestation by employer; response to complaints by County
- Creation of volunteer board to review operation of the law and compliance by contractors
- Presentation of monthly payroll; review and inspection by County staff

**Consequence of Failure to Comply—What will happen to contractors who commit to pay livable wages, but don't?**

- Opportunity to cure
- Contract voided
- Monetary sanction
- Other

**Mandatory vs. Recommended—Should the County require, or encourage, its contractors to pay livable wages?**

#### **Recommended Next Steps**

Following a discussion of this memo by the Government Operations Committee and the Budget, Capital, and Personnel Committee, including modifications to the approach that are made by the Committees, it is recommended that a small work group be formed to develop specific recommendations to the Committee. The work group should include, at a minimum, the following members:

- Government Operations Chair or designee
- Budget, Capital, and Personnel Committee Chair or designee
- WDIC Chair or designee

- County Administrator
- Finance Director
- County Attorney
- Human Services Cabinet representative
- Infrastructure Cabinet representative
- County Contract Manager (J.Kippola)

The work group will consider the questions outlined above, consult with the stakeholders, and develop a draft resolution for consideration by the Government Operations Committee and Budget, Capital, and Personnel Committee and, ultimately, by the entire Legislature.

### **Charge to the Livable Wage Work Group**

Undertake a thorough review of the County's livable wage policy to determine whether County's policy goals are being adequately achieved, including the extent to which livable wages are now being paid by County contractors. Based on that review, recommend specific changes in the policy or procedure that would address any shortcomings in the policy or its execution. Recommendations made by the work group will be presented to the Legislature for its consideration.

To arrive at sound recommendations, the Work Group must consider the full implication of changes that may be proposed. This will require input from knowledgeable groups and individuals with divergent perspectives. Therefore, the process followed by the work group will be transparent and open to the public. Each meeting should include an opportunity for public comment.

Recommendations developed by the work group should be based on clear and specific findings that emerge from its review, and should include the justification for, and expected outcome associated with, each recommendation. The recommendations should be presented in a concise report to the Legislature.

The Work Group should complete its task by July 31, 2013.

## Living Wage Work Group Members

James Dennis, Chair, Budget, Capital and Personnel Committee, Tompkins County Legislature

Barbara Eckstrom, Manager, Division of Solid Waste

Kathy Luz Herrera, County Legislature, Workforce Diversity and Inclusion Committee representative

Lisa Holmes, Director, County Office of the Aging

Jackie Kippola, County Contracts and Risk Manager

Joe Mareane, County Administrator

Richard Snyder, Incoming County Finance Director

David Squires, County Finance Director

Peter Stein, County Legislature, Government Operations Committee representative

Jonathan Wood, County Attorney

Support: Andrea Gibbs, County Administration

Agenda  
Livable Wage Work Group  
April 16, 2013

---

**Meeting Goal:** Establish the “Charge” to the work group and the approach that will be followed to fulfill the Charge. Develop a common baseline understanding of the living wage, and the County’s Livable Wage policy.

**Materials Provided:**

- Framing Memo
- AFCU Living Wage Calculation and Press Release
- Worker’s Center list of Certified Living Wage Employers
- County Resolution 167-2003
- Common Features of Other Living Wage Laws Matrix
- Draft Survey
- Link to Living Wage Laws in other local governments (<http://www.nelp.org/page/-/Justice/2011/LocalLWLawsCoverageFINAL.pdf?nocdn=1>)

- 
- I. Welcome
  - II. Background and Context
    - a. County’s 2003 Livable Wage Resolution
    - b. Framing Memo
    - c. Calculation of Living Wage
    - d. Certified Living Wage Employers
  - III. Review of Work Group Charge
  - IV. Review of Materials and Resources
    - a. NELP Matrix and “hot link” to specific laws
    - b. Common Features of Living Wage Laws—Summary
  - V. Next steps
    - a. Outline of Future Meetings
    - b. Schedule of Future Meetings
    - c. Survey
  - VI. Discussion
    - a. Public
    - b. Work Group Members
  - VII. Adjourn

**TC Livable Wage Work Group**  
**Meeting Notes**  
**Tuesday, April 16 2013 – 1:00-2:30 PM**  
 Old Jail Building, Scott Heyman Conference Room

Attendees		Status
Jim	Dennis	Present
Barbara	Eckstrom	Present
Andrea	Gibbs	Present
Kathy Luz	Herrera	Present
Lisa	Holmes	Present
Jackie	Kippola	Present
Joe	Mareane	Present
Pat	Pryor	Absent
David	Squires	Present
Peter	Stein	Present
Jonathan	Wood	Present

**Staff:** Marcia Lynch, TC Public Information Officer

**Public:** Pete Meyers, TC Workers' Center; Kathy Schlater, Human Services Coalition

---

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**I. Welcome**

The meeting was opened by J. Mareane at 1:35 PM. Work group members and guests were welcomed and introduced.

Mr. Mareane reviewed the agenda. He noted that this was an organizing meeting to talk about an approach to follow, the charge to the work group to understand what the group wants to achieve, reach a common understanding about baseline information, and an understanding of the current livable wage policy the County passed in 2003.

## II. Background and Context

### a. County's 2003 Livable Wage Resolution

The second Resolved is the key part of the resolution as it relates to the Group and best reflects the policy direction given as a part of the overall resolution:

*That it shall be the policy of Tompkins County to consider the wage levels and benefits, particularly health care, provided by contractors when awarding bids or negotiating contracts, and to encourage the payment of livable wages whenever practical and reasonable*

Although in the resolution the intent of the policy may be understood, how to implement the policy is very broad. The goal of the Group is to figure out how to administer, implement and realize the goal set by the Legislature in 2003.

Most contractors pay a living wage but there are important and complex exceptions to deal with. The Group will need to look at the complexities and challenges within organizations, such as,

- Horizontal complexity – if there are employees, who are required to be paid a livable wage because they are involved in a County contract and there are employees with the same title in the organization, who are not involved in a County contract, the effect created is compensation of peers.
- Vertical complexity – if lowest paid person in the organization is paid less than a livable wage and is moved to a livable wage, the change in wage could have an effect on the hierarchy of titles and pay.
- Ability to provide a livable wage
  - not-for-profits that rely heavily on Medicaid
  - agencies dependent on declining state aid

### b. Framing Memo

The focus for the Group should be on service contracts. With regards to construction and public works contracts, the law requires payment of the prevailing wage rate that is always higher than the livable wage rate. Commodity contracts are not a part of what the Group will be considering. Anything for which the County requires bids is cannot be a part of the focus and most County contracts are from bids.

Ms. Herrera suggested that the Group consider asking contractors to report what their wages are because it is something the County is interested to know. It will put the responsibility on the contractors to report back to the County which is something lacking in the current policy.

If the decision is to continue with the current policy, there are things needed to be done to make it more understandable and enforceable. As the Group considers that

decision, it will need to think about what is meant by *consideration* and *encourage* in the current policy, that is,

- who's in/who's out
  - whether some contracts are different from others—size, nature of work
  - whether some contractors are different from others—for profit, not-for-profit, number of employees
  - whether some employees are different from others—youth under 18 years old, employees in training programs, certain types of positions
- Significant policy issues to consider:
    - decisions impact on budget
    - decisions impact on company's willingness to compete for the work provided by the County
  - Mr. Mareane suggested the Group proceed by,
    - gathering input from community stakeholders
    - identify and address important, relevant policy elements
    - consider whether to shift from current policy, which is basically good faith, to mandatory or more rigorously enforced current policy or different course
    - develop recommendations to present to full Legislature
  - Timeline  
The Group discussed a timeline. It was agreed that the Group would work on a 6-week timeline with 1 meeting a week.

**c. Certified Living Wage Employers**

The Group reviewed and discussed the Living Wage 2011 Chart prepared by Alternative Federal Credit Union. The 2012 Chart is expected in May 2013.

The TC Workers' Center's Living Wage Certification requirements and list of Certified Living Wage Employers in Tompkins County was distributed. Tompkins County is among the employers listed. There may be employers, who pay a living wage, that have not applied for certification. Whenever the living wage is increased, employers on the list may attest that they will pay the increased wage and have a year to make the increase because of the budget process.

**III. Review of Work Group Charge**

The Group reviewed the charge presented by Mr. Mareane.

A change was made to the charge: delete the words *both positive and negative* at the end of first sentence in the second paragraph. It was agreed that the charge presented with the change gives the Group clear directions and expectations.

**IV. Review of Materials and Resources**

Mr. Mareane reviewed and explained the matrices that show other communities and the types of services, employers and employees affected by their living wage policy and those that are excluded.

## V. Next steps

### a. Outline of Future Meetings

The goals and agendas of each of the 6 meetings were reviewed.

- Meeting 1: Goal – Agree to the Charge and structure of work group meetings; common baseline understanding of livable wage generally, and the County’s Livable Wage policy (April 16<sup>th</sup> meeting).
- Meeting 2: Understand perspectives of individuals and organizations who could be affected by a more rigorous enforcement of Livable Wage policy (whether mandatory or best effort) through input provided by stakeholders, advocates and opponents; to get public input.
  - Groups would have 15 minutes; individuals would have 5 minutes
  - Opportunity for County department heads to give input
- Meeting 3: Addition time for stakeholder input if necessary. Take stock of input and presentations to date. Identify concerns or opportunities that need further input, review and/or study. Provide time for “hands-on” discussion with department heads.

Regarding Meeting 2:

- 1) A concerted effort will be made to notify as many potential stakeholders as possible by using listservs of the Human Services Coalition for the not-for-profit community and the Chamber of Commerce for the business community and other opportunities to send out invitations.
- 2) It was agreed to change *answer* to *address* in the first paragraph, second sentence of “Advance work” section and delete following wording in parentheses.
- 3) Department heads should invite vendors with whom they have contracts.
- 4) Mr. Mareane will work on an approach for invitations and send to Group.
- 5)
  - Meeting 4:



## Tompkins County Department of Administration

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COUNTY ADMINISTRATOR  
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Paula E. F. Younger

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**Common Elements:** Nearly all of the sampled communities included the following items in their law:

- A two-tiered living wage rate, with the wage level lower when health benefits are provided;
- A definition of “covered employees” that includes only those who are directly involved in delivering the contracted service.
  - However, some municipalities define direct involvement as a fixed portion of an employee’s time devoted to the contract, e.g., employees who spend 25% or more of their time engaged in work directly related to the contract.
- Exceptions provided for youth participating in seasonal programs or work-study programs, or individuals participating in job readiness or job training program;
- Required number of paid days off (generally 12, including holidays);
- Burden of proof rests with employer to confirm that living wage is being paid;
- Wage rate established by the governing body;
- Exemption of contracts that relate to the provision of equipment, goods, and commodities;
- Requirement that employer post living wage ordinance or advisory;
- Some type of enforcement or compliance mechanism.

**Elements that Vary By Community:**

- Dollar thresholds for contracts subject to the living wage requirement.
  - Some have no dollar thresholds, some as high as \$100,000, most common seems to be \$25,000;
  - If law applies to firms receiving economic development assistance, thresholds are often different than those applied to service contractors’
- Types of contractors that are exempted from the law or have different exemption thresholds, for example
  - Not-for-profit agencies

- Small firms/agencies
- Establishment of specific types of contracts that are subject to the wage requirement (see Bloomington, IN, Gainesville, FL, New York City);
- Broader range of employees who are not subject to the living wage requirement, such as:
  - Individuals enrolled in apprentice programs
  - Managers
  - Individuals covered by collective bargaining agreements
  - Individuals enrolled in supported employment program
  - Individuals paid pursuant to a prevailing wage law;
- Application of wage rate to part-time employees;
- Ways of calculating the living wage, for example
  - Linked to federal poverty level
  - Linked to minimum wage (an adjustment factor applied)
  - Legislated base year wage adjusted annually by CPI
  - Two-tiered (to recognize employer-provided health care) vs. single rate
- Methods of considering waivers
- Approaches to enforcement/compliance
  - Advisory Boards
  - Dedicated staff
  - Complaint-driven
- Scope of Coverage
  - Service contracts
  - Economic Development incentives
  - Community Development assistance

### Significant Public Policy Questions

As changes to the current policy are considered, there are two paramount questions that need to remain at the forefront of the debate:

1. What is the budgetary impact?
  - If County costs rise as the result of a more robust livable wage policy, those costs will be borne by County property taxpayers, some of whom do not earn the livable wage.

2. Will the policy discourage firms and agencies from competing for County work if it must pay one group of employees a different wage than others—or raise everyone's wages to avoid internal disparities?
  - Similarly, if wages of a few employees must be raised to comply with a Livable Wage requirement, will an employer need to make proportionate changes to all other employees to preserve the organization's wage hierarchy, causing an impact on the contract cost beyond the expense of raising only the wages below the Livable Wage?

### A Suggested Approach to Considering a Change in Policy

If the Legislature wishes to consider a change in policy, coming to a consensus on the following items (drawn from examples in other communities) will allow quick progress on the drafting of legislation. In considering each of these items, it would be helpful to elicit the insights of stakeholders including the Human Services Coalition, the Chamber of Commerce, the Workers Center, and County department heads.

To be clear, the policy elements listed below are not recommendations, but instead represent a fairly comprehensive range of options that can be considered when developing the County's policy.

### Deciding Range of Policy Elements

**Scope of Coverage—What kind of financial activities should be subject to the policy?**

Options include:

- County (including Airport and Solid Waste) Service Contracts
- Recipients of Economic Development Incentives
- Recipients of Community Development Assistance

**Depth of Coverage—How deep into an organization should the policy apply? Options include:**

- Contractors
  - Employees directly involved in the provision of contracted service
    - Exclusions:
      - Volunteers
      - Youth generally (under 18)
        - Seasonal Youth
        - Work-Study
      - Employees enrolled in apprenticeship programs
      - Employees with disabilities, but who compete with the general population to be hired

- Employees with disabilities working in supported employment programs, such as Challenge Industries, where benefits beyond direct wages are provided
  - Temporary employees
  - Part-time employees
  - Day Care Workers
  - Personal health care workers (e.g., home health aides)
  - Employees participating in job training or job readiness programs
  - Managers (FLSA "exempt")
  - Employees covered by collective bargaining agreements
  - Employees paid pursuant to mandated prevailing wage
    - Greater of livable wage or prevailing wage
  - Employees of other governments (e.g., intermunicipal service agreement)
- Employees partially involved in provision of contracted service
  - \_\_\_\_\_% of time involved in providing contracted service
- Subcontractors
  - Employees directly involved in the provision of contracted service
  - Employees partially involved in provision of contracted service

**Exemption Thresholds—Will the policy exempt organizations based on size or type of organization? Options include:**

- For Profit Contractors
  - Size of contract(s)
    - \$ \_\_\_\_\_
  - Size of organization (number of employees)
    - \_\_\_\_\_
- Not-for-Profit organizations
  - Size of contract(s)
    - \$ \_\_\_\_\_
  - Size of organization (number of employees)
    - \_\_\_\_\_
- Not-for-profit organization providing specific type of service

**Other Grounds for Exemption (beyond size or structural thresholds listed above)—Will the policy consider other, specific, reasons to exempt a contractor from the policy, such as:**

- The creation of demonstrable financial hardship
  - \_\_\_\_% impact on contractor organization budget
- The impact on the County's budget
  - \_\_\_\_% increase in contract cost
- Other
  - Highest paid employee/officer paid less than \_\_\_\_ times more than lowest paid employee

**Means of Enforcement—How will the County verify the representations of the contractor?**

- Attestation by employer; annual audit by County
- Attestation by employer; response to complaints by County
- Creation of volunteer board to review operation of the law and compliance by contractors
- Presentation of monthly payroll; review and inspection by County staff

**Consequence of Failure to Comply—What will happen to contractors who commit to pay livable wages, but don't?**

- Opportunity to cure
- Contract voided
- Monetary sanction
- Other

**Mandatory vs. Recommended—Should the County require, or encourage, its contractors to pay livable wages?**

#### **Recommended Next Steps**

Following a discussion of this memo by the Government Operations Committee and the Budget, Capital, and Personnel Committee, including modifications to the approach that are made by the Committees, it is recommended that a small work group be formed to develop specific recommendations to the Committee. The work group should include, at a minimum, the following members:

- Government Operations Chair or designee
- Budget, Capital, and Personnel Committee Chair or designee
- WDIC Chair or designee

- County Administrator
- Finance Director
- County Attorney
- Human Services Cabinet representative
- Infrastructure Cabinet representative
- County Contract Manager (J.Kippola)

The work group will consider the questions outlined above, consult with the stakeholders, and develop a draft resolution for consideration by the Government Operations Committee and Budget, Capital, and Personnel Committee and, ultimately, by the entire Legislature.

## RESOLUTION NO. 167 - LIVABLE WAGE POLICY

MOVED by Mr. Lane, seconded by Ms. Herrera. Mr. Lane thanked the Committee and Ms. Herrera for bringing the resolution forward as well as members of the Living Wage Coalition and the City of Ithaca's Common Council members involved in the discussions over the past several years and indicated his support of the resolution. He explained that it states the County's opinion on what would be an economic benefit to the low-income citizens of Tompkins County by recommending employers pay a living wage. He stressed it is not mandatory, but indicates the intent that wages be taken into consideration during contract process. Mr. Lane said the resolution also calls for the State to increase the minimum wage to reflect the increased rate of inflation.

Mr. Totman stated he would not support the resolution as he feels it would eliminate the hiring of youth and elderly citizens in some area businesses. Mr. Winch said while he will not support the resolution; he agrees with state-wide increase of minimum wage. He said that many new businesses cannot afford to pay a higher wage until the business has become stable and through the living-wage resolution it may not be possible for a new business to flourish.

Mr. Booth spoke in support of the resolution, saying it urges consideration of a livable wage with the final determination resting with the employer. Ms. Herrera said the resolution expresses community values and the desire to improve wages for citizens. She feels it will bring recognition of the need to pay workers a fair wage and not rely on local tax dollars to supplement low income. Mr. Proto said he had written to State legislators and New York State Association of Counties requesting information on living wage, and to date had received a response from Assemblywoman Lifton's office indicating a lack of data on the subject and would assist in locating information as well as a similar response from Senator Seward's office. He then said Ms. Armstrong at Tompkins County Area Development provided a good deal of information on the subject and he has done quite a bit of research.

Mr. Proto said he would like to see a local study on the subject updated regularly. He then said he recognizes that the resolution only makes suggestions to provide a living wage and is not a mandate, however at this time he does not feel he can support the resolution. Ms. Blanchard said that as the Tompkins County Area Development (TCAD) Chair she noted that the goals of the resolution are very close to the stated mission of TCAD and that TCAD has a subcommittee working with livable wage and broader issues such as health care benefits of the working poor. When Ms. Blanchard inquired how it may affect the Industrial Development Agency (IDA), Mr. Lane said he feels it reinforces what the IDA is already doing, taking into consideration all aspects of businesses.

Ms. Blanchard then inquired about the procedures the County would be using. Mr. Whicher said that each contract will be reviewed for its merits and that it may be difficult at times due to the regulatory need to select the lowest bidder. Ms. McBean said she is concerned when individuals feel it is necessary to complete a study prior to paying the poor a living wage. She recognized that new businesses cannot pay but as the business becomes a success employers should recognize the importance of increasing wages as they can. Ms. Kiefer spoke in support of the resolution, noting it was just a policy statement with no specific directions. She expressed a desire that Government Operations Committee consider if and how to modify Request for Proposals and bid documents to require information to be provided to prospective contract holders regarding this policy.

A roll call vote resulted as follows: Ayes - 10 (Legislators Blanchard, Booth, Herrera, Joseph, Kiefer, Koplinka-Loehr, Lane, McBean, Penniman, and Schuler); Noes - 4 (Legislators Proto, Todd, Totman, and Winch); Excused - 1 (Legislator Robertson). RESOLUTION ADOPTED.

WHEREAS, the Tompkins County Legislature believes that any person who works full time should be able to support themselves on their earnings, and

WHEREAS, the State and Federal governments have failed to keep the minimum wage at a level sufficient to maintain self-sufficiency, and

WHEREAS, Alternatives Federal Credit Union has researched what constitutes a livable wage in Tompkins County and regularly updates their study, and

WHEREAS, the concept of a livable wage has gained increasing respect and acceptance, both locally and nationally, as a valuable guideline for economic well being, and

WHEREAS, Tompkins County has demonstrated its commitment to livable wages by ensuring that its own employees are paid a livable wage and by undertaking an initiative to facilitate wage increases for persons employed by human service agencies working under County contracts or grants, and

WHEREAS, Tompkins County awards many contracts to provide services to the public and to County government, and

WHEREAS, Tompkins County engages in a number of programs and initiatives to promote economic development, now therefore be it

RESOLVED, on recommendation of the Planning, Development and Environmental Quality Committee, That the Tompkins County Legislature establishes one of the goals of economic development as increasing the percentage of County residents who are able to support themselves on their own earnings,

RESOLVED, further, That it shall be the policy of Tompkins County to consider the wage levels and benefits, particularly health care, provided by contractors when awarding bids or negotiating contracts, and to encourage the payment of livable wages whenever practical and reasonable,

RESOLVED, further, That Tompkins County urges all employers to make a good-faith effort to pay all of their employees at least a livable wage,

RESOLVED, further, That Tompkins County urges our representatives in State and Federal government to support a significant increase in the minimum wage.

**SEQR ACTION: TYPE II-20**

# Living Wage 2011 Chart

Category	Month (2008)	Month (2010)	Percent Change	Year (2010)	Comments	Source
Rent	\$763.00	\$811.00	6.29%	\$9,732.00	Fair Market rent for single bedroom apartment including utilities	HUD
Food	\$203.25	\$203.60	0.17%	\$2,443.20	Average of low-cost food plan for males and females ages 19-50	USDA
Transportation	\$167.52	\$179.03	6.87%	\$2,148.36	Weighted average of amount spent on cars and public transportation	ACS, BLS, EIA, TCAT
Communication	\$61.49	\$59.99	-2.44%	\$719.88	Local calling and long distance plan, and internet	BLS, Verizon
Health Care	\$143.53	\$173.08	20.59%	\$2,076.96	Employee's share of premium and out of pocket medical expenses	BLS, Alternatives
Recreation	\$100.00	\$101.62	1.62%	\$1,219.44	Adjusted for inflation	
Savings	\$59.81	\$60.78	1.62%	\$729.36	Adjusted for inflation	
Miscellaneous	\$111.13	\$110.46	-0.60%	\$1,325.52	Apparel products, housekeeping supplies and personal care products and service	BLS
Net (Subtotal)	\$1,609.73	\$1,699.56	5.58%	\$20,394.72		
Payroll tax	\$147.29	\$114.28	-22.41%	\$1,371.34		
Federal tax	\$117.95	\$149.23	26.52%	\$1,790.73		
State tax	\$50.35	\$59.56	18.30%	\$714.71		
<b>TOTAL</b>	<b>\$1,925.31</b>	<b>\$2,022.63</b>	<b>5.05%</b>	<b>\$24,271.50</b>		
hourly @ 40hr/wk	\$11.11	\$11.67				

# Living Wage 2011 Press Release

Contact:  
Leni Hochman  
607-216-3418

## **Alternatives Federal Credit Union Announces 2011 Living Wage**

Ithaca, NY – How much does it cost to live in Tompkins County? According to the Alternatives Federal Credit Union bi-annual Living Wage Study, it is \$24,271.50 or \$11.67/hour for full-time worker. The Alternatives Board of Directors voted unanimously to raise wages to the new Living Wage level, continuing its commitment to its employees.

The updated study looks at housing, transportation, healthcare and other necessities, as well as a modest allowance for recreation and savings to come up with the annual figure, up 5% from \$11.11/hour two years ago. This figure represents the Living Wage for an individual whose employer provides health insurance. According to the Tompkins County Workers Center, an additional \$1.11/hour would be necessary for a Living Wage if health insurance is not included. The minimum wage, set by the federal government, is \$7.25/hour. Despite recent increases in the federal minimum wage, that figure has not maintained its buying power over the past thirty years. Returning to the same sources used in prior Living Wage studies, James Fiddmont, a Cornell student and intern through the WISP program, updated the numbers. "It feels great knowing I was able to assist in calculating the Living Wage of Tompkins County. With these calculations the onus is on local businesses to provide their employees with adequate compensation as the cost of living increases," stated Fiddmont.

The largest driving factor of the increase was rent, which, according to HUD (Housing and Urban Development) is \$811/month for a single bedroom apartment, including utilities. That's up 6.29% while the rate of inflation for the same period was only 1.62%. Healthcare and transportation also took big jumps, while food and communication stayed flat.

Leni Hochman, Chief Operations Officer, oversees the study. She sees the conundrum for small businesses that want to pay a Living Wage but don't believe they can afford to do so. While the main impetus for paying a Living Wage is the belief that it is the right thing to do, Hochman says there are business advantages as well: "The Living Wage not only benefits employees, but has advantages to businesses too. It can reduce employee turnover and absenteeism, lower recruitment and training costs, and improve morale and commitment to the company." Hochman points proudly to Alternatives' comparatively low turn-over. Further, Hochman asserts that paying a Living Wage has advantages to the community. When people are paid enough to support themselves, they no longer need to rely on public assistance in the form of housing subsidies, medical assistance, food stamps and welfare, which are paid for in everyone's taxes.

## Living Wage Certification

1. Must pay \$11.67/hour to all regular full and part-time employees.
2. Must offer health insurance and pay at least 50% of the premium cost to all employees averaging 30 or more hours/week (or pay them a minimum of \$12.78/hour).
3. May pay a wage that is less than the living wage to youth employed during the summer; to part-time employees who are under 18 years old; to employees who are in a probationary status (limited to 3 months); to employees who are hired on a temporary basis (limited to 3 months); to employees and volunteers paid by others.
4. Must endorse the living wage concept.
5. Must match wages with any changes in the Tompkins County Living Wage that might occur periodically.
6. May use benefits or other beneficial terms and conditions of employment that are provided employees, such as union status, pension, discounts, generous leave policies etc., as an offset to the wage and health insurance criteria (meaning, for example, that a lower wage than \$11.67 may be allowed if the difference were made up in measurable benefits that reduce the cost of living or offset by other factors in the employment situation), at the discretion of the Tompkins County Workers' Center Steering Committee.
7. May be rejected for certification where there are known health and safety violations, violations of wage/hour or other labor statutes, and/or violations of the right to unionize, at the discretion of the Tompkins County Workers' Center Steering Committee.

Certification is subject to annual review by the Tompkins County Workers' Center Steering Committee..

### **What is a Living Wage?**

We believe that few principles are more basic to our nation than the importance of rewarding work. A job should take you out of poverty, not keep you in it. So a "living wage" is the amount that an individual should be paid to meet their basic needs, without the need for public or private additional assistance. The Tompkins County Living Wage is set every two years by Alternatives Federal Credit Union.

The living wage for a single individual is currently \$24,271.50 or \$11.67/hour for an individual working a 40-hour week for the full year. This figure is derived using the cost for housing (fair market rent for a single bedroom apartment including utilities), transportation (weighted average), food (based on USDA "low cost" food plan), communications (local plan + 30 minutes long distance/month, plus DSL), health care (employee paying 25% of the premium of a standard plan + additional out-of-pocket medical expenses) recreation, savings, miscellaneous plus taxes. The living wage for a family is significantly higher but is not calculated by Alternatives. For details on the Tompkins County Living Wage, go to [www.alternatives.org/livable.html](http://www.alternatives.org/livable.html). For more details about the Workers' Center's Business Certification program go to [www.TCWorkersCenter/employer](http://www.TCWorkersCenter/employer).

TC Workers' Center, 115 E. Martin Luther King, Jr. Street, Ithaca, NY 14850  
[www.TCWorkersCenter.org/employer](http://www.TCWorkersCenter.org/employer) 607-269-0409

Workers Center: Certified Living Wage Employers

Advocacy Center

P.O. Box 164, Ithaca

Aigen Financial Group, LLC

202 E. State/Martin Luther King, Jr. Street, Ithaca

Alcohol & Drug Council of Tompkins County, Inc.

201 E. Green Street, Ithaca

Alternatives Federal Credit Union

125 N. Fulton Street, Ithaca

Ancient Wisdom Productions (Web Designer)

202 E. State Street, Ithaca

ASI Renovations

P.O. Box 603, Ithaca

Autumn Leaves Used Books

115 E. State Street, Ithaca

Black Box Computer Consulting

306 E. State Street, Ithaca

Blue Spruce Painting and Decorating

598 Hayts Road, Ithaca

The Bookery

Dewitt Mall, Ithaca

Boyce Thompson Institute

Tower Road, Ithaca

Bridges Cornell Heights

403 Wyckoff Avenue, Ithaca

Buffalo Street Books

215 N. Cayuga Street, Ithaca

Catholic Charities of Tompkins/Tioga

324 W. Buffalo Street, Ithaca

CFCU Community Credit Union

1030 Craft Road, Ithaca

Colonial Veterinary Hospital

2369 Triphammer Road, Ithaca

Community Dispute Resolution Center

120 W. Martin Luther King, Jr. Street, Ithaca

Community Foundation of Tompkins County

309 N. Aurora St., Ithaca

Community Science Institute

95 Brown Road, Ithaca

Contemporary Trends, Inc.

121 N. Aurora Street, Ithaca

**IthacaMed**  
404 N. Cayuga St., Ithaca  
**Jewel Box**  
301 Taughannock Blvd., Ithaca  
**Jillian's Drawers**  
171 E. State Street, Ithaca  
**Loaves and Fishes**  
210 N. Cayuga Street, Ithaca  
**McNeil Music of Ithaca**  
110 W. Green Street, Ithaca  
**Mama Goose/Mimi's Attic**  
430 W. State/Martin Luther King, Jr. Street, Ithaca  
**Michael May Construction, Inc.**  
21-A Squires Street, Cortland  
**Multicultural Resource Center**  
615 Willow Avenue, Ithaca  
**New Roots Charter School**  
116 N. Cayuga Street, Ithaca  
**Northeast Pediatrics and Adolescent Medicine**  
10 Graham Road, Ithaca  
**Nutritional Wellness Center**  
520 W. Green Street, Ithaca  
**OAR – Opportunities, Alternatives and Resources**  
518 W. Seneca Street, Ithaca  
**Ongweoweh Corporation (Pallet Mgmt)**  
767 Warren Road, Ithaca  
**PPM Homes, LLC**  
514 S. Aurora Street, Suite 1A, Ithaca  
**Red Feet Wine Market and Spirit Provisions**  
435 Franklin Street, Ithaca  
**Renovus Energy, Inc.**  
102 Cherry Street, Ithaca  
**Segal and Sorensen**  
218 Hudson Street, Ithaca  
**Shade Tree Auto, Inc.**  
1047 Teeter Road, Ithaca  
**Show & Murphy Law Firm**  
170 Main Street, Groton  
**Significant Elements, A Program of Historic Ithaca, Inc.**  
212 Center Street, Ithaca  
**Singlebrook Technology, Inc.**  
433 W. Buffalo Street, Ithaca

TRC Energy Services (Ithaca)

102 W. State Street, 3rd Floor, Ithaca

United Auto Workers Local 2300

110 N. Geneva Street, Ithaca

Upscale Remodeling Corporation

176 Hurd Road, Freeville

### Charge to the Livable Wage Work Group

Undertake a thorough review of the County's livable wage policy to determine whether County's policy goals are being adequately achieved, including the extent to which livable wages are now being paid by County contractors. Based on that review, recommend specific changes in the policy or procedure that would address any shortcomings in the policy or its execution. Recommendations made by the work group will be presented to the Legislature for its consideration.

To arrive at sound recommendations, the Work Group must consider the full implication of changes that may be proposed—both positive and negative. This will require input from knowledgeable groups and individuals with divergent perspectives. Therefore, the process followed by the work group will be transparent and open to the public. Each meeting should include an opportunity for public comment.

Recommendations developed by the work group should be based on clear and specific findings that emerge from its review, and should include the justification for, and expected outcome associated with, each recommendation. The recommendations should be presented in a concise report to the Legislature.

The Work Group should complete its task by July 31, 2013.

Scope of Coverage: What Activities are Covered?

Government		Service Contracts	E.D. Recipients	Leasees Concessionaires, etc	Community Development	Specifid Range of Services	Specific Employees
Ann Arbor	MI	X	X		X		
Berkeley	CA	X	X	X			
Bloomington	IN	X	X	X		X	
Broward Co	FL	X				X	
Buffalo	NY	X					
Cambridge	MA	X	X	X	X		
Camden	NJ	X	X	X	X		
Cincinnati	OH	X				X	
Dayton	OH	X					
Gainesville	FL	X				X	
Irvine	CA	X					
LA County	CA	X					
Lincoln	NE	X					
Madison	WI	X	X				
Manchester	CT	X	X				
Memphis	TN	X					
Miami	FL	X				X	
Montgomery Co	Md	X					
Nassau Co	NY	X	X	X			
New Haven	CT	X				X	
Norwalk	CT	X					
Philadelphia	PA	X	X	X			
Prince George	MD	X					
Rochester	NY	X	X	X	X		
Sacramento	CA	X					
Sonoma	CA	X	X		X		
State of	Maryland	X					
Suffolk Co	NY	X	X	X			
Syracuse	NY	X					
Ventura	CA	X			X		
Westchester	NY	X	X	X			X

**Minimum Contract Size**

**Thresholds: Contract**

Government		For-Profit Contractor		Not-for-Profit Contractor	
		Amount of Contract	No. of Employees	Amount of Contract	No. of Employees
Ann Arbor	MI	\$10,000			
Berkeley	CA	\$25,000	6	\$100,000	6
Bloomington	IN	\$10,000			
Broward Co	FL	\$100,000			
Buffalo	NY	\$50,000		\$50,000	
Cambridge	MA	\$10,000		\$10,000	
Camden	NJ	\$10,000		\$10,000	
Cincinnati	OH	\$20,000			
Dayton	OH	\$100,000			
Gainesville	FL				
Irvine	CA	\$100,000			
LA County	CA	\$25,000			
Lincoln	NE	\$25,000		\$25,000	
Madison	WI	\$5,000		\$5,000	
Manchester	CT	\$25,000			
Memphis	TN				
Miami	FL	\$100,000		\$100,000	
Montgomery	MD	\$50,000			
Nassau Co	NY	\$25,000			
New Haven	CT				
Norwalk	CT	\$100,000	25 total		
Philadelphia	PA	\$10,000		\$100,000	
Prince George	MD	\$50,000			
Rochester	NY	\$50,000		\$50,000	
Sacramento	CA	\$100,000		\$100,000	
Sonoma	CA	\$10,000		\$75,000	
State of	Maryland	\$100-\$500,000	10 (higher threshold)		
Suffolk Co	NY	\$25,000			
Syracuse	NY	\$20,000		\$20,000	
Ventura	CA	\$25,000			
Westchester	NY	\$50,000			

**Breadth of Coverage: Generally, What Types of Organizations and Employees are Covered?**

Government		For Profit	Not for Profit	Specific Contract Types	Full-time employees	Part-time employees
Ann Arbor	MI	YES	YES		X	X
Berkeley	CA	YES	YES		X	X
Bloomington	IN	YES	YES	YES	X	X
Broward Co	FL	YES	YES		X	
Buffalo	NY	YES	YES, BUT CAN EXEMPT		X	X
Cambridge	MA	YES	YES, BUT CAN EXEMPT		X	X
Camden	NJ	YES	YES		X	X
Cincinnati	OH	YES	YES	YES?	X	X
Dayton	OH	YES	NO		X	
Gainesville	FL	YES	YES	YES	X	X
Irvine	CA	YES	NO		X	
LA County	CA	YES	NO		X	
Lincoln	NE	YES	YES		X	
Madison	WI	YES	YES		X	X
Manchester	CT	YES	NO		X	
Memphis	TN	YES	NO		X	X
Miami	FL	YES	YES	YES	X	X
Montgomery	MD	YES	NO		X	X
Nassau Co	NY	YES	YES		X	X
New Haven	CT	YES	YES, UNLESS CEO<8x LOWEST	YES	X	X
Norwalk	CT	YES	NO		X	
Philadelphia	PA	YES	YES		X	X
Prince George	MD	YES	NO		X	X
Rochester	NY	YES	YES		X	X
Sacramento	CA	YES	YES		X	X
Sonoma	CA	YES	YES	YES?	X	X
State of	Maryland	YES	NO		X	X
Suffolk Co	NY	YES	YES		X	X
Syracuse	NY	YES	YES		X	X
Ventura	CA	YES	NO	YES	X	X
Westchester	NY	YES	YES	YES	X	X

**Minimum Contractor Size**

**Thresholds: Contractor Size**

Government		For Profit Contractor		Not for Profit Contractor	
		Annual Revenue	No. Employees	Annual Revenue	No. Employees
Ann Arbor	MI		5		10
Berkeley	CA				
Bloomington	IN				
Broward Co	FL				
Buffalo	NY		10		10
Cambridge	MA				
Camden	NJ				
Cincinnati	OH				
Dayton	OH		50		
Gainesville	FL				
Irvine	CA		25		
LA County	CA	1,000,000	20		
Lincoln	NE		10		
Madison	WI				
Manchester	CT		25		
Memphis	TN		2		
Miami	FL				
Montgomery	MD				
Nassau Co	NY				
New Haven	CT				
Norwalk	CT				
Philadelphia	PA	1,000,000	5		
Prince George	MD		10		
Rochester	NY				
Sacramento	CA		25		100
Sonoma	CA				
State of	Maryland				
Suffolk Co	NY				
Syracuse	NY		5		
Ventura	CA		5		
Westchester	NY				





Excluded Employees: Are ce

Government	Management	Disabled employees covered by sub-minimum certificate	Employer-provided housing	Govt program that restricts wages	Govt summer youth program	Volunteers	Standby or On-Call	Hospitality Industry employees	Seniors in work programs	In home support workers	Board and Care Svcs	Printing/Copying	Temporary Project	Substituted on for another employee
Ann Arbor	MI					X								
Berkeley	CA					X	X							
Bloomington	IN	X				X								
Broward Co	FL					X								
Buffalo	NY													
Cambridge	MA	X	X											
Camden	NJ													
Cincinnati	OH								X					
Dayton	OH													
Gaineseville	FL	X				X								
Irvine	CA	X				X							X	X
LA County	CA													
Lincoln	NE													
Madison	WI													
Manchester	CT	X					X							
Memphis	TN					X								
Miami	FL					X		X						
Montgomery	MD			X	X									
Nassau Co	NY	X												
New Haven	CT								X					
Norwalk	CT	X												
Philadelphia	PA					X								
Prince George	MD													
Rochester	NY	X												
Sacramento	CA													
Sonoma	CA	X												
State of Maryland						X	X						X	
Suffolk Co	NY													
Syracuse	NY													
Ventura	CA					X								
Westchester	NY					X				X	X			



## Local Living Wage Laws and Coverage

Updated July 2011

Total municipalities with living wage laws nationally (some cities have multiple policies; not including repealed): 125  
 Wage rates are current as of Dec. 2010, unless otherwise noted.

Regarding Economic Development Financial Assistance, note that many cities have enacted living wage laws that extend to employers receiving such assistance, but the cities do not in practice award much, if any such assistance. Further on-the-ground review of city economic development programs is necessary to identify those—for example, Los Angeles through its Community Redevelopment Agency—that do so on a significant scale.

Municipality/Agency	Adoption Date	Living Wage		Coverage				Notes
		w/ Health Insurance	w/o Health Insurance	Local Government Employees	Public Contracts	Economic Development Financial Assistance*	City-Wide Minimum Wage	
Pittsburgh, PA	Feb. 2010	**	**	N	Y	Y	N	Prevailing wage law. Building service, food service, hotel and grocery employees must be paid the prevailing industry rate. Includes all work on or related to projects receiving city assistance, including tenant businesses.
San Leandro, CA	July 2007	\$11.67	\$13.17	Y	Y	Y	N	Living wage level is indexed to rise with CPI.
Asheville, NC	May 2007, Expanded May 2011	\$9.85	\$11.35	Y	Y	N	N	The City Council intends to revisit the living wage levels annually during the budget process to ensure they remain consistent with inflation based on CPI and recommendations from advocates.



Nassau County, NY	Dec. 2005	\$12.50	\$14.16	N	Y	N	Y	N	N	Final wage level of \$12.50 was phased in by 2010.
Emeryville, CA	Nov. 2005	\$12.81	N/A	Y	Y	Y	Y	Y	N	Also covers certain lessees of public property, licensees, concessionaires and franchisees.
Macomb County, MI	Nov. 2005	\$11.03	\$13.78	N/A	Y	N/A	Y	N/A	N/A	Living wage is indexed to 100 percent of the federal poverty level for a family of three w/ health insurance. W/o health insurance, contractors will pay 125 percent of the poverty level for a family of three.
Albany, NY	Sept. 2005	\$10.25	\$11.91	N	Y	Y	Y	Y	N	Living wage level is indexed to rise with CPI.
Brookline, MA	May 2005	N/A	\$12.24	N	Y	N	Y	N	N	
Syracuse, NY	May 2005	\$11.60	\$13.70	N	Y	N	Y	N	N	Living wage level is indexed to rise with CPI-U. Only employees working 30 years or more are covered.
Philadelphia, PA *	May 2005	N/A	\$7.73	Y	Y	N	Y	N	N	Also covers some lessees of public property, concessionaires, and franchisees. Living wage level is set to 150 percent of the higher of federal or state minimum wage.
Eau Claire, WI	May 2005, Repealed June 2005	N/A	\$5.65	N/A	N/A	N/A	N/A	N/A	Y	Repealed by state law. City-wide minimum wage law.
Lacrosse, WI	Apr. 2005, Repealed June 2005	N/A	\$5.70	N/A	N/A	N/A	N/A	N/A	Y	Repealed by state law. City-wide minimum wage law.
Santa Monica, CA	Mar. 2005, Amended Apr. 2008	N/A	\$13.27	N	Y	N	Y	N	N	Previous living wage ordinance passed in 2001, repealed in 2002.
Bloomington, IN	Mar. 2005	\$8.50	\$11.25	N	Y	Y	Y	Y	N	Living wage is indexed to rise -with CPI.

Milwaukee, WI	Feb. 2005, Repealed June 2005	N/A	\$7.98	N/A	N/A	N/A	Y	Repealed by state law. City-wide minimum wage law.
Sonoma, CA	July 2004	\$15.38	\$15.38	Y	Y	Y	N	Living wage is indexed to rise with CPI.
Durham County, NC	June 2004	N/A	\$10.34	Y	Y	N	N	Living wage is set at 7.5 percent above the federal poverty level for a family of four.
Lincoln, NE	Mar. 2004	\$10.66	\$11.66	Y	Y	N	N	Living wage level is set at 100 percent (w/health insurance) or 110 percent (w/o health insurance) of the federal poverty level for a family of four.
Sacramento, CA	Dec. 2003	\$10.72	\$12.33	Y	Y	N	N	Living wage level is indexed to rise with CPI.
Sebastopol, CA	Dec. 2003	**	\$14.80	Y	Y	Y	N	Employers may deduct health insurance costs from the wage level. Living wage level is indexed to rise with the federal cost of living adjustment for the San Francisco area.
San Francisco, CA	Nov. 2003	N/A	\$9.79	N/A	N/A	N/A	Y	City-wide minimum wage law. Also see living wage law passed in Aug. of 2000.
Lawrence, KS	Oct. 2003	\$11.43	\$13.43	N	N	Y	N	Living wage level is set at 130 percent of the federal poverty level for a family of three.
Port Hueneme, CA	Oct. 2003	\$10.35	\$12.90	N	Y	N	N	

<u>Lansing, MI</u>	Sept. 2003	\$13.79										Employers may deduct health insurance costs from the wage level (up to 20 percent of the wage). Living wage level is set at 125 percent of the federal poverty level for a family of four.
<u>Orlando, FL</u>	Aug. 2003	\$8.50										
<u>Lakewood, OH</u>	July 2003	\$11.99										Living wage level is indexed to rise with CPI for Northeast Ohio.
<u>Dayton, OH</u>	July 2003	\$10.60										Living wage level is set at 100 percent (w/ health insurance) or 120 percent (w/o health insurance) of the federal poverty level for a family of four.
<u>Arlington, VA</u>	June 2003	N/A										
49												
<u>Ingham County, MI</u>	June 2003	\$10.00										Employers may deduct health insurance costs from the wage level (up to 20 percent of the wage). Living wage level is set at 125 percent of the federal poverty level for a family of four.
<u>Prince George's County, MD</u>	June 2003	N/A										Living wage level is indexed to rise with CPI.
<u>Gainesville, FL</u>	Mar. 2003, Amended Sept. 2003	\$10.60										
<u>Palm Beach County, FL</u>	Feb. 2003	N/A										
<u>Santa Fe, NM</u>	Feb. 2003, Amended Nov. 2007	N/A										Living wage level is indexed to rise with CPI. City-wide minimum wage law.
<u>Cincinnati, OH</u>	Nov. 2002	\$10.60										Living wage level is adjusted annually by the percentage increase in the federal poverty guidelines.

<u>Bellingham, WA</u>	Nov. 2002	\$11.97	\$13.18															Living wage level is adjusted annually by the change in the Implicit Price Deflator.
<u>Westchester County, NY *</u>	Nov. 2002	\$11.50	\$13.00															
<u>Taylor, MI</u>	Nov. 2002	\$10.60	\$13.25															Living wage level is set at 100 percent (w/health insurance) or 125 percent (w/o health insurance) of the federal poverty level for a family of four.
<u>Broward County, FL</u>	Oct. 2002	\$11.13	\$12.57															
<u>Watsonville, CA</u>	Sept. 2002	\$13.08	\$14.27															Living wage level is indexed to rise with the federal cost of living adjustment.
<u>Fairfax, CA *</u>	Aug. 2002	\$13.00	\$14.75															Living wage level is indexed to rise with CPI.
<u>Southfield, MI</u>	July 2002	\$11.03	\$13.78															Living wage level is set at 100 percent (w/health insurance) or 125 percent (w/o health insurance) of the federal poverty level for a family of four.
<u>Oxnard, CA</u>	July 2002	N/A	\$13.25															
<u>Montgomery County, MD</u>	June 2002	N/A	\$13.00															Employers may deduct health insurance costs from the wage level.
<u>Port of Oakland, CA *</u>	Mar. 2002	\$10.09	\$11.58															Covers workers at Oakland's Airport and Seaport.
<u>New Orleans, LA</u>	Feb. 2002, Repealed Sept. 2002	N/A	\$6.85															City-wide minimum wage was set at \$1.00 above the federal minimum wage. In Sept. 2002, the law was overturned by the State Supreme Court.
<u>Hazel Park, MI</u>	Feb. 2002, Repealed June 2002	N/A	N/A															
<u>Marin County, CA</u>	Jan. 2002	\$10.05	\$11.55															

<u>Bozeman, MT</u>	Dec. 2001	\$9.93	\$11.09	Y	N	Y	N	Living wage level is indexed to rise with CPI.
<u>Santa Cruz County, CA</u>	Dec. 2001, Amended Aug. 2002	\$13.60	\$14.83	N	N	N	N	Living wage level is indexed to rise with CPI.
<u>New Britain, CT *</u>	Dec. 2001	N/A	\$10.97	N	Y	Y	N	Living wage level is set at 118 percent of the federal poverty level for a family of four.
<u>Cumberland County, NJ</u>	Dec. 2001	\$8.50	\$11.30	N	Y	N	N	Employers who do not provide a pension benefit must add a further \$1.25 to the hourly wage.
<u>Camden, NJ</u>	Dec. 2001, Repealed Jan. 2003	\$8.00	\$9.50	N	Y	N	N	
<u>Burlington, VT</u>	Nov. 2001	\$14.21	\$15.35	Y	Y	Y	N	Living wage level is indexed to rise with the state-level cost of living adjustment.
<u>Charlottesville, VA</u>	Nov. 2001	N/A	\$10.52	N	Y	N	N	
<u>Richmond, CA</u>	Oct. 2001	\$15.19	\$16.69	N	Y	Y	N	Living wage level is adjusted annually by the percentage increase in wages under city-wide employee labor agreements. Certain lessees are also covered.
<u>Washtenaw County, MI</u>	Oct. 2001	\$10.88	\$12.75	N	Y	N	N	
<u>Hempstead, NY</u>	Oct. 2001, Repealed Dec. 2001	\$9.00	\$10.25	N	Y	Y	N	
<u>Monroe County, MI</u>	Oct. 2001, Repealed Mar. 2003	\$8.70	\$10.20	Y	Y	N	N	

<u>Asland, OR</u>	Sept. 2001	**										Employers may deduct health insurance costs and other benefits from the wage level. Living wage level is indexed to rise with CPI.
<u>Oyster Bay, NY</u>	Aug. 2001	\$9.00										Only employees in janitorial and security jobs are covered.
<u>Gloucester County, NJ</u>	Aug. 2001	N/A										Living wage level is set at the greater of \$8.50 per hour or the federal poverty level.
<u>Suffolk County, NY</u>	July 2001	\$10.83										Lessees are covered also.
<u>Pittsburgh, PA</u>	May 2001, Repealed Mar. 2002	\$9.12										Certain lessees are covered also. Also see prevailing wage law passed in Feb. 2010.
<u>Santa Monica, CA</u>	May 2001, Repealed Nov. 2002	\$10.50										Covered employers in the Coastal Zone Tourist District.
<u>Verona County, CA</u>	May 2001	\$9.50										
<u>Miami Beach, FL</u>	Apr. 2001, Amended June 2010	\$10.16										The law was amended in June 2010 to include indexing to the CPI-U over a three-year phase-in period commencing on October 1, 2010. On October 1, 2012 the fully implemented rates of \$11.28 (w/ health insurance of at least \$1.64) and \$12.17 (w/o health insurance) will take effect.
<u>Pittsfield Township, MI</u>	Apr. 2001	\$10.97										Living wage level is indexed to rise with CPI.
<u>Eastpointe, MI</u>	Mar. 2001	\$11.03										Living wage level is set at 100 percent (w/health insurance) or 125-percent (w/o health insurance) of the federal poverty level for a family of four.

<u>Missoula, MT</u>	Mar. 2001	\$10.11	\$11.62	N	N	N	Y	N	Living wage level is set to at least match the pay of the lowest-paid city full-time employee.
<u>Ann Arbor, MI</u>	Mar. 2001	\$11.71	\$13.06	N	Y	N	Y	N	Living wage level is adjusted annually by the percentage increase in the federal poverty guidelines.
<u>Ferndale, MI</u>	Feb. 2001	\$9.59	\$11.00	N	Y	N	N	N	
<u>Rochester, NY</u>	Jan. 2001	\$10.59	\$11.83	N	Y	N	Y	N	Living wage level is indexed to rise with CPI.
									Living wage level is set at 110 percent (w/health insurance) of the federal poverty level for a family of four. If health insurance is not provided, the employer must pay an additional hourly sum determined by the city based on average costs of comprehensive health insurance in the state.
<u>Meriden, CT</u>	Nov. 2000	\$10.64	**	N	Y	N	N	N	
<u>Santa Cruz, CA</u>	Oct. 2000	\$13.60	\$14.83	Y	Y	N	N	N	
	Sept. 2000, Repealed June 2005								Repealed by state-law.
<u>Eau Claire County, WI</u>		\$7.53	\$8.29	N	Y	N	N	N	
<u>San Francisco, CA Redevelopment Agency</u>	Sept. 2001, amended 2009	**	\$11.69	N	Y	N	N	N	Tenants on projects built in part on agency-owned land are also covered. In 2010, the policy was applied to cover all employees of businesses, including tenants, that will occupy the massive <u>Hunters Point / Candlestick Point</u> development project.

<u>San Francisco, CA</u>	Aug. 2000	**	\$11.69	N	Y	N	N	Lessees at San Francisco International airport also covered. Covered employers must provide health insurance or pay \$1.25 per worker per hour into the city's public health system fund. Additionally, in Nov. 2003 a city-wide minimum wage was set and is indexed to rise with CPI.
<u>St. Louis, MO</u>	Aug. 2000	\$11.33	\$14.68	N	Y	Y	N	Living wage level is defined as a wage sufficient to lift a family of three above the eligibility level for food stamps. Concessionaires at the city's airport are also covered.
<u>Berkeley, CA</u>	June 2000, Amended Oct. 2000	\$12.41	\$14.47	Y	Y	Y	N	Lessees are also covered. Amended in October 2000 to include all employees at the city marina.
<u>Cleveland, OH *</u>	June 2000	N/A	\$10.00	N	Y	Y	N	Only employees working at least 30 hours per week are covered.
<u>Alexandria, VA</u>	June 2000, Amended Sept. 2009	N/A	\$13.13	N	Y	N	N	In Sept. 2009, the City Council adopted a new ordinance to the City's Living Wage Policy which rolled the Living Wage back to the City's FY 2008 Living Wage Rate, \$13.13.
<u>Toledo, OH</u>	June 2000	\$11.67	\$13.79	N	Y	Y	N	Living wage level is set at 110 percent (w/health insurance) or 130 percent (w/o health insurance) of the federal poverty level for a family of four.

<u>Omaha, NE</u>	Apr. 2000, Repealed Sept. 2001	N/A	N/A	Y	Y	Y	Y	N	Living wage level was set at 100 percent (w/ health insurance) or 110 percent (w/o health insurance) of the federal poverty level for a family of four.
<u>San Fernando, CA</u>	Apr. 2000	\$7.25	\$8.50	N	Y	Y	Y	N	Wages are adjusted annually based on changes in the state employment retirement system.
<u>Denver, CO</u>	Feb. 2000	N/A	\$10.60	N	Y	Y	Y	N	Only employees in the following jobs are covered: parking lot attendant, security guard, clerical support worker, childcare worker. Living wage level is set at 100 percent of the federal poverty level for a family of four.
55									
<u>Warren, MI</u>	Jan. 2000	\$11.25	\$13.78	N	Y	Y	Y	N	Living wage level is set at 100 percent (w/health insurance) or 125 percent (w/o health insurance) of the federal poverty level for a family of four.
<u>Corvallis, OR</u>	Nov. 1999	N/A	\$11.55	N	Y	Y	Y	N	Living wage level is indexed to rise with CPI.
<u>Hartford, CT</u>	Sept. 1999	\$11.66	\$17.78	N	Y	Y	Y	N	Living wage level is set at 110 percent (w/health insurance) of the federal poverty level for a family of four.
<u>Tucson, AZ</u>	Sept. 1999	\$9.17	\$10.32	N	Y	Y	Y	N	Living wage level is indexed to rise with CPI.
<u>Buffalo, NY</u>	Aug. 1999	\$10.57	\$11.87	N	Y	Y	Y	N	Living wage level is indexed to rise with CPI.
<u>Los Angeles County, CA</u>	June 1999	\$9.64	\$11.84	N	Y	Y	Y	N	Only full-time employees are covered.



<u>Hudson County, NJ</u>	Jan. 1999, Amended Oct. 2005	\$8.25	N/A	N	Y	N	N	Only security, food service, and janitorial employees working at least 20 hours per week are covered. Living wage level is set at 150 percent of the federal minimum wage. In October 2005, the law was amended by Executive Order to specify the types of required health insurance coverage.
<u>San Jose, CA</u>	Nov. 1998	\$12.94	\$14.19	N	Y	Y	N	Only certain contracted services are covered.
<u>Detroit, MI</u>	Nov. 1998	\$11.03	\$13.78	N	Y	Y	N	Living wage level is set at 100 percent (w/ health insurance) or 125 percent (w/o health insurance) of the federal poverty level for a family of four.
<u>Multnomah County, OR</u>	Oct. 1998	**	\$11.72	N	Y	N	N	Living wage level is indexed to rise with CPI. Only security, food service and janitorial employees are covered. Mandated wage level is the hourly value of the wage and benefits package paid to the employee.
<u>Pasadena, CA</u>	Sept. 1998, Amended July 2008	\$10.14	\$11.88	Y	Y	N	N	In July 2008, the law was amended to allow parties of a collective bargaining agreement to waive the application of the living wage law. Living wage level is indexed to rise with CPI.
<u>Cook County, IL</u>	Sept. 1998	\$10.57	\$13.21	N	Y	N	N	

<u>Chicago, IL</u>	July 1998	N/A	\$10.33	N	Y	N	N	Living wage level is set at 100 percent of the federal poverty level for a family of four.
<u>San Antonio, TX</u>	July 1998	N/A	\$10.60	N	N	Y	N	Covered employers must pay at least 70 percent of their workers a higher wage for services involving durable goods and non-durable goods.
<u>Oakland, CA</u>	Mar. 1998	\$11.15	\$12.82	N	Y	Y	N	Living wage level is indexed to rise with CPI.
<u>Durham, NC</u>	Jan. 1998	N/A	\$11.40	Y	Y	N	N	Living wage level is set at 105 percent of the federal poverty level.
<u>West Hollywood, CA</u>	Oct. 1997	\$9.38	\$10.74	N	Y	Y	N	
58	Sept. 1997, Amended Sept. 1998, Expanded Oct. 2001	N/A	\$13.02	N	Y	N	N	Living wage level is set to the higher of 100 percent of the federal poverty level for a family of four or 110 percent of the state minimum wage.
<u>Boston, MA</u>	July 1997	\$8.64	\$9.63	N	N	Y	N	Covered employers must pay at least 90 percent of their employees the living wage.
<u>Duluth, MN</u>	July 1997	\$8.64	\$9.63	N	N	Y	N	Living wage level is indexed to increase with wages of County Employees. Only employees in janitorial, security, and parking lot attendant jobs are covered.
<u>Milwaukee County, WI *</u>	May 1997	\$7.88	N/A	Y	Y	N	N	Living wage level is set at 120 percent of the poverty level for a family of four.
<u>New Haven, CT</u>	Apr. 1997, Amended June 2011	N/A	\$14.67	N	Y	N	N	

<p><u>City of Los Angeles, CA</u> <u>Century Corridor Hotel</u> <u>District</u></p>	<p>2006</p>					<p>Y</p>		<p>Hotels located in the Century Corridor district near the LAX airport, which benefitted from the city's investment in the airport, are covered by the city's living wage under this companion law</p>
<p><u>City of Los Angeles, CA</u> <u>Community Redevelopment</u> <u>Agency</u></p>	<p>2003</p>	<p>\$10.30</p>	<p>\$11.55</p>	<p>Y</p>	<p>Y</p>	<p>Y</p>		<p>The CRA/LA is L.A.'s economic development agency. Businesses benefitting from agency financial assistance are covered. Anchor tenants such as hotels have been covered as direct beneficiaries. Where projects involve agency-owned land, all tenants are covered as in the case of the Grand Avenue redevelopment.</p>
<p><u>City of Los Angeles, CA</u></p>	<p>May 1997, Amended Jan. 1999</p>	<p>\$10.30</p>	<p>\$11.55/\$14.80**</p>	<p>Y</p>	<p>Y</p>	<p>Y</p>	<p>N</p>	<p>\$14.80 applies to LA airport employees only. In Jan. 1999, the law was amended to increase the health insurance rate for Airport employees. Lessees and licensees are also covered. Wages are adjusted annually based on changes in the benefits paid to the members of the city employees' retirement system.</p>
<p>Minneapolis, MN</p>	<p>Mar. 1997</p>	<p>\$11.66</p>	<p>\$13.78</p>	<p>N</p>	<p>Y</p>	<p>Y</p>	<p>N</p>	<p>Living wage is indexed to 110 percent of the federal poverty level for a family of four w/ health insurance and 130 percent w/o health insurance.</p>

<u>St. Paul, MN</u>	Jan. 1997	\$11.66	\$13.78	Y	Y	Y	Y	N	Living wage is indexed to 110 percent of the federal poverty level for a family of four w/ health insurance and 130 percent w/o health insurance.
<u>New York City, NY</u>	Sept. 1996	**	**	Y	Y	Y	Y	N	Certain covered employees are entitled to various prevailing wage rates, as outlined by the Comptroller in the living wage schedule.
<u>Jersey City, NJ</u>	June 1996	\$10.50	\$13.60	N	Y	Y	Y	N	Only employees in clerical, food service, janitorial, and security jobs are covered.
<u>Portland, OR</u>	June 1996, Amended July 1998	\$9.50	\$11.26	N	Y	Y	Y	N	The law was amended in 1998 to raise the wage level and require health insurance for covered employees.
<u>Milwaukee, WI</u>	Nov. 1995	\$8.80	\$10.56	N	Y	Y	Y	N	Living wage level is adjusted annually to the poverty level for a family of three.
<u>Santa Clara County, CA *</u>	Oct. 1995	\$10.00	N/A	N	N	N	Y	N	Tax abatement recipients must provide health insurance or a suitable alternative to permanent employees.
<u>Baltimore, MD</u>	Dec. 1994, Amended July 2005	N/A	\$10.59	N	Y	Y	Y	N	Wage was set at \$1.00 above the federal minimum wage. In 2005, a law was passed that changed the living wage rate to \$7.00 or \$1.00 above the federal minimum wage. Also see living wage law passed in Jan. 2006.
<u>Washington, DC</u>	1992	N/A	\$8.25	N/A	N/A	N/A	N/A	Y	

N/A= Not Available, \*-Not-Updated, \*\*-Refer to Notes, CPI- Consumer Price Index

Sources: ACORN Living Wage Resource Center, Web sites of respective jurisdictions

Please contact the respective jurisdictions with questions about the laws. Feel free to contact us at [livingwage@nelp.org](mailto:livingwage@nelp.org) for all other inquiries, or to provide updated living wage legislation information.

Livable Wage Work Group

Rough outline of meeting progression

3.30.13

## Meeting 1

**Goal:** Agree to the Charge and structure of work group meetings; common baseline understanding of livable wage generally, and the County's LW policy

Materials Needed:

- JM Memo
- Common features matrix (JM)
- Page with links to other laws (JM)
- AFCU calculation and press release
- Workers Center list of Livable Wage employers in TC

Speakers/Participants

- AFCU—calculation of LW
- Workers Center-Explain certified LW employer

## Agenda

- 1) Work group charge
  - a) Major policy questions that must be addressed
  - b) Specific elements of recommended policy
- 2) Review of proposed schedule and milestones
- 3) What is livable wage
  - a) AFCU (guest) explains calculation
  - b) Other models (MIT)
  - c) Recognition of fringe benefits (beyond \$1.11 health contribution)
- 4) Current County Situation (tracks with memo)
  - a) County's status as livable wage employer (confirm that all county employees are paid LW)
  - b) Contracts that are not relevant
    - i) Construction (prevailing wages already paid)
    - ii) Commodities
  - c) County Policy re: contracts
    - i) Practice
    - ii) Enforcement
    - iii) Compliance
  - d) Departmental responses to inquiry
  - e) List of County contracts
- 5) Living Wage in Other Communities
  - a) Common features in other communities with living wage

## Meeting 2

**Goal:** Understand perspectives of individuals and organizations who could be affected by a more rigorous enforcement of LW policy (whether mandatory or best effort) through input provided by stakeholders, advocates, and opponents.

**Advance work:** Widely distributed notice of topic and opportunity to present, with guidance as to what will be most helpful to committee. Must alert presenters to the major policy issues that work group is trying to answer (i.e., to the benefits of more rigorous enforcement of LW exceed the costs to taxpayers and contractors—"horizontal and vertical impacts"). For contractors, most significant information need is impact on their HR situation and cost implications. Advance scheduling of speakers. Potentially, a larger room.

Major questions to be "answered": Cost and competitive impact of a more rigorously enforced LW policy

**Materials:** Whatever is provided by presenters

## Agenda

- 1) Presentations (max of 15 minutes for organizations; 5 minutes from individuals?)
- 2) Input from County department heads

### Meeting 3

**Goal:** Additional time for stakeholder input if necessary. Take stock of input and presentations to date. Identify concerns or opportunities that need further input, review, study. Provide time for “hands-on” discussion with department heads.

### Agenda

- 1) General Work Group discussion
  - a) Specific areas requiring further study or input
  - b) Department head interaction

#### Meeting 4

**Goal:** Review and determine specific elements that should be incorporated into either good faith or mandatory policy in order to provide clear guidance to contractors and County managers.

#### Agenda

Review specific policy elements and determine whether/how they should be incorporated into policy

- 1) Financial activities subject to the policy
  - a) County (including airport and solid waste) service contracts
  - b) Recipients of economic development assistance
  - c) Recipients of community development assistance
- 2) Depth of Coverage (options), or exemption factors
  - a) Contractors
    - i) Type of organization
      - (1) For profit
      - (2) Not for profit
        - (a) Comprehensive
        - (b) Exemption of specific types of not-for-profits
      - (3) All
    - ii) Size of organization (exemption threshold based on size of organization)
      - (1) Number of employees
      - (2) Total annual revenues
      - (3) Different size thresholds for profit and not-for-profit organizations
  - b) Employees
    - i) Youth
      - (1) Work-Study
      - (2) Seasonal
      - (3) All under 18
    - ii) Enrolled in apprenticeship programs
    - iii) Individuals with disabilities
      - (1) With disability, but who compete with general population
      - (2) With disability, but who work in a supported employment program
    - iv) Temporary employees
    - v) Part-time employees
      - (1) Partial week

- (2) Partial year
- vi) Specific job classifications
  - (1) Day Care workers
  - (2) Personal health care workers (e.g., home health care workers)
  - (3) Residential treatment workers
  - (4) Group home or other residential treatment workers
- vii) Participating in job training or job readiness programs
- viii) Managers (FLSA Exempt)
- ix) Covered by collective bargaining agreements
  - (1) With conditions (e.g., living wage awareness materials)
  - (2) Without conditions
- x) Paid pursuant to mandated prevailing wage rate
- xi) Employees of other governments
- c) Define "Directly involved in providing contracted service"
  - i) Percent of time standard?
- 3) Additional compensation considerations beyond base wage and "yes/no" provision of health benefits
  - i) Actual employer contribution toward employee (and potentially, retiree) health
  - ii) Pension contributions
  - iii) Educational benefits
  - iv) Other
- 4) Hardship exemptions—should there be exemptions granted under a more rigorously enforced policy that recognize hardship caused to the contracting organization or county?
  - a) Exemptions based on hardship to organization
    - i) Percentage increase in organization's budget
    - ii) Impact on equitable pay structure within the organization
      - (1) Horizontal impact, i.e., impact on positions that are not involved in County contract
      - (2) Vertical impact, i.e., impact on wage hierarchy
  - b) Exemption based on impact on the County's budget
    - i) Percent increase in contract cost attributable to livable wages
  - c) Other
    - i) Highest paid employee/officer paid less than   X   times more than lowest paid employee

### Meeting 5

**Goal:** Conclude discussion and develop consensus recommendation of the work group, including specific policy elements and whether the policy should be based on best efforts or made mandatory.

**Materials:** Written summary of policy elements developed in Meeting 4

#### **Agenda**

- 1) Discussion and decision: Mandatory vs. Best Effort
  - a) With or without hardship exemptions
- 2) Specific implementation elements of policy (from meeting 4)
- 3) Other considerations to be incorporated into policy

**Meeting 6**

**Goal:** Review and approve a draft report that will be presented to the Budget and GO Committees, and ultimately to the County Legislature. The report will include draft legislation to enact the recommendations of the work group.

Materials: Draft report

**Agenda**

- 1) Review report
- 2) Amendments
- 3) Vote by Work Group

Agenda  
Livable Wage Work Group  
April 23, 2013

Meeting Goal: Elicit input and perspectives of County Department Heads, including those who are on the Work Group, with a particular focus on specific operational implications associated with a more rigorous enforcement of the livable wage. Identify work group members' specific questions, concerns, or areas of inquiry that should be addressed or pursued as a part of the review process.

Materials: None

Next Meeting: Public Input Sessions, 3-5 p.m. and 6-8 p.m., May 1, Livesay Conference Room, HSB

Agenda

- I. Public input
- II. Amended charge
- III. Status of survey
- IV. Department head perspectives and insights
- V. Work group discussion
  - a. Specific areas of future inquiry or concern
  - b. Approach to public input session—interactive?
- VI. Adjourn

### Charge to the Livable Wage Work Group

Undertake a thorough review of the County's livable wage policy to determine whether County's policy goals are being adequately achieved, including the extent to which livable wages are now being paid by County contractors. Based on that review, recommend specific changes in the policy or procedure that would address any shortcomings in the policy or its execution. Recommendations made by the work group will be presented to the Legislature for its consideration.

To arrive at sound recommendations, the Work Group must consider the full implication of changes that may be proposed. This will require input from knowledgeable groups and individuals with divergent perspectives. Therefore, the process followed by the work group will be transparent and open to the public. Each meeting should include an opportunity for public comment.

Recommendations developed by the work group should be based on clear and specific findings that emerge from its review, and should include the justification for, and expected outcome associated with, each recommendation. The recommendations should be presented in a concise report to the Legislature.

The Work Group should complete its task by July 31, 2013.

As revised by the work group on 4.16.13

**TC Livable Wage Work Group**  
**Public Comments Sessions**  
**Tuesday, April 23, 2013**  
**3:00-5:00 PM**  
Human Services Annex, COFA Conference Room

<b>Attendees</b>		<b>Status</b>
Jeff	Smith	Present
Jim	Dennis	Present
Barbara	Eckstrom	Present
Andrea	Gibbs	Present
Kathy Luz	Herrera	Present
Lisa	Holmes	Present
Jackie	Kippola	Present
Joe	Mareane	Present
David	Squires	Present
Peter	Stein	Present
Jonathan	Wood	Present
Peter	Meyers	Present
Patricia	Carey	Present
Sue	Romanczuk	Present
Dooley	Keifer	Present
Nancy	Burston	Present

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Meeting Goal: Elicit input and perspectives of County Department Heads, including those who are on the Work Group, with a particular focus on specific operational implications associated with a more rigorous enforcement of the livable wage. Identify work group members' specific questions, concerns, or areas of inquiry that should be addressed or pursued as part of the review process.

**I. Call to Order**

The meeting was called order by Joe Mareane at 3:05 PM.

**II. Introductions**

Meeting attendees introduced themselves. Pete Meyers of the Workers Center was introduced.

**III. Mr. Meyers announced that the Alternatives Federal Credit Union press conference regarding the living wage will be held Friday, May 1<sup>st</sup> at 10:00 AM.**

Mr. Meyers mentioned a white paper that was raised to possibly look at living wage in the context of economic development as well as a contracts issue. Mr. Mareane reminded the group that they talked about that among the policy issues they will deal with they should decide if they want to go beyond the County contracts and discuss the issue as a community/economic development.

#### **IV. Public input**

There were no public comments.

#### **V. Amended charge**

An edited version of the charge to the group was distributed. The substance of the charge remained the same.

#### **VI. Status of survey**

Mr. Mareane said the survey will be discussed towards the end of the meeting as to whether or not the group wants to move forward with it. He has not had an opportunity to review the survey because of the need to deal with the budget, but will send to group for their review when he has made changes given at last meeting.

The outreach as part of the survey will be done at the next meeting session. The group was asked how much advertising they would like for that session noting that a number of organization have already been notified—Workers Center, Human Services Coalition, Chamber of Commerce, Tompkins County Area Development, all legislators and all department heads. Those recipients were encouraged to distribute the information about the public input session to any one or organization that they think should participate.

#### **VII. Old Business**

Public meeting – The meeting will be held in the Human Services Building, Livesay Conference Room on May 1st. It will be broken into two 2-hour sessions: 3:00 PM and 6:00 PM. People have been encouraged to keep comments to five minutes and to submit their comments in writing to have a record of what is said.

#### **VIII. Department head perspectives and insights**

The Group would like to have conversation about:

- what are the general insights;
  - what are the opportunities;
  - what are the problems;
  - If there are specific areas of concerns, this is a time to begin talking about those. Raising concerns does not mean that the Group is taking any position on the concerns but is very committed to thinking very carefully about the policy and about the effect of potential changes to the living wage policy.
  - If it is decided to more rigorously enforce the current policy, what are some of the considerations that would go along with that?
- David Squires, Finance
    - A problem would be part-time workers/students/interns associated with a contract, who receive stipends, course credit and not benefits. It was suggested that getting the job done should take precedence and these workers would be exceptions.
    - Mr. Meyers said that the Workers Center does not pay these types of workers a living wage; it is not required. He was asked for a list of the Center's exceptions. It is online.

Mr. Mareane asked, "In general, is it an accurate statement to say that most, a large majority, of employees of contractors with the County are currently being paid a livable wage?"

- Patricia Carey, Department of Social Services (DSS)

To answer the question would depend on what is meant by a "contract." Mr. Mareane responded that it would be a service contract and asked what would be outside of that.

– DSS engages two types of employers:

1) Non-contractual

- foster parents, day care providers, aid services, family group and treatment centers
- residential facilities – low end workers probably not paid living wage (cleaners, laundry workers)
- licensed by State
- Bill DSS for services rendered to DSS clients.
- only sign an agreement acknowledging the State-defined rates

2) Contractual, which is less of a worry for DSS.

- Most local, not-for-profit organizations in the human services arena of which only about 1 or 2 do not pay a living wage.
- Challenge Workforce – supervisory staff receive living wage; vocational staff do not

The Challenge Workforce theme recurs because of its contracts with various County departments and the nature of the organization. Rigorous enforcement of living wage would cause problems.

– DSS is billed for Medicaid by some providers, thus, sharing local Medicaid dollars

- Sue Romanczuk, Mental Health Department

- contracts that cross County lines, such as treatment centers; contractor may serve several counties
- employers who contract with Mental Health may have to provide service with less employees in order to pay living wage, which can lead to stress, burnout more turnover in staff, more instability in service provision, and continues to get more complicated.
- a lot of the employer contracts are for "pass through" funds from the State
  - no local dollars are added
  - Mental Health is billed for Medicaid, thus, sharing of local Medicaid dollars

**Policy issue to look at:** “pass through” contracts and should they be considered regarding living wage or not

Mr. Stein suggested supplementing the living wage with County funds and noted it would be interesting as to how much it would cost.

- Center for Addiction Recovery (CARS) has 9 employees that do not make a living wage or 18% of the CARS workforce.
- The Rackers Center, which crosses county lines, does not pay living wage for 62 of 762 employees, however, some of those employees are satisfied with their wages because if it is (1) a 12-month position, they get ten weeks paid vacation; (2) a 10-month position with the pre-school, they get six weeks paid vacation. How do these examples figure in with the overall living wage?

Ms. Carey noted that another business that probably does not pay a living wage is funeral homes.

- o Lisa Holmes, County Office for the Aging
  - Directly administers 2 programs:
    - A Title V employment (job training) program for older workers with funding for temporary positions to acquire skills and experience to get unsubsidized employment. It is subsidized by the Federal Government at the New York State minimum wage rate. The workers are placed with local non-profit organizations.
    - Extended In-home Services for the Elderly Program (EISEP) that provides in-home aide service for elders. COFA subcontracts with 6 agencies none pay aides a living wage. The 6 agencies are a locally owned business, a franchise with a local owner, a franchise with another county, a couple statewide or regional with branch offices in Tompkins County and a not-for-profit. All would like to offer living wage but are unable to.

Funds for EISEP are received from NY State and Tompkins County. Under the State EISEP regulations, contractors may not be paid with State funds above the Medicaid rate being received if they are Medicaid providers (3 of the 6 are). These providers are assigned a Medicaid rate, retroactively, of about \$20/hour but for most a little lower. State funds may not be used to go over the rate; County funds can be used.

Medicaid rates are not adjusted for operational costs. They are calculated using State formula and vary from agency to agency. When County departments receive actual Medicaid rate assigned to an agency by the State for a given year, they must reimburse State for any amount paid to the County that was over the assigned rate or show that overage was paid with County funds.

The best calculation for what it would cost based on where all agencies are, aides' wages, how many aides and differential would be \$64,000/year. Taken from EISEP funds would mean reduction in hours and clients served or as add on would be \$64,000/year. This amount would only pay for those aides

serving Tompkins County currently receiving less than living wage. Agencies would prefer to pay all employees living wage rather than have different rates per client because of contracts.

- An informal survey of all other not-for-profits that COFA contracts with indicates that they are paying a living wage.

Mr. Wood stated that there may be a possible legal issue regarding paying Medicaid supported services an additional amount beyond that. Ms. Carey responded that there is a rule that it can be done in gradations, but she would have to check. The County can pay over the set rate for private-duty nursing that DSS pays if decided. The EISEP is not a Medicaid program; the State uses the Medicaid rate to calculate rates for EISEP.

- Jeff Smith, Highway (physical services)
  - Contracts for bridge and road projects are prevailing wage that are audited; have certified payrolls filed; federal government reviews information; have checks/balances and sign-offs no doubt regarding living wage.
  - Will have to check employees of other businesses used:
    - Training
    - Repairpersons who are needed sometimes
    - Persons delivering parts supplies
    - Some employees of auto repair shops; security systems

Mr. Mareane: noted that some these are commodities and would be carve-outs. Even when bids are required, it would be difficult to apply living wage policy because County business is not large enough and business can just refuse job or order. Probably, if a requirement of an RFP was that employees be paid a living wage, when received it would include that amount in the bid.

Noting that the discussion is going in the desired direction to help identify what obstacles exist in order to outline needed carve-outs, Ms. Herrera proposed:

1. Articulating necessary carve-outs to affect regional base rate gradually, with intent and openly. If business wants contract, it will do what is required. It should not be onerous but the onus should be put on the businesses. Rather than just stating that we encourage, tell the business to RFP or bid in this way and ask what can they do for us.
2. To put the cost on the business, use language that would inform the business that signing the contract certifies and attests that the living wage or more is being paid if responding to RFP.
3. Try to avoid using wording that would put business in a position where a regular, full-time job would be made part-time or seasonal to avoid meeting requirement.

- Barbara Eckstrom, Solid Waste
  - Between two-thirds and three-quarters of \$6.5 million budget is contractual. They range from working with landfill in another county to the delivery of bottled water and nonprofits. Solid Waste is another County department that contracts with Challenge—sorters of recyclables are paid \$9/hr.

- Landfills & Recycle contracts: landfills will not talk with Solid Waste because division only does a couple of hundred tons of the 20,000 tons taken in per month; probably most of employees at landfills and recycle sites receive living or prevailing wage
  - Transportation contracts: found employees paid prevailing is consistent with living wage
  - Still have other contracts not checked on as yet
  - Professional services contracts: some pay more than living wage but maybe not to interns, entry-level tech positions, et al
  - Estimated dollar amount is significant
  - Have old contracts but already included language in upcoming contract; decided with Joe, even though a contract exists, to bring contract for food and yard waste composting to Legislature because there will be an increase in amount paid; the contractors providing services expect to be compensated in full amount that would include living wage.
- o Jackie Kippola, Risk Management (speaking for departments not present)
    - Administration:
      1. Human service contracts with not-for-profits
        - Nancy Burston, Human Services Coalition (HSC) – It would cost Drop-In Children Center about \$45,000 more a year to bring everyone to living wage level. DSS subsidizes clients; HSC just looked at wages. Improvement made since 2002, and not-for-profits continue to work with HSC to make sure they are improving. What is meant by livable wage with or without health insurance—100%, percentage, or half of cost of health insurance? Has encouraged agencies for years to look at both salaries and benefits to do more, including retirement, a package.
      2. Cooperative Extension (about 25 contracts)
        - Includes contract for \$800,000. Paying living wage.
      3. Local libraries, SPCA, Soil & Water – do not know if paying living wage

Ms. Eckstrom mentioned sub-contractors of the County contracted service providers. Joe noted that other municipalities researched include contractors and sub-contractors.

4. 25 contracts for on-call services for repairs with County Facilities Dept.
5. 15 contracts for software (in Colorado and elsewhere); no way of tracking wages
6. Will BOCES and towns/villages be included? Joe: government-to-government contracts are shown as carve outs in research.

## IX. Work group discussion

### a. Sub-contractors

The Group discussed sub-contractors further using the example of businesses/organizations contracting with an employment agency for temporary workers. For public works service contracted, there is no way of knowing whether or not the temp workers are handling the

service contracted with Tompkins County. Additionally, contractors do not want to pay different wages to persons performing same job.

b. Specific areas of future inquiry or concern

- Employers paying different wages to workers with same title based on the contracts or job duties and whether the workers are from temporary agencies
- Focus should be what the group can do without costing a whole lot and losing best contracts
- Tape public input sessions; asking Building and Trades Council to come.
- Deal with overall package of living wage and benefits
  - assign dollar value to benefits
  - deal with later when the Affordable Care Act is in place (October 2013)
  - State minimum wage change will have an effect
- Vertical and horizontal effects
- Complex employers
  - child care
  - home healthcare
  - young people
  - same type of contract with other counties
  - limited choice of contractors

Department Heads can ask contractors any questions regarding living wage and are asked to bring the responses to the Group.

c. Approach to public input session—inactive?

It was decided that the session would have

- Facilitator – Lisa Holmes
- Notes taken
- Questions

**X. Adjourn**

The meeting adjourned at 4:34 PM.

## Aging

- Comfort Keepers: Aides (9-11) and some Admin staff (9.62)
- Redmoon Caregivers: Aides (10.50-11.50)
- Caregivers: Aides (8.25-9)
- FLIC-8.25-8.35
- Foodnet—there, but close
- Staffings: Aides (10)
- Hospice Care, Aides (11.25)

## Assessment

- Challenge
- Mapping vendor?

## MH

- CARS: residential counselors and clerical, 9 (18% of total staff)
- Challenge: some supported some not (integrated work setting) adds \$470K
- Racker: 62 of 720 (adds 70K)
- Suicide prevention-no
- Lakeview-not all (serve more than 1 county)

## Solid Waste

- Challenge
- Re: Community
  - Material handling
  - Sorting
  - Yes on Transportation

## WIB

- Youth employment programs

Living Wage Work Group Meeting #3  
May 1, 2013

**Meeting Goal:**

- Obtain public input

**Agenda**

- I. Introduction of Work Group Members
- II. Public comment

**TC Livable Wage Work Group**  
**Public Comments Sessions**  
**Wednesday, May 1, 2013**  
**Session 1 – 3:00-5:00 PM**  
**Session 2 – 6:00-8:00 PM**

Human Services Building, Beverly Livesay Conference Room

Attendees		Status	Sessions
Carol	Chock	Present	1
Jim	Dennis	Present	1, 2
Barbara	Eckstrom	Present	1, 2
Andrea	Gibbs	Present	1, 2
Kathy Luz	Herrera	Present	1, 2
Lisa	Holmes	Present	1, 2
Jackie	Kippola	Present	1, 2
Marcia	Lynch	Present	1, 2
Pamela	Mackesey	Present	2
Joe	Mareane	Present	1, 2
Leslyn	McBean-Clairborne	Present	2
David	Squires	Absent	1, 2
Peter	Stein	Present	1, 2
Jonathan	Wood	Present	1, 2

**SESSION 1**

1. **Deborah Dietrich, OAR** – See attached copy of comments.
2. **Bader Reynolds, CareGivers** – See attached copy of comments.
3. **William J Russen, Cayuga Addiction Recovery Services (CARS)** – See attached copy of comments.
4. **Lenore Schwager, Finger Lakes Independence Center (FLIC)**
  - County pays \$11.78/hr for providing consumer direct aide service for Community Living Program as contracted with COFA
  - Cannot afford to pay \$12.68/hr plus pay required FICA tax, Medicare tax, unemployment, workers comp and disability insurance
  - Core staff is paid more than \$12.68/hr
  - The aids are hired/fired by consumer, therefore, FLIC has no control over who is being hired
  - County reimbursed FLIC for 2,981½ hours in 2012; using the 2012 wages, an increase to \$12.68/hr would be an estimated total annual loss of \$2,500 which does not include the taxes and other mandatory expenses and administrative costs
  - FLIC cannot jeopardize other services provided to community and would ultimately be unable to provide aide service
5. **Bethany Brown, Franziska Racker Center**
  - Believes in living wage and has been working on exploring its complexities and put together a plan
  - Researching AFCU rate and calculations by MIT—items in each are similar but not exact
  - Asks that the Work Group consider 2 items vis-à-vis this policy:
    - The weight of the non-mandated benefits as part of the total compensation calculation
    - Asks for guidance and consideration from Work Group for organizations such as Racker Center where over 50% of staff and service recipients do not actually reside in Tompkins County

- Applies to small percentage of 750 employees--typically direct care within pre-school program; less than 100 employees, around 60
6. **Patrick McKee, Challenge** – See attached copy of comments.
- Q/A:
- Any employees in job training or vocational programs? Yes, primarily in work center and other business operations for trials and moving them into less supported work environment with intent to fully integrate them into employment in the community
  - What would it cost to bring employees not receiving living wage up to that level? \$500,000.
  - What are contracts with County? With TC Solid Waste take out/shred paper from all County operations; with County Clerk Office to digitize County records, with DSS to assist persons in moving off welfare into employment.
  - \*Cost of paying living wage for employees working on County contracts? Cannot not do that because have other employees at same level for other companies.
7. **Neil Oolie, representing self (Tompkins County Workers Center)**
- We as a County are being asked about commitment to a livable wage for everyone.
  - Asks County to look at how would businesses do if people had money to spend.
  - What is County’s commitment to future?
8. **Hyuck-Jae Lee, Cornell University student**
- Mentioned Stanley McPherson and Milton Webb, workers at Re-Community Recycling through Kelly Services and advocates for a living wage made \$8.25/hr with Kelly; now hired by Re-Community Recycling make \$9.00/hr
  - Increase in wages means
    - Increase in local sales and tax revenue
    - Allows citizens to become homeowners or to fix up homes, thus increase property values and tax revenue
    - Increasing wages will not hurt employers but will produce modest productivity increases and resulting cost savings from increased worker efforts and reduced absenteeism
  - A mandatory living wage policy will let employers know that Tompkins County will protect the rights of workers
9. **Emily Hong, Cornell University student and member of Cornell Organization for Labor Action**
- Hope County will make livable wage mandatory for service contracts and add economic development assistance
10. **Rev. Richard Rose, First Baptist Church, Ithaca**
- Encourage seeking input from those who are not usually consulted
  - Believes all workers deserve a living wage; it is a moral and economical issue
11. **Joan Lockwood, UAW Local 2300** (returned to Ithaca from Oregon; worked at Oregon Center for Public Policy, a progressive think tank)
- Commit to living wage and make it mandatory
  - Henry Ford said that if his workers did not make a living wage, they could not buy his cars.
12. **Carl Feuer, UAW and Tompkins County Workers Center**
- Urges County to adopt a living wage policy that ensures that anyone working directly or indirectly with the County be paid a living wage as a fundamental moral principle as well as to provide leadership in a community where to many work for too little pay to sustain themselves and their families.
  - Will set a moral high ground for others in Ithaca and world
  - Do not have to reinvent for other communities already have living wage policy, such as NY Nassau and Suffolk Counties
  - Do not ignore, limit or skrimp on the cost for implementation including administration, public education and enforcement

- Suggestion: To mitigate the cost of implementation consider working with the Tompkins County Workers Center to implement a County living wage law similar to the local labor coalition deputized and funded by the City of Ithaca under Mayor Gutenberg to implement the 1980s statute to identify and prevent local plant closures.
    - Save on administration costs
    - Offset costs to County taxpayers
      - Reduced demand for social services by County residents, who now receive a living wage
      - Increase in business activity
      - Positive effect on housing values and County's tax base
  - Resist overestimating the cost of the living wage law
  - Consider phasing in the living wage mandate over a few years
  - Consider subsidizing human services non-profit organizations unable to afford to pay the living wage as was done by Tompkins County Legislature in late 1990s to ensure that all workers on County funded programs be paid a living wage
- 13. Eva Birk, Cornell University student**
- Asks that contract workers receive a living wage
  - Listen carefully to persons telling what is actually happening in their lives as a result of not receiving a living wage
- 14. Pete Meyers, Board member of Tompkins County Workers Center**
- Paying a living wage should be a law and not a recommendation
  - Economic development community development assistance should be at the table
  - If the County has to subsidize, there are many taxpayers that are willing to pay the increase in taxes to implement a living wage law
- 15. Jennifer Dotson, Common Council and Ithaca Carshare**
- Thanked for not limiting to one piece of the issue which would be contracts with County
  - Suggests laying out an approach or plan where community can start at county level not as a city; not just some organizations paying a living wage or to get a tax abatement pay a living wage; it is just about being in Tompkins County
  - No bars for different types of organizations and businesses
  - Ask for as much help as Group would like from members of the community
- 16. Theresa Alt, Workers Center (representing self)**
- Supports the County helping agencies pay living wage
  - Give more to human services agencies and less giveaways as tax abatements
  - Suggest that look at high salaries of private, recipients of County aid and not-for-profits; let out some of the air of the inflated top salaries
- 17. Chip Gagnon, Ithaca resident (Fall Creek)**
- Workers of contracted out services should be include in group to be paid a living wage
  - Asks County to do the right thing for it is a moral and practical issue
- 18. Cathy Valentino, retired (affiliated with UAW and Workers Center)**
- Supports living wage; it is the doorway to accomplishing self-esteem among people, helping fight hunger, etc.
  - Think creatively to reorganize ourselves to reach goal
- 19. Stanley W. McPherson, Workers Center**
- Supports living wage
  - Living wage is needed to meet needs of self and family
  - Asks that the Group bring forth a policy and mandate to say across the board that everyone needs a livable wage
- 20. Milton Webb, Workers Center**

- Supports living wage now

### **21. Cynthia Brock, Common Council**

- Supports living wage and expanding it to all County contracts
- Wants no exemptions for non-profits and community service organizations

Joe thank everyone for coming and noted that there will be another session at 6:00 PM and if anyone thinks of something else they want to say, to please come to the next session.

Jim Dennis, Legislator and chair of Budget Committee thanked everyone for coming.

Session 1 ended at 5:00 PM.

## **SESSION 2**

### **1. Michael Hoysic, Human Resource Manager, Green Star**

- Green Star supports living wage
- Members want Green Star to pay living wage

Q&A:

- o Does Green Star require any of its vendors to pay a living wage? No.
- o Please give the Group an idea of any "bumps in the road" that Green Star experienced to implement the living wage. Used a model to calculate the living wage based on the co-op model developed nationally with other co-ops. Slightly different from AFCU. Adopted the AFCU model, but give more than what is calculated in AFCU model, particularly in health insurance.
- o Will you be willing to share calculation/methodology with the Group? Will send to Joe.
- o Do you offer educational benefits of any kind? No. Offer discount to employees.
- o Do calculations include all employee benefits? Only includes the ones that are in the AFCU model; calculate health benefits and food line.

### **2. Adam Levine, Workers Center**

- Supports living wage
- Living wage is just a wage to get by; anything lower is saying that you're giving people enough to not survive
- All the money goes back into the community

When people apply for benefits, is information taken about employment—working or not; full or part-time, how much earned? How much earned is to determine benefits. It would be interesting to how many people are working full-time and don't make enough money so qualify for food stamps. Can follow up on that. If in fact, we are paying people money because they do not earn enough money, it seems that the healthier way if the people are earning that on the job. What would not be known is if those people are part of the subset—employees of the contractors with the County.

What is the maximum amount of money that can be earned and still qualify for food stamps? No one in the Group knew but the information can be obtained. The question is can we get into the database to look at incomes? Maybe if anonymous.

Mr. Levine stated that the living wage is calculate for an individual and that Green Star would find it difficult to afford the living wage if the calculation had to be based on a family.

The Group discussed different scenarios of earnings that still qualify a person for food stamps.

Although the Group waited until 8:00 PM, there were no more public comments.

Statement to the County Task Force on  
The 2003 Livable Wage Policy

May 1, 2013

Deborah Dietrich

Executive Director, OAR

The Livable Wage Policy passed by the County Legislature in 2003 established one of the goals of economic development as increasing the percentage of County residents who are able to support themselves on their own earnings. This was, and continues to be, a laudable goal.

OAR is a living wage employer and has been one for six years. We rely on the county legislature's appropriation for the majority of our operating expenses—of which over 85% are attributable to salary and benefits for OAR's workers. In addition to paying a living wage, OAR has continued to provide health insurance coverage for our employees. It is the major benefit provided to our employees. OAR provides no retirement benefit. A living wage is a moral value endorsed by OAR's Board of Directors.

The issue before the legislature currently is the question of efficacy. Has the living wage policy truly been effective in allowing workers to support themselves on their own earnings?

The answer is most probably different depending on which economic sector is being impacted. For instance, projects funded by the IDA, require different enforcement mechanisms from that work performed by the nonprofit sector. I will speak to the work performed by the nonprofit sector.

As more historically governmental work is outsourced to nonprofits, the question of a living wage for county residents is more difficult to enforce than when that work is performed by government workers. Government workers are largely represented by unions and have the ability to bargain for wages and benefits. Most nonprofit employees are not unionized. However, many nonprofits in Tompkins County apply for county funding through the Human Service Coalition's funding process. One method of enforcement would include a certification by the nonprofit applying for funding that they pay a living wage as a part of the funding application. This will ensure that the county is funding only those nonprofits that support the county living wage policy. This will undoubtedly have other financial impacts on nonprofits. It may flatten the range of wages within nonprofits; it may result in increased requests for county funding; failing additional funding, it may result in layoffs in the nonprofit sector. But it would mitigate the disparity between the wages of governmental workers and workers in the nonprofit sector to a degree. The disparity that currently exists between government workers and nonprofit workers doing fundamentally the same work, case management for example, is substantial. Benefits for OAR workers account for just under 20% of our personnel costs as opposed to over 50% for county workers. Senior case workers are paid just over \$36,500 annually—or \$19.58 per hour—as compared to a casework assistant who is paid \$40,004 annually—or \$21.98 per hour. While, an

enforceable living wage policy will not have an immediate impact on this disparity, it will serve to narrow the gap between our county's most poorly paid citizens and the rest of us. Fewer of the working poor can afford to live in Tompkins County so that an increase in property taxes may have a limited impact on these individuals.

I have limited my comments to only the wage aspect of economic independence. The issue of affordable housing for nonprofit workers, as well as many other citizens, is another area that the county could address in reducing the increasing economic bifurcation of our county.

Good Afternoon and thank you for the opportunity.

My name is Bader Reynolds, I am the Vice President and Chief Operating Officer for CareGivers. CareGivers is a licensed home care agency that provides home health care services to the residents of Tompkins County. Since 1998 we have provided these services mainly through contracts with the county Office for the Aging, the Department of Social Services and a few other entities.

I would like to tell you first about our business model. It is different than many businesses, as we are a per-diem employer, offering our staff a flexible schedule based on their needs and availability. Our average employee works approximately 20 hours per week.

I would also like to explain how we are reimbursed for the majority of our business in Tompkins county. This will help illustrate why, while we agree and support the need for home health care personnel to receive wages and benefits that would meet or exceed the living wage standards, a corresponding increase in revenue would be needed in order to off-set this wage and benefit increase.

The basis of our reimbursement comes through a cost based system. NYS budget cuts have reduced our billing rates making it very difficult to maintain our presence in Ithaca regardless of our costs.

With a large percentage of our revenue coming from a contract with the Department of Social services and their Personal Care Program, we have had cuts to our cost report rates over the last five years, all while our labor cost have increased by over 23%. (wage increases/incentives/taxes and benefits) Most contracts utilize the state approved rates as a baseline when contracting and some are mandated to do so like the EISEP program through OFA.

The NYS budget cuts include:

Elimination of the trend factor over the last five years. This has effectively reduced our rate due to basic inflation each year over this time period which is not reflected in our rate.

There is a direct care cap for each county. With no trend factor for five years, this cap has not increased. Even though we are paying direct wages below the proposed living wage, we are currently 3% above the cap for wages, benefits and training costs. This results in a rate for the PCA program which is 3% below our reportable costs.

The state has also implemented a \$0.35% tax on all Personal Care Aide revenue regardless of the payment source. We are required to rebate a check back to NYS in this amount every month.

The state has recently moved to a managed care model where the goal is to save additional Medicaid monies for the state. We were just notified by one of the managed care insurance plans that our rates will no longer be the cost reported rates minus charges listed above, but a 30% reduction which will be less than our pay rates should living wage be enacted here. We will be reconsidering our relationship with the plan.

CareGivers began operations in 1967 and has been providing home care services throughout upstate New York for over 45 years. The administrative costs of running our business have increased dramatically in this time. State mandates contributed greatly to these increases. In some of our locations, we have regrettably discontinued doing business with NYS and other contracts due to reimbursement that does not meet our costs in wages, benefits and overhead.

As in any industry, if your costs exceed your revenue for a period of time, you will no longer be able to continue to operate. So, if we are mandated to increase our base costs of wages and benefits by upwards of 22% without a corresponding increase in revenue we will not be able to continue to operate in Tompkins County.



CAYUGA ADDICTION RECOVERY SERVICES

OFFICE OF THE EXECUTIVE DIRECTOR  
334 West State Street  
P.O. Box 789  
Ithaca, NY 14851

Phone: 607-273-5500  
Fax: 607-273-1277  
brusen@carsny.org

To: Members of The Living Wage Work Group

Date: 4-29-13

Re: A proposal for moving ahead with the living wage

Cayuga Addiction Recovery Services (CARS) is a not for profit corporation that provides chemical dependency treatment services in Tompkins County. CARS is licensed by the NYS Office of Alcoholism and Substance Abuse Services (OASAS) to provide Intensive Residential, Outpatient Clinic, Outpatient Rehab and Supportive Living Services. CARS' annual budget for 2013 is \$3.1M. About 30% of our annual revenue comes from OASAS net-deficit funding. Tompkins County Mental Health is designated as the Local Government Unit (LGU) by OASAS and the contract between CARS and the LGU allows the OASAS funds to "pass-through" Tompkins County and then to CARS. CARS receives only NYS funds through this contract as there are no Tompkins County funds included in our contract or annual budget. The remaining 70% of our budget is predominantly comprised of other government sources including social services, social security, and Medicaid. Since 2008, we have received no increase in our OASAS funds while during this period there have been only modest increases in social services and social security benefits and there has been a decrease in Medicaid rates as a result of statewide Medicaid reform. As a result, CARS has been challenged over the past 5 years to make ends meet and we have made many changes to increase efficiency and maximize revenue so that we can continue to provide these important services to our community.

While the concept of providing a "living wage" is something that nearly everyone can agree on, it presents a significant challenge for CARS. We currently have 9 out of 47 staff members (18%) whose hourly wage is less than \$11.67 per hour. These staff members are in entry-level positions in our organization with a starting hourly wage of \$10.25 per hour. Increasing the "floor" of our wage scale for entry-level staff to \$11.67 per hour would cost around \$25,000 in the first year. However, to keep our salary schedule in tact in terms of the maintaining the relationship between work experience/performance/job description and pay rate, we would also need to raise the pay of many other staff members who are currently being paid slightly more than \$11.67 per hour but whose position is not entry level. This would at least double the cost of the living wage initiative at CARS to \$50,000 for the first year.

Clearly, based on our current budget situation, there is no funding available to pay for an additional \$50,000 per year in salary expenses. Thus, if we are required to comply with the living wage policy as suggested, there are only 2 possible outcomes:

1. CARS would need to downsize its workforce by at least 2 full time staff positions because the available funds would have to be spread among fewer staff members. This presents very significant challenges at our Intensive Residential Program where OASAS regulations dictate certain staffing levels to maintain the program license. We also expect that this would, at a minimum, increase staff turnover, present chronic operational challenges and result in a notable dip in program outcomes.
2. Eliminate our health insurance plan entirely and implement the higher living wage of \$12.78 per hour. Because the difference between the living wage without health benefits (\$12.78/hour) and the living wage with health benefits (\$11.67/hour) is \$1.11 per hour, there is an underlying assumption that the cost of health benefits is \$1.11 per hour. Currently, CARS provides an excellent health care benefit and makes a contribution to a flexible spending plan for each staff member to offset their out of pocket costs for medical co-pays, etc. The cost of this package is well in excess of \$1.11 per hour per person. Thus, there is an incentive for CARS to eliminate the health care package entirely and simply pay the higher living wage per hour. Although this would not be optimal, it really is the only option that assures that we are in a sustainable position moving forward.

Currently, most of our entry level staff are paid \$10.25 per hour. After 3 months of employment, they are eligible to participate in our group health insurance plan. At a minimum, CARS pays 75% of the cost for individual coverage and a \$250 contribution to our flexible spending plan. The total cost for these benefits is \$2.94 per hour. Below is the cost comparison:

**Current Scenario**

Salary	\$10.25/hour x 35 hours/week x 52 weeks =	\$18,655.00
Health insurance	\$ 2.94/hour x 35 hours/week x 52 weeks =	<u>5,350.80</u>
<b>Total Current Cost to CARS</b>		<b>\$24,005.80</b>

**Living Wage Scenario**

Salary	\$12.78/hour x 35 hours/week x 52 weeks =	<b>\$23,259.60</b>
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**Savings to CARS by eliminating the health insurance plan**      \$ **746.20 per employee per year**

**Other benefits**

Rather than focusing solely on whether an employer provides health insurance benefits, the county should consider other benefits that are provided to full time employees. For instance, CARS offers an array of benefits to its full time staff including \$100,000 in life insurance, long term disability insurance, 401K plan with employer matching contributions and an employee assistance plan. These benefits require little or no contribution on the part of CARS' staff, thus, it seems reasonable to include the cost of all non-mandatory fringe benefits when determining if the employers is meeting the living wage standard.

**Conclusion**

It's important to have a comprehensive assessment of the employer's wage and benefit package when determining compliance with the living wage standard. Focusing on health insurance as the only factor in the wage differential does not result in a fair and accurate determination of the employer's costs or the employee's actual compensation. Rather than creating a disincentive to providing health insurance to its employees, Tompkins County should encourage employers to offer an array of benefits so employees can decide which specific benefits best suit their individual needs and the needs of their family.

**Proposal**

We propose that Tompkins County broaden the scope of the living wage definition to include all non-mandatory fringe benefits provided to full time employees to determine if the total compensation (wages and non-mandatory benefits) meets the minimum standard of \$11.67 per hour. For purposes of this requirement, "non-mandatory benefits" would include benefits that are not "mandatory" such as FICA and Medicare taxes, NYS Unemployment Insurance, NYS Disability Insurance and Workers Compensation Insurance. The simplest way to assure compliance with the county's living wage policy is to add an addendum to our contract where we certify that the organization's minimum compensation package meets or exceeds \$11.67 per hour.

Thank you for reviewing our submission.

Respectfully submitted,



William J. Rusen, LMSW

Chief Executive Officer

April 25, 2013

To: Work Group-Tompkins County Livable Wage Policy

From: Patrick McKee, Challenge Workforce Solutions

Topic: Living Wage Requirement and its impact on Challenge

**Background:**

I recently met with the county administrator, Joe Mareane; to discuss living wage and its ramifications for Challenge should the county decide to require all contractors to pay the livable wage scale. We were able to give Joe a tour of our facility and detailed information as to the range of individuals that we serve and the number of opportunities that are available. Should any members of your work group be interested in visiting Challenge you are very welcome.

Challenge has existed as a not-for-profit provider of employment and employment services for over forty years. It began as what was known at the time as sheltered work. Today we have a smaller version of a sheltered workshop, called Challenge Contract Production and we refer to it as the Work Center. It is certified by the Office for Persons with Developmental Disabilities (OPWDD), the provider of its primary subsidy. It also serves clients from the Office of Mental Health (OMH), a smaller funder. It also employs individuals who have economic barriers to success and others. It is a far cry from the original sheltered environment.

Challenge also runs a number of social enterprises including Finger Lakes Fresh, Challenge Contract Staffing, Challenge Commercial Cleaning, and Challenge Imaging. We provide services for individuals with disabilities that are seeking employment through the One Stop at Center Ithaca. We operate a Job Club at our South Hill facility for individuals referred by county DSS to make the transition from welfare to work. Challenge now provides employment services for CARS clients at the CARS site downtown. In any given year Challenge can serve over 700 individuals and employ about 200.

While Challenge is now serving the most diverse population in its history and demand has increased significantly it is also confronted with the most difficult funding environment that has existed since the community rescued it over thirty years ago. A very large portion of state support for Challenge, and most of the subsidy for the Work Center, consists of Medicaid dollars. OPWDD and OMH will no longer support Work Center type operations for a number of reasons and in fact OPWDD will not allow admissions to a Work Center after July 1<sup>st</sup> of this year. Our clients who have the most difficult time finding and maintaining employment in the community are working in our Work Center. We are struggling to determine how we can continue serving this group as subsidy disappears.

The governor's proposed budget took a 6% across the board cut in OPWDD Medicaid programs. For Challenge this meant a loss of \$100,000. The legislature reduced that to a 4.5% cut that is not across the board. OPWDD has decided that Work Centers will be targeted but has not determined the cut yet. We expect it to be greater than 6% and only the beginning of continued Medicaid cuts in our services.

All of New York Medicaid services are being converted to managed care. The system as we know it will be entirely different in a very short time. Employment services are an outlier as far as Medicaid is concerned and extreme reductions will continue. Challenge, with a strong board and community support, began a transition to supporting itself through social enterprise two years ago. That transition is

underway and fragile. With the range of uncertainty and financial pressure that Challenge now confronts it is difficult to imagine that additional pressure will be added by Tompkins County.

**Challenge as a county contractor:**

Challenge contracts with Tompkins County to provide paper shredding, digital document conversion, and employment services through DSS as well as Tompkins Workforce Development. Shredding is done in our Work Center at South Hill. The digital document operation at South Hill is one of the social enterprises and is not subsidized. It has over the years worked closely with the county clerk's office to digitize county records. DSS clients are served in our classroom at South Hill, a service that is not subsidized and neither is our work at the One Stop.

**Shredding:** The most visible service is our shredding operation. Locked containers are placed in county buildings, picked up by Challenge, and the papers are then shredded in our Work Center. This is work that can be done by any individuals that we serve. We cannot compete with the truck operations that come to town and shred on site, usually employing a single operator. We do other low skilled work in the Work Center typically involving packaging. If the living wage is required in this operation, the work would be mechanized and employ few individuals or not done at all.

The majority of clients in the Work Center are receiving housing and other services through a variety of agencies. It is also typical that their medical coverage is provided by Medicaid. We also employ individuals there who are not receiving services. They are eligible for our health insurance if they work thirty hours a week. Most are employed at greater than minimum wage.

The Work Center for many is transitional. We have clients with no work history or an interrupted work history and they need a term of steady employment so that they can move on to a better situation. We have placed CWEP clients there for work experience while we assist them in finding other employment. We also have individuals who have repeatedly failed at maintaining work in the community. It is an important part of the continuum of service that we offer and it is already endangered. To require the living wage in that setting will simply mean that we can no longer operate it.

**Digital Imaging:** Digital Document Preservation operates out of its own facility at South Hill Business Campus. One of its steady customers has been Tompkins County. It has other customers as well. This is an integrated work setting employing individuals that came through Challenge services as well as others who have not. Scanning is work that lends itself to individuals who have a variety of issues and has worked quite well for many. It is not a high margin operation and in fact is now working hard to develop enough contracts. It recently reduced the number of workers due to a shortage of work. Individuals are making typically greater than minimum wage and are eligible for health insurance.

**DSS contract and One Stop:** Staff in these programs are all making the living wage or greater. The staff at the One Stop however are facing uncertainty as funding for this program is due to end with no replacement currently determined.

**Living Wage Impact:** There is not a practical way to implement the living wage in the Work Center. In addition to county work Challenge has other contracts and like the county work, there is little to no margin in these contracts. The irony here is that we have struggled for years to have a sufficient amount of work for the Work Center. The existence of the Center is now threatened by the state and to require living wage for the work done there would be the final blow. The operation is already subsidized and we are not sure that we can develop enough capital to subsidize it on our own. The workforce is also not likely to be able to manage more sophisticated, higher margin work.

Digital Imaging has a range of skills involved. At the most basic level is document preparation and then simple scanning. There is a full range of pay in the operation from minimum wage on up. We are struggling to keep this business afloat. We use the basic work as a step out of the Work Center for individuals that we hope can move to community employment. We are now calculating the impact of the minimum wage increase. Living wage is another level of difficulty.

It is unclear to us whether the county requirement would involve the entire agency or only those parts that work with county contracts. Should you require the entire agency we expect that would mean an additional \$500,000 impact on the agency. If the requirement only has an impact on our county contracts I am at a loss as to how to implement that.

As I said earlier Challenge faces the most difficult environment in its history. In January of this year we eliminated three management positions in preparation for the changes that confront us. Since then we have again done some re-organization by eliminating three additional positions that had gone unfilled. I cannot overemphasize the scope of change that is occurring. The immediate significant threat is to our Work Center. The question asked most frequently of us is "what will happen to the individuals that work there?" A very likely possibility, one that we are trying to forestall, is that they won't have a work option. I have to tell you the individuals who arrive at our Work Center each day want to be productive, and they view this as their job. They take the same satisfaction that you do from contributing and I am sure experience the same frustrations that every job has to offer.

The arguments related to living wage are complex. The situation at Challenge is somewhat nuanced and does not lend itself to sound bite explanations. For some we are the employer of last resort, for others the starting point. We hope everyone we serve can develop the employment situation they want and we work with them to do that. It is not a simple task and we hope that we will not be further burdened by good intentions will have serious, unintended consequences.

## Statement on Tompkins County Livable Wage Policy

Carl Feuer, May 1, 2013

1. I am here to urge the County to adopt a Living Wage Policy that ensures that all those working directly or indirectly for the County be paid a living wage. I believe the County needs to do this as a matter both of fundamental moral principle as well as to provide sorely needed leadership in a community where too many work too hard for too little pay that is not enough to sustain themselves or their families.
2. Second, this is not merely a local concern. One of the greatest issues facing our country and our world today is income inequality. In the United States this is a problem that has grown persistently and perniciously over the last 40 years. It has grown to such a level that economic demand is limited and growth is impeded. It has grown to such a level that our political system has become even more skewed toward those with wealth and income reinforcing the very tendencies that lead to the growth of inequality and economic instability in the first place. Pursuing policies that raise incomes at the lower end, such as I am urging you to consider now, not only helps local workers but also takes the moral high ground and sets a standard of action that hopefully will be emulated in the wider community and world. Think globally, act locally.
3. As you know over you are not alone in your efforts. Over 100 municipalities have already promulgated living wage laws of various stripes and comprehensiveness, including some here in NY State. You don't have to reinvent the wheel.
4. While you will rightly be concerned with balancing the costs as well as the benefits of a living wage law, I am here to tell you that there is one cost that you must absolutely not ignore, limit or scrimp on. That is the cost associated with implementation. It is essential that you pay attention to implementation, including administration, public education and enforcement or else all your efforts may come to naught. That has been the sad experience in some communities.
5. I will also share an idea that would mitigate the cost to the county of implementation. In the 1980s the City of Ithaca under Mayor John Gutenberger promulgated a unique local plant closing notification statute with the intent being

in part to identify and prevent local plant closures. In this case, the City deputized and funded the local Labor Coalition to implement this law. You might consider something similar in your deliberations, potentially working with the TC Workers Center to implement a County living wage law. Besides saving administrative costs, such an arrangement would take advantage of the Workers Center's zeal and experience toward the goal of making any living wage law a success and a model for other communities.

6. And while we are on the subject of cost savings, here are some additional factors that are likely to ensue from a living wage law that will offset any costs to County taxpayers: the reduced demand for social services among county residents who will be paid a living wage when previously they received poverty level wages; increased business activity in the county as these same higher wages course through the local economy; positive effects on housing values and the county's tax base as beneficiaries of the policy are better able to maintain their properties; the potential effect that the county's action will have on other local employers whose own living wage pulse may quicken over time as the living wage becomes more accepted as a moral and community standard.

7. Further on the subject of cost, beware of overestimating the cost of a living wage law. One study of living wage laws concluded that costs typically were actually quite small and less than local officials initially expected, as contractors absorbed some or most of the costs. By "quite small" we are talking about an increase of less than 0.1% of the overall budget. The City of Ithaca, by the way, has just approved a budget that includes an increase roughly of that order (0.1%) to ensure that it meet the Tompkins County living wage standard. The County should surely be able to commit to a similar increase to ensure that all its contracted workers are paid a living wage.

8. Another way to mitigate cost is to consider some phasing in of the living wage mandate.

9. Human service providers with employees paid less than a living wage that contract with the County may need special consideration since their non-profit status limits their ability to absorb the cost. One mechanism to consider here would be for the County to actually subsidize some or all of the cost to these agencies of

the mandated living wage requirement. In the latter part of the 1990s the County Legislature adopted this exact approach when it appropriated additional funds for various human service agencies to implement the Legislature's commitment of ensuring that all workers on county-funded programs be paid a living wage.

## Living Wage Work Group Meeting #4

May 6, 2013

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### Meeting Goals:

- Determine whether adequate information exists to begin making recommendations regarding policy and procedures and, if not, identify those information needs.
- Establish a general direction that will be followed when considering modifications to policy and procedure
  - What do we hope to achieve?
  - What do we hope to avoid?
- Determine whether there should be any distinction between the way the policy applies to for-profit and not-for-profit organizations
  - If so, identify ways to distinguish between for-profit and not-for-profit organizations
- Begin to identify “carve-outs,” exceptions, and/or methodologies that should be a part of any modified policy or implementation procedure.

### Materials:

- AFCU 2013 Living Wage press release and chart
- MIT Living Wage calculation, and comparison with AFCU
- Human Service economic assistance thresholds
- (Already distributed) Summary of Living Wage Laws in Other Communities

### Agenda:

- I. Public Comment
- II. Review Meeting Goals
- III. Public Input sessions--Discussion
- IV. New AFCU Living Wage Calculation—Discussion
- V. Response to prior request for information
  - Impact of wage levels on economic assistance benefits
- VI. Identification of Goals for policy and procedure modifications
  - What do we hope to achieve?
  - What do we hope to avoid?
- VII. For-Profit and Not for Profit Organizations
  - Any distinction in policy or procedures?
- VIII. (Time Permitting) Carve-outs, exceptions, methodologies to be considered

**TC Livable Wage Work Group**  
 Meeting Notes  
**Monday, May 6, 2013 – 3:00-5:00 PM**  
 Human Services Annex, COFA Conference Room

Attendees		Status
Jim	Dennis	Present
Barbara	Eckstrom	Present
Andrea	Gibbs	Present
Lisa	Holmes	Present
Jackie	Kippola	Present
Joe	Mareane	Present
David	Squires	Present
Peter	Stein	Present
Jonathan	Wood	Present

**Public:** Pete Meyers, TC Workers' Center

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**Meeting Goal:**

- Determine whether adequate information exists to begin making recommendations regarding policy and procedures and, if not, identify those information needs.
- Establish a general direction that will be followed when considering modifications to policy and procedure
  - What do we hope to achieve?
  - What do we hope to avoid?
- Determine whether there should be any distinction between the way the policy applies to for-profit and not-for-profit organizations
  - If so, identify ways to distinguish between for-profit and not-for-profit organizations
- Begin to identify “carve-outs,” exceptions, and/or methodologies that should be a part of any modified policy or implementation procedure.

**Materials Provided:**

- AFCU 2013 Living Wage press release and chart
- MIT Living Wage calculation, and comparison with AFCU
- Human Service economic assistance thresholds
- (Already distributed) Summary of Living Wage Laws in Other Communities

**I. Public Comment**

There were no public comments.

## II. Review Meeting Goals

Mr. Mareane reviewed the meeting goals and invited comments.

Comments regarding:

- Adequate information should include
  - How much would it cost County, a guess, to implement this policy with all contractors
  - Survey information is essential along with public comments
- Survey (revised)
  - Should be sent out to gather information the County is not currently in possession of
  - Make note that Alternatives Federal Credit Union living wage data has been updated
    - Joe will note on survey cover and question #3
  - Question 10 addresses costs to contractors, but need to keep in mind
    - If policy is put in place, does it have to affect every employee in organization or not
    - Carve outs
    - Scope of services provided by non-profits
    - Will contractors implement policy for employees who fall under County contract; some have already indicated that they would not want to do that
    - Consequences of horizontal and vertical effects of wage adjustment
  - Question #8
    - Joe will reword based on discussion of employer/employee share of benefits payment
    - Add “not applicable”

Joe will send the survey tonight to 450 contractors provided by Jackie Kippola. The deadline for responses is one week.

- Question #7
  - Add comments section

The 450 contractors on the list have contracts with the following departments: Airport, County Administration (not-for-profits), Highway, Emergency Response, Office for the Aging, Community Justice Services, and Public Health, Solid Waste. The survey will only allow those choosing the survey Question #2 option that they “contract to provide services to the County” to continue with survey--only those with service contracts.

The County cannot include its wage threshold in competitive bids according to General Municipal Law §103. Most of the County’s economic activity is in the form of service contracts. Even though service contracts are chosen through competitive processes, they are not subject to competitive bid law as are commodity contracts.

### III. Public Input sessions

- Most of public were aware of issues and how they would affect their organizations.
- There were comments made about what Tompkins County Legislature had done in 1990s. The reference was probably a fund set up for not-for-profits to help transition people to higher wage level, the Fund for Fairness. Joe will look for information about the Fund among the materials from that era received from Mike Lane.
- Heard from not-for-profits expected to hear from—Challenge, Rackers, CARS (Cayuga Addiction Recovery Services), Caregivers
- Heard about occupations that generally are paid less—day care workers, home healthcare workers, residential home employees, Challenge workers in shelter environments and welfare work programs
- Support for movement from community
- Chamber of Commerce, TCAD (Tompkins County Area Development) and for-profit businesses not represented although public session announcement was sent.

### IV. New AFCU Living Wage Calculation

New calculation raised the base rate from \$11.67 to \$12.62 paid with employer contributing to health benefits. Rate increases by \$1.32 to \$13.94 if employer is not contributing to health benefits. Largest increase was tax area; increase in payroll tax was included in calculation.

It is a significant increase of 8 percent representing a 2 year period. One organization has contacted Joe already that it would take \$300,000 to meet old level and \$1,000,000 to meet new level.

The other wage calculation included in meeting packet is done by M.I.T. for communities nationwide and more dated than the AFCU calculation in packet. The current M.I.T. rate is \$10.28. The comparison sheet in the packet shows where the differences are in the AFCU and M.I.T. calculations. Most of the differences are in what is included in AFCU and not in M.I.T.: communications, \$63/month; recreation, \$107/month; savings, \$64/month. Joe has asked Nancy Burston at the Human Services Coalition for information about whether any agency saying they are in compliance with the current living wage would not be in compliance now with the new rates. A good portion of the 87 agencies currently in compliance could possibly not be in compliance now.

### V. Response to prior request for information

- Impact of wage levels on economic assistance benefits  
In response to a request from Legislator Pamela Mackesey at the evening Public Input session, Joe input data to the NY State Office of Temporary and Disability Assistance webpage (<https://mybenefits.ny.gov>) that makes eligibility projections for benefit programs. A chart showing the eligibility results from the scenario using various wage amounts was reviewed.

### VI. Other information needs for the Group for discussion of policy and procedures

The Group identified the following items:

- Fund for Fairness

- What is meant by the terms “waste” and “recycling” in contracts and to what contracts do they apply – B. Eckstrom is pursuing this item.
- List of service contracts by category (commodity) – a list of contracts by department can be found online in the appendices at the back of budget (by category).
- Survey results; how many respondents
- Public input sessions
- Cost to contractor and County
- Liability if contractor pulled out; is there an alternate
- If have to divert existing resources to cover the living wage costs, what would be the cost of services, reduction of services, etc.
- Carve outs, including contract threshold; contracts with organizations not based in the county, the service is not provided in the county and employees are not primarily residents of the county
- How to handle services contracts that extend further than Tompkins County, such as landfills

Group members expressed the following concerns:

- What to do if County cannot afford subsidy
- Message on survey cover to encourage contractors to participate; Joe will include in cover email for survey
- Large contracts with State defined reimbursable wage rate; difference in agency and State- reimbursable wage rate will have to come from County
- Large contractors’ stated inability to pay is not actually refusal to pay above State-reimbursable rate

#### **VII. Identification of Goals for policy and procedure modifications**

- What do we hope to achieve?
  - Policy should apply only to workers who are residents of Tompkins County
  - Encourage making contracting with businesses in county
  - Regardless of policy developed, not all contract scenarios will be identified; need provision in policy to look at individual cases that fall outside of exceptions already identified but could create problem for County
- What do we hope to avoid?
  - Do not pressure not-for-profit agencies to the point of inability to provide level of service County wants; maybe implement with a phase approach

#### **VIII. For-Profit and Not for Profit Organizations**

- Any distinction in policy or procedures?
  - Resource materials seem to show that the level of the contract was a more dominant carve out than whether the organization was for- or not-for-profit
  - Threshold is sometimes higher for the for-profit than the not-for-profit
  - Agencies involved in transitional employment activities to workforce development for marginalized workers and are subsidized to get employment for those workers
  - Which to treat more rigorously

**IX. Carve-outs, exceptions, methodologies to be considered**

- Carve-outs
  - Shelter workers
  - Youth
  - Thresholds: \$100,000 - for-profit
  - Internships and other short-time employment, e.g. seasonal
  - Job training

The list of exclusions used by other governments and previously distributed to the Group was reviewed and discussed as possible carve-outs from County contracts.

- Volunteers
  - Election workers
  - Under 18; seasonal youth, work study
  - Apprenticeship
  - Individuals with disabilities in sheltered environment
  - Temp agencies
- Methodologies
    - Gather cost figures from organizations to take case to public—are you willing to pay a small increase in taxes to make happen

Joe will send out survey and share responses to the Group.

The next meeting is Wednesday, May 15, 2013.

The meeting adjourned at 5:00 PM.

## Alternatives Federal Credit Union Announces 2013 Living Wage

Ithaca, NY – How much does it cost for a single person working full-time to live in Tompkins County? According to the Alternatives Federal Credit Union bi-annual Living Wage Study, it is \$26, 242.21 a year or \$12.62/hour. Alternatives' Board of Directors voted unanimously to raise wages to the new Living Wage level, continuing its commitment to its employees and as a role model for the community. The updated study looks at housing, transportation, healthcare, and other necessities, as well as a modest allowance for recreation and savings. The new Living Wage figure is an increase of 8.11% from \$11.67/hour two years ago, during a period that the Consumer Price Inflation Calculator of the Bureau of Labor Statistics shows the CPI up 5.29% from the end of 2010 to the end of 2012. Health care and food costs increased more than the CPI; rent increased less. The net wage, the amount the employee takes home, is up 4.74%, but a big jump in taxes drove the gross figure above the inflation rate. The figure represents the Living Wage for an individual whose employer provides health insurance. For employers that don't offer health insurance, an additional \$1.32/hour would be needed to purchase insurance from Healthy NY.

Returning to the same sources used in prior Living Wage studies, Angela Lu, a Cornell ILR student and intern through the WISP program, updated the numbers. "I always knew that as a student on the Hill, I didn't have a good grasp of how much it cost to live in Tompkins County, but it wasn't until I sat down to begin to estimate the reasonable average spending of a single-person household in Tompkins that I realized how expensive 'the bare minimum' can be. I'm proud that there are business owners in Ithaca who willingly pay a Living Wage to their employees."

Leni Hochman, Chief Operations Officer, oversees the study. She is sympathetic to small businesses and organizations that want to pay a Living Wage but have difficulty doing so. She has less sympathy for businesses and organizations that could afford to pay a Living Wage, but choose not to. Hochman says, "You can see staff as an expense to be limited or as an asset to be maximized. While others recognize and pay for 'talent' at the top, Alternatives knows that it is our front line staff that makes community members choose Alternatives as their financial institution." Paying a Living Wage has business advantages as well in the form of reduced employee turnover and absenteeism, lower recruitment and training costs, and improved morale and commitment to the company.

Further, Hochman asserts that paying a Living Wage has a ripple effect in the community. When people are paid enough to support themselves, they no longer need to rely on public assistance in the form of housing subsidies, medical assistance, food stamps, and welfare, which are paid for in everyone's taxes. People earning a Living Wage pay more taxes and buy more goods and services in the local economy. Recent economic research concludes that there is little or no job reduction associated with wage increases, and the benefits far outweigh any negative consequences.

Joining Hochman on the panel at Alternatives on May 3 were:

- Tristram Coffin, Chief Executive Officer of Alternatives Federal Credit Union
- Pete Meyers, Coordinator at Tompkins County Workers' Center
- Tierra Labrada, Collections Assistant at Alternatives
- Svante Myrick, Mayor of the City of Ithaca

Tristram Coffin, CEO of Alternatives Federal Credit Union, says that the Living Wage Study is the "strongest expression of who we are." As a single mother, Tierra Labrada spoke to her ability to be able to get off government assistance once she was paid a Living Wage.

Mayor Myrick said that it was a very difficult budget decision weighing the needs of taxpayers and city employees. There were three reasons he worked to make the City of Ithaca a Living Employer this year: "It's practical, it's moral, and it's a way to influence others to pay a Living Wage."

According to Pete Meyers, the Living Wage study is incredibly helpful to the Workers' Center. "It has allowed us, beginning in 2006, to Certify 86 employers presently as being Living Wage-Certified Employers. One of our newest Living Wage Employers is Bridges Cornell Heights, a senior home close to the campus of Cornell, in an industry that usually does not pay even close to a Living Wage. Last year, we had 14 new Living Wage Employers, setting a record for how many employers successfully applied in one year. The City of Ithaca is next in line to become a Living Wage Employer, beginning in June of 2013."

Laurie Konwinski, the Coordinator of the Justice and Peace Ministry of Catholic Charities of Tompkins County and the Finger Lakes, has been advocating for a Living Wage to her faith community: "Catholic Charities of Tompkins/Tioga has supported the Living Wage Study since the early days of the effort here in our county. We are a Living Wage employer because we recognize that justice begins at home. Our agency's aim is to build a community in which everyone's basic needs are met and everyone's dignity is honored, and that includes our staff. Moreover we believe in workers' rights. We applaud the other human services agencies and the many faith communities who are also Living Wage certified employers. However, we'd like to see more added to the list so will continue our efforts to promote the Living Wage in our community."

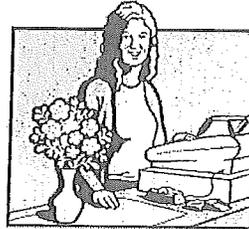


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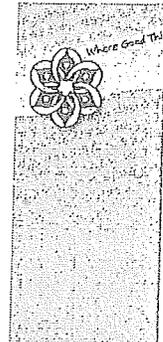
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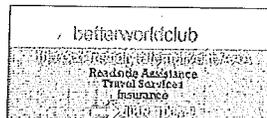
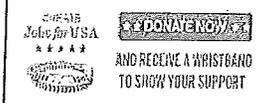
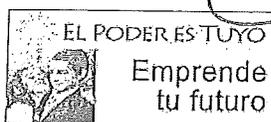
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## Living Wage 2013 Chart

[Living Wage 2013 Press Release](#) | [Living Wage 2013 Chart](#) | [Living Wage 2013 Notes](#) | [Living Wage 2011 Press Release](#) | [Living Wage 2011 Chart](#) | [Living Wage 2011 Notes](#) | [Living Wage 2009 Notes](#) | [Living Wage Chart 2009](#) | [Living Wage 2009 Press Release](#) | [Living Wage 2007 Press Release](#) | [Living Wage Chart 2007](#) | [Living Wage Notes 2007](#) | [Living Wage 2005 Chart](#) | [PR Living Wage 2005](#) | [Living Wage Notes 2005](#) | [Press Release 6/03](#) | [Living Wage Notes - 2002 Study](#) | [Living Wage Study - 2002 Press Release 3/01](#) | [Living Wage Study - 2000](#) | [Living Wage Notes - 2000 Study](#) | [Living Wage Study - May 1998 Study](#) | [Living Wage Links](#)

### Alternatives Federal Credit Union Living Wage Study 2013

Category	Month (2010)	Month (2012)	Percent Change	Year (2012)	Comments	Source
Rent	\$811.00	\$836.00	3.08%	\$10,032.00	Fair Market rent for single bedroom apartment including utilities	HUD
Food	\$203.60	\$218.50	7.32%	\$2,622.20	Average of low-cost food plan for males and females ages 19-50	USDA
Transportation	\$179.03	\$189.01	5.57%	\$2,268.12	Weighted average of amount spent on cars, car share, public transportation, and bicycle maintenance	ACS, BLS, EIA, TCAT
Communication	\$59.99	\$63.24	5.42%	\$758.88	Nationwide prepaid cell phone and internet	AT&T, Verizon, Time Warner
Health Care	\$173.08	\$188.64	8.99%	\$2,263.68	Employee's share of premium and out of pocket medical expenses	BLS, Alternatives
Recreation	\$101.62	\$107.00	5.29%	\$1,284.00	Adjusted for inflation	
Savings	\$60.78	\$64.00	5.30%	\$768.00	Adjusted for inflation	
Miscellaneous	\$110.46	\$113.75	2.98%	\$1,365.00	Apparel products, housekeeping supplies and personal care products and service	BLS
Net (Subtotal)	\$1,699.56	\$1,780.14	4.74%	\$21,361.68		
Payroll tax	\$114.28	\$167.33	46.42%	\$2,007.95		
Federal tax	\$149.23	\$165.91	11.18%	\$1,990.91		
State tax	\$59.56	\$73.47	23.36%	\$881.67		
<b>TOTAL</b>	<b>\$2,022.63</b>	<b>\$2,186.85</b>	<b>8.12%</b>	<b>\$26,242.21</b>		
hourly @ 40hrs./week	\$11.67	\$12.62				



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### Living Wage Calculation for Tompkins County, New York

displaying\_results

The living wage shown is the hourly rate that an individual must earn to support their family, if they are the sole provider and are working full-time (2080 hours per year). The state minimum wage is the same for all individuals, regardless of how many dependents they may have. The poverty rate is typically quoted as gross annual income. We have converted it to an hourly wage for the sake of comparison. Wages that are less than the living wage are shown in red.

Hourly Wages	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Living Wage	\$10.28	\$21.70	\$29.30	\$38.10	\$14.74	\$17.94	\$19.34	\$22.31
Poverty Wage	\$5.21	\$7.00	\$8.80	\$10.60	\$7.00	\$8.80	\$10.60	\$12.40
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25

### Typical Expenses

These figures show the individual expenses that went into the living wage estimate. Their values vary by family size, composition, and the current location.

Monthly Expenses	1 Adult	1 Adult, 1 Child	1 Adult, 2 Children	1 Adult, 3 Children	2 Adults	2 Adults, 1 Child	2 Adults, 2 Children	2 Adults, 3 Children
Food	\$242	\$357	\$536	\$749	\$444	\$553	\$713	\$904
Child Care	\$0	\$788	\$1,538	\$2,288	\$0	\$0	\$0	\$0
Medical	\$127	\$380	\$407	\$393	\$261	\$367	\$349	\$356
Housing	\$795	\$958	\$958	\$1,159	\$818	\$958	\$958	\$1,159
Transportation	\$262	\$509	\$587	\$629	\$509	\$587	\$629	\$640
Other	\$84	\$196	\$278	\$379	\$133	\$170	\$192	\$218
Required monthly income after taxes	\$1,510	\$3,188	\$4,304	\$5,597	\$2,165	\$2,635	\$2,841	\$3,277
Required annual income after taxes	\$18,120	\$38,256	\$51,648	\$67,164	\$25,980	\$31,620	\$34,092	\$39,324
Annual taxes	\$3,262	\$6,890	\$9,298	\$12,084	\$4,675	\$5,688	\$6,131	\$7,076
Required annual income before taxes	\$21,382	\$45,146	\$60,946	\$79,248	\$30,655	\$37,308	\$40,223	\$46,400

### Typical Hourly Wages

These are the typical hourly rates for various professions in this location. Wages that are below the living wage for one adult supporting one child are marked in red.

Occupational Area	Typical Hourly Wage
Management	\$53.36
Business and Financial Operations	\$33.91
Computer and Mathematical	\$36.08
Architecture and Engineering	\$33.74
Life, Physical and social Science	\$27.71
Community and Social Services	\$20.78
Legal	\$46.00
Education, Training and Library	\$25.20
Arts, Design, Entertainment, Sports and Media	\$27.23

Occupational Area	Typical Hourly Wage
Healthcare Practitioner and Technical	\$32.12
Healthcare Support	\$13.17
Protective Service	\$21.04
Food Preparation and Serving Related	\$9.61
Building and Grounds Cleaning and maintenance	\$13.32
Personal care and Services	\$10.99
Sales and Related	\$13.38
Office and Administrative Support	\$16.37
Farming, Fishing and Forestry	\$13.36
Construction and Extraction	\$23.99
Installation, Maintenance and Repair	\$21.09
Production	\$14.83
Transportation and Material Moving	\$15.53

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Living Wage Calculation--AFCU (2013) and M.I.T.

Expense Per Month

<u>Expense</u>	<u>AFCU</u>	<u>MIT</u>
Housing	836.00	795.00
Food	218.50	242.00
Transportation	189.01	262.00
Communication	63.24	-
Health Care	188.64	127.00
Recreation	107.00	-
Savings	64.00	-
Misc	113.75	84.00
Net	1,780.14	1,510.00
Tax	406.71	271.83
Total Monthly	2,186.85	1,781.83
Months	12	12
Annualized	26,242.20	21,382.00

Expense Per Hour

<u>Expense</u>	<u>AFCU</u>	<u>MIT</u>
Housing	4.82	4.59
Food	1.26	1.40
Transportation	1.09	1.51
Communication	0.36	-
Health Care	1.09	0.73
Recreation	0.62	-
Savings	0.37	-
Misc	0.66	0.48
Net	10.27	8.71
Tax	2.35	1.57
Total Hourly	12.62	10.28

**Eligibility for Economic Assistance Benefits, Various Wage Levels**

One adult; rent at 40% of income

	Hourly Rate	\$7.50	\$8.50	\$9.50	\$10.50	\$11.50	\$12.62	\$12.68	\$13.94
	Annual Salary	<u>\$15,600</u>	<u>\$17,680</u>	<u>\$19,760</u>	<u>\$21,840</u>	<u>\$23,920</u>	<u>\$26,250</u>	<u>\$26,374</u>	<u>\$28,995</u>
<b>Program</b>									
Temporary Assistance		No							
SNAP (Food Stamps)									
Monthly Food Stamp Benefits		No							
Medicaid		No							
WIC		na							
Weatherization									
Weatherization Assistance Program		Yes	Yes	Yes	Yes	Yes	No	No	No
Tax Credits									
Federal		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Child Tax Credit (up to \$1,000/child)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Empire State Child Credit (1/3rd of Fed)		<u>\$0</u>							
Total Tax Credits		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Home Energy Assistance									
HEAP		Yes	Yes	Yes	Yes	Yes	No	No	No
Health Care Assistance									
Healthy NY Program		Yes							
Family Health Plus		No							
Child Health Plus		na							
School Meals		na							
Summer Meals		na							

Source of Eligibility Projections: NYS OTDA webpage, <https://mybenefits.ny.gov>, 5/5/2013

**Eligibility for Economic Assistance Benefits, Various Wage Levels**

One adults, two children under 4, rent of \$836/month

	Hourly Rate	\$9.50	\$10.50	\$11.67	\$12.62	\$12.68	\$13.94
	Annual Salary	<u>\$19,760</u>	<u>\$21,840</u>	<u>\$24,274</u>	<u>\$26,250</u>	<u>\$26,374</u>	<u>\$28,995</u>
<b><u>Program</u></b>							
Temporary Assistance		No	No	No	No	No	No
SNAP (Food Stamps)							
Monthly Food Stamp Benefits		Yes	Yes	Yes	No	No	No
Medicaid		Yes	Yes	Yes	No	No	No
WIC		Yes	Yes	Yes	Yes	Yes	Yes
Weatherization							
Weatherization Assistance Program		Yes	Yes	Yes	Yes	Yes	Yes
Tax Credits							
Federal		\$4,671	\$4,239	\$3,723	\$3,312	\$3,281	\$2,733
State		\$1,401	\$1,272	\$1,117	\$994	\$984	\$820
Child Tax Credit (up to \$1,000/child)		\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Empire State Child Credit (1/3rd of Fed)		<u>\$667</u>	<u>\$667</u>	<u>\$667</u>	<u>\$667</u>	<u>\$667</u>	<u>\$667</u>
Total Tax Credits		\$8,739	\$8,178	\$7,507	\$6,973	\$6,932	\$6,220
Home Energy Assistance							
HEAP		Yes	Yes	Yes	Yes	Yes	Yes
Health Care Assistance							
Healthy NY Program		Yes	Yes	Yes	Yes	Yes	Yes
Family Health Plus		No	No	No	Yes	Yes	No
Child Health Plus		No	No	No	Yes	Yes	Yes
School Meals		Yes	Yes	Yes	Yes	Yes	Yes
Summer Meals		Yes	Yes	Yes	Yes	Yes	Yes

Source of Eligibility Projections: NYS OTDA webpage, <https://mybenefits.ny.gov>, 5/5/2013

Living Wage Work Group Meeting #5  
May 15, 2013

Meeting Goal:

- Determine whether changes are needed in policy or procedure and, if so, what they should be.

Materials:

- Contractor survey results

Agenda

- I. Public comment
- II. Review of survey results (along with insights from public input sessions)
  - a. Current compliance levels
  - b. Areas of particular concern and/or potentially significant adverse consequences
  - c. Insights into financial impacts
  - d. REMEMBER POLICY—REQUIRED TO ENCOURAGE PAYMENT OF LIVABLE WAGE (HOW) AND CONSIDER WHETHER LIVING WAGES BEING PAID
    - i. HOW DO WE ENCOURAGE
    - ii. WHAT IS INVOLVED IN THE CONSIDERATION PROCESS?
- III. Discussion: *Prospective* rules and procedures
  - a. Thresholds defining scope of the living wage policy, for example
    - i. Size of contract
      1. For profit
      2. Not-for-profit
    - ii. Size of contractor (number of employees or annual budget)
    - iii. County dollars vs. pass-through of state/federal dollars
    - iv. Contracts administered by the STPB
    - v. Foster care
    - vi. Inter-governmental contracts
  - b. Exempted positions, for example
    - i. 18 and under
    - ii. 90-day temporary/seasonal
    - iii. In sheltered or supported environment

- iv. Job training/work-study/welfare-to-work
- v. In collective bargaining agreements
- vi. Paid pursuant to state-calculated prevailing wage rate
- c. Objective, consistently-applied hardship waivers, for example
  - i. Recognition of the value of fringe benefits or other employer-provided items beyond \$1.32/hour health insurance allowance
  - ii. Wage rates less than living wage established by primary funding entities (generally state or federal sources)
  - iii. Absence of alternative providers
  - iv. Employees providing contracted service to the County are providing the same service to clients/customers beyond the County
  - v. Lowest exceeds the MIT rate for Tompkins County
  - vi. Requirement to report waivers to Legislature
- IV. Addressing financial implications of changes in policy or procedures
- V. Next steps
- VI. Adjourn

**TC Livable Wage Work Group**  
Meeting Notes  
**Wednesday, May 15, 2013 – 3:00-5:00 PM**  
Old Jail Building, Heyman Conference Room

<b>Attendees</b>		<b>Status</b>
Jim	Dennis	Present
Barbara	Eckstrom	Present
Andrea	Gibbs	Present
Kathy Luz	Herrera	Present
Lisa	Holmes	Present
Jackie	Kippola	Present
Joe	Mareane	Present
Rick	Snyder	Present
David	Squires	Present
Peter	Stein	Present
Jonathan	Wood	Present

**Legislator:** Leslyn McBean-Clairborne

**Staff:** Marcia Lynch, Tompkins County Administration

**Public:** Dan Brown, Franziska Racker Center; Nancy Burston, Human Services Coalition; Patrick McKee, Challenge; Stanley McPherson, ReCommunity Recycling Center; Pete Meyers, TC Workers' Center; Susan Oaks, Cayuga Addiction Recovery Services; Bill Rusen, Cayuga Addiction Recovery Services

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**Meeting Goal:**

- Determine whether changes are needed in policy or procedure and, if so, what they should be.

**Materials:**

- Contractor survey results

**Agenda**

**I. Introduction**

Mr. Rick Snyder, the new Tompkins County Director of Finance and new member of this Work Group was introduced.

**II. Meeting Goal and Materials**

The meeting goal was reviewed and materials were distributed during the corresponding agenda item discussion.

### III. Public comment

- Mr. Rusen presented highlights of the revised Living Wage Implementation Proposal Executive Summary for CARS (Cayuga Addiction Recovery Services). Copies were distributed. The summary was updated using the new Alternatives Federal Credit Union (AFCU) living wage calculations. Mr. Rusen requests that entire compensation package, including employer mandatory and non-mandatory contributions, be in the calculation.

#### Response:

Mr. Stein expressed concern about including the employer's mandatory contributions. They are the same for everyone and would require changing definition of what they are called; not willing to do that.

Ms. Herrera expressed concern about including the employer's non-mandatory contribution. She noted that it benefits employers as well as employees and is not included in the calculations to give employers flexibility to provide what they are able to.

The County's contract with CARS is to receive State funding for CARS, a "pass-through" contract. The Group will look at this type of contract and how it relates to living wage policy to determine if it should be excluded.

- Mr. Brown noted that the AFCU calculations are based on their employees and those employees' out-of-pocket expenses. Other organizations' calculations for living wage use different benefits and would account for difference in living wage amounts.
- Mr. McKee asked who is going to administer the policy. He commented that the ability to pay living wage may rest on classification by entire organization or organization's department contracting with County.
- Mr. Mareane distributed a letter from Jean McPheeters of the Chamber of Commerce, in absentia. The letter addressed concerns of Chamber members, who have expressed concern about the topic:
  - a. concern of not-for-profit members, who are doing or have done business with the County, about the ability to pay
  - b. creating differential among peers by paying living wage to employees involved in contract with County
  - c. adverse effects on youth employment
  - d. AFCU v MIT living wage calculation
  - e. STPB (Strategic Tourism Planning Board) – whether contracts executed by STPB using County money are exempt or not exempt; there has been a gentle increase in contract amounts for the vendors of 3% and a wage pressure of 8% will create more problems
  - f. Purchases outside of Tompkins County
  - g. Cost to County to make changes; cost to taxpayers

Response:

Mr. Mareane - the focus of the policy is on services rather than commodities

Ms. Herrera –

- a. questioned how paying the living wage is being handled now—is wage paid equivalent or more than the living wage
- b. needs clarity on point
- c. may be a carve out locally as discussed by Group
- d. believes that communication, entertainment and savings should be part of the calculation is appropriate; all necessities
- e. if there is the possibility of doing this through the context of an STPB, maybe Group can come up with a consideration of standards of increase that would make it more livable
- f. do purchases outside of Tompkins County indicate a way of getting around the living wage in Tompkins County

Mr. McKee said that Challenge has workers doing the same work for Tompkins County and other counties and cannot pay workers doing the work for Tompkins County at a different rate. Responding to Mr. Stein's position that the policy should avoid such a situation, the Group discussed whether or not the policy should intentionally avoid causing such a situation for contractors. Concern was expressed for residents of Tompkins County not employed by any County contractors but are homeowners and do not make a living wage but would pay the same property tax as everyone else.

**IV. Review of survey results** (along with insights from public input sessions)

Mr. Mareane reviewed the survey results. Results for 74 of the 432 surveys distributed were received.

- a. Current compliance levels
  - 73% responded that workers are being paid a living wage. 27% responded no.
  - Compliance is stronger among for-profits than not-for-profits--For-profits: 24 yes, 8 no; Not-for-profits: 18 yes, 13 no
  - The survey was designed so only the respondents, who are not paying the living wage and have service contracts with the County, could continue beyond Question #2.
  - 75% of the respondents are in compliance
- b. Areas of particular concern and/or potentially significant adverse consequences
- c. Insights into financial impacts
  - A sheet showing the estimated the costs to raise all employees of survey respondents directly involved in providing a contracted service to the County to the living wage was distributed. The total cost if survey respondents represent only a percentage of the impacted contractors was also shown on the sheet.
  - The financial impact on organizations represented at the public comment sessions, received via correspondence and submitted by County departments was distributed.

- Adjustments: Challenge Workforce Solutions - \$600,000; County Office for the Aging - \$110,333 includes Finger Lakes Independence Center (FLIC) amount of \$2,500
- Additions: Drop-In Children's Center - \$43,000; Solid Waste contract – \$10-15,000
- These figures are not too different from the survey.
- The annual cost to organizations and County departments could be \$1,000,000-1,700,000.

V. **Discussion: *Prospective*** rules and procedures

There was a consensus that the next step will be to look at thresholds, carve outs, hardships and other items that will help to determine the scope of the policy.

- a. Hardship - Pass-through dollars, e.g. Medicaid
- b. Thresholds defining scope of the living wage policy, for example
  - i. Thresholds are the first cuts.
  - ii. It was the consensus to research the estimated amount of County dollars involved before determining the threshold. Mr. Mareane will do the research. Threshold may be \$50,000-100,000.
  - iii. Size of contract
    - 1. For profit
    - 2. Not-for-profit
      - There was discussion on whether to exclude not-for-profit or subsidize not-for-profits for the cost to comply with the policy.
  - iv. Size of contractor (number of employees or annual budget)
    - 1. There was discussion on whether to excluded contractors providing the service at an out-of-state location. The consensus was that location would not be a consideration.
    - 2. Consensus was there would be no size threshold.
  - v. County dollars vs. pass-through of state/federal dollars  
Pass-through will only be considered if County dollars are a part of the contract.
  - vi. Contracts administered by the STPB  
There was discussion on whether these tourism grants should be excluded. Mr. Mareane and Ms. Kippola will review the amount of grants in the next week and report back to the Group.
  - vii. Foster care will be excluded.
  - viii. Inter-governmental contracts will be excluded.
- c. Exempted positions, for example
  - i. 18 and under
  - ii. 90-day temporary/seasonal
  - iii. In sheltered or supported environment
  - iv. Job training/work-study/welfare-to-work
  - v. In collective bargaining agreements

- vi. Paid pursuant to state-calculated prevailing wage rate
- vii. County is small percentage of company business with no chance of influencing the employer
- viii. Employers who cannot identify workers specific to Tompkins County

Question: Is the group considering gross County dollars or net County dollars for the threshold amount?

The following agenda items and discussion on understanding the complexities of the carve outs will be carried over to the next meeting:

- d. Objective, consistently-applied hardship waivers, for example
  - i. Recognition of the value of fringe benefits or other employer-provided items beyond \$1.32/hour health insurance allowance
  - ii. Wage rates less than living wage established by primary funding entities (generally state or federal sources)
  - iii. Absence of alternative providers
  - iv. Employees providing contracted service to the County are providing the same service to clients/customers beyond the County
  - v. Lowest exceeds the MIT rate for Tompkins County
  - vi. Requirement to report waivers to Legislature

VI. Addressing financial implications of changes in policy or procedures

VII. Next steps

VIII. Adjourn

The meeting was adjourned at 5:12 PM.

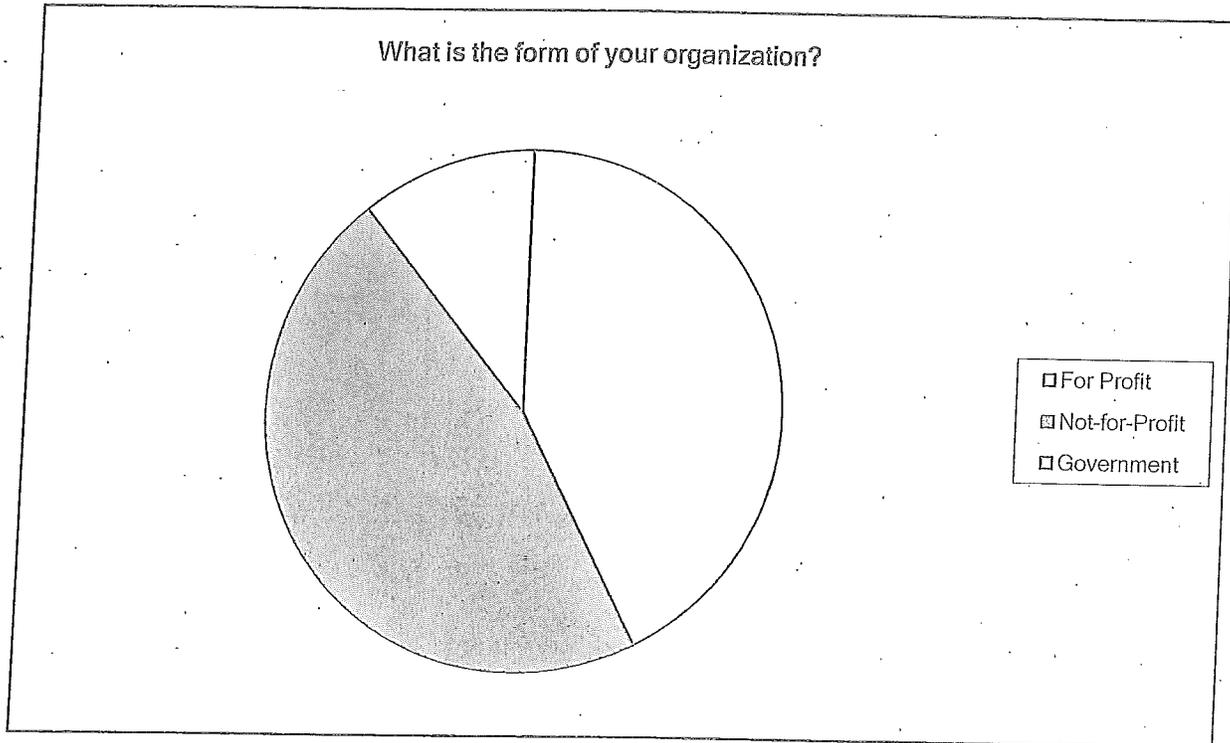
# Tompkins County Livable Wage Survey

What is the form of your organization?

Answer Options	Response Percent	Response Count
For Profit	42.5%	31
Not-for-Profit	46.6%	34
Government	11.0%	8
Other (please specify)		1
<i>answered question</i>		73
<i>skipped question</i>		1

Other (please specify)

sole proprietor



## Tompkins County Livable Wage Survey

What is your organization's business relationship with Tompkins County?

Answer Options	Response Percent	Response Count
My organization has a contract to provide services to the	87.5%	63
My organization provides equipment, supplies, or	2.8%	2
My organization is not currently in a contractual	9.7%	7
Other (please specify)		3
	<i>answered question</i>	72
	<i>skipped question</i>	2

Other (please specify)

Partnering on a grant.  
Municipal Government

We are a quasi-public org established by county under NYS county law to perform county business

## Tompkins County Livable Wage Survey

Are all of your organization's employees who are directly involved in delivering services to Tompkins County, pursuant to a contract with the County, paid the Living Wage or higher? (As of May 3, 2013, the Living Wage in Tompkins County is \$12.62/hour for employees receiving employer-provided health care and \$13.94/hour for employees who are not receiving employer-provided health care. The Living Wage is determined every two years by the Alternatives Federal Credit Union.)

Answer Options	Response Percent	Response Count	
Yes	73.0%	46	
No	27.0%	17	
Comments		8	
	<i>answered question</i>		63
	<i>skipped question</i>		11

### Comments

We pay the living wage or higher, but have not come up to the new living wage rate yet. We support the concept but we need to identify sustainable new revenues of \$16,000 a year to enable raising wages to the new level.

We were following last year's \$11.67 and will need to address any differences in the near future. Minimum wage will be adjusted upward from the previous living wage to the new living wage of \$14/hour.

our full and part-time roster people are paid the LW. We hire a large number of young people seasonally to help run programs and provide services to the young people in our county. It would be very difficult to maintain the current level of services with increased costs and no increase on money to provide services

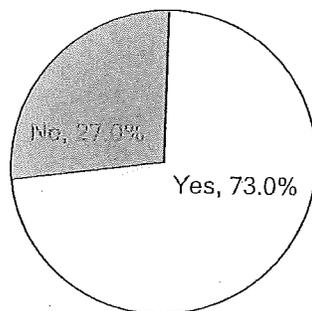
Our permanent, year-round staff are paid the living wage, but we hire lots of part time and seasonal workers, including many young people who are not paid the living wage.

It would cost us an additional \$40,000 to \$50,000 a year to conform to the policy's wage standard. We simply cannot afford to pay that amount at this time.

Most of my staff are part-time and either retired or working another full-time job.

We don't pay based on your LW \$ numbers

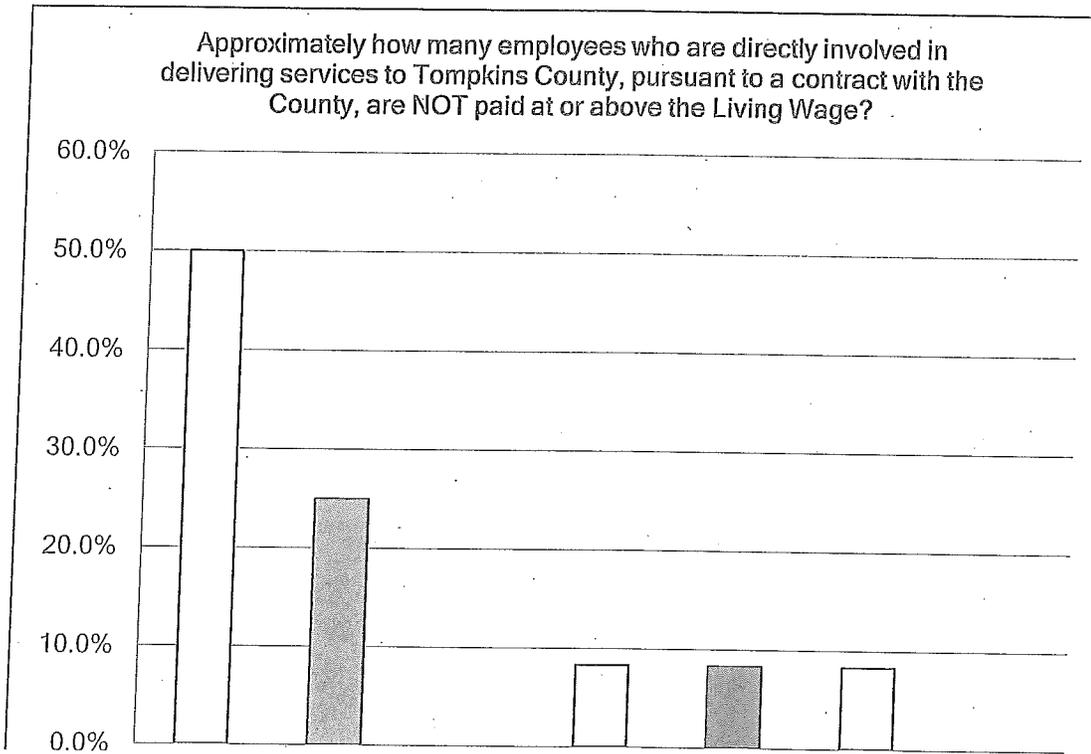
Are all of your organization's employees who are directly involved in delivering services to Tompkins County, pursuant to a contract with the County, paid the Living Wage or higher? (As of May 3, 2013, the Living Wage in T



## Tompkins County Livable Wage Survey

Approximately how many employees who are directly involved in delivering services to Tompkins County, pursuant to a contract with the County, are NOT paid at or above the Living Wage?

Answer Options	Response Percent	Response Count
0-5	50.0%	6
6-10	25.0%	3
11-20	0.0%	0
21-50	8.3%	1
51-100	8.3%	1
101-200	8.3%	1
Over 200	0.0%	0
	<i>answered question</i>	12
	<i>skipped question</i>	62

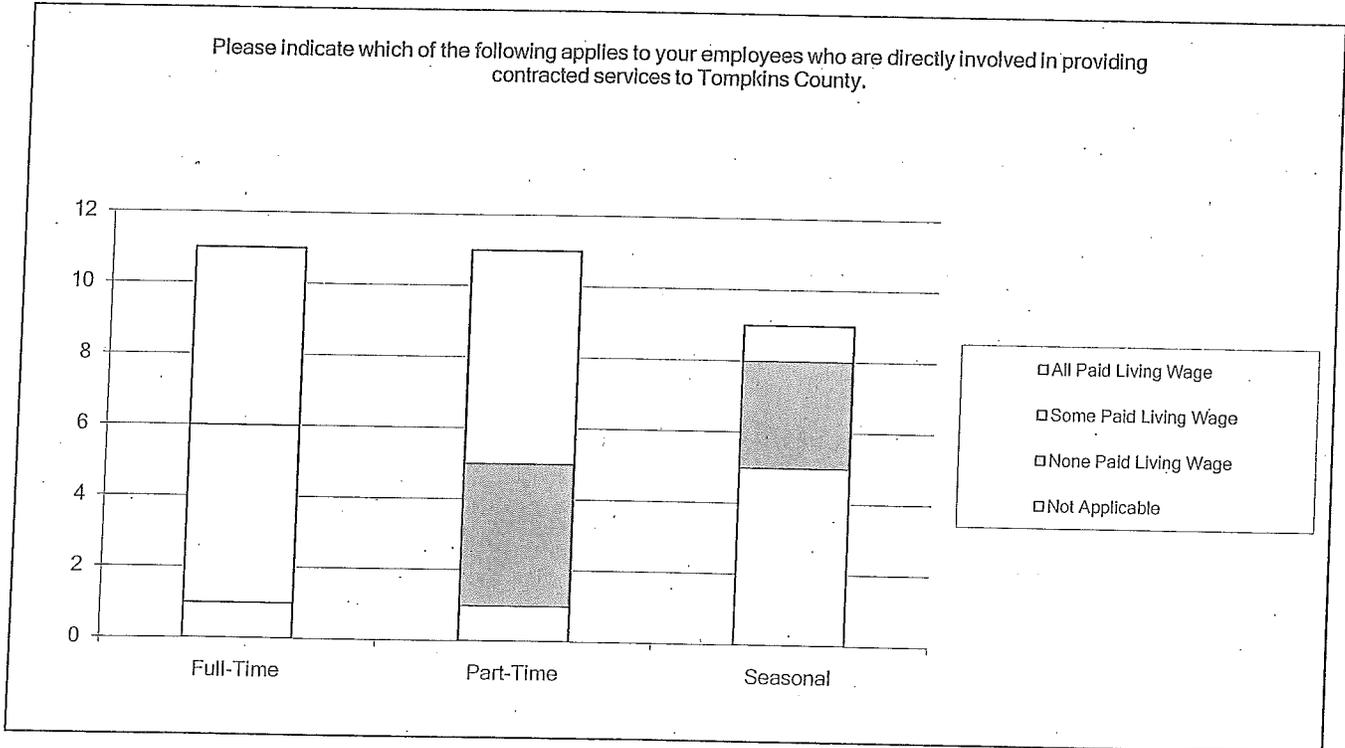


# Tompkins County Livable Wage Survey

Please indicate which of the following applies to your employees who are directly involved in providing contracted services to Tompkins County.

Answer Options

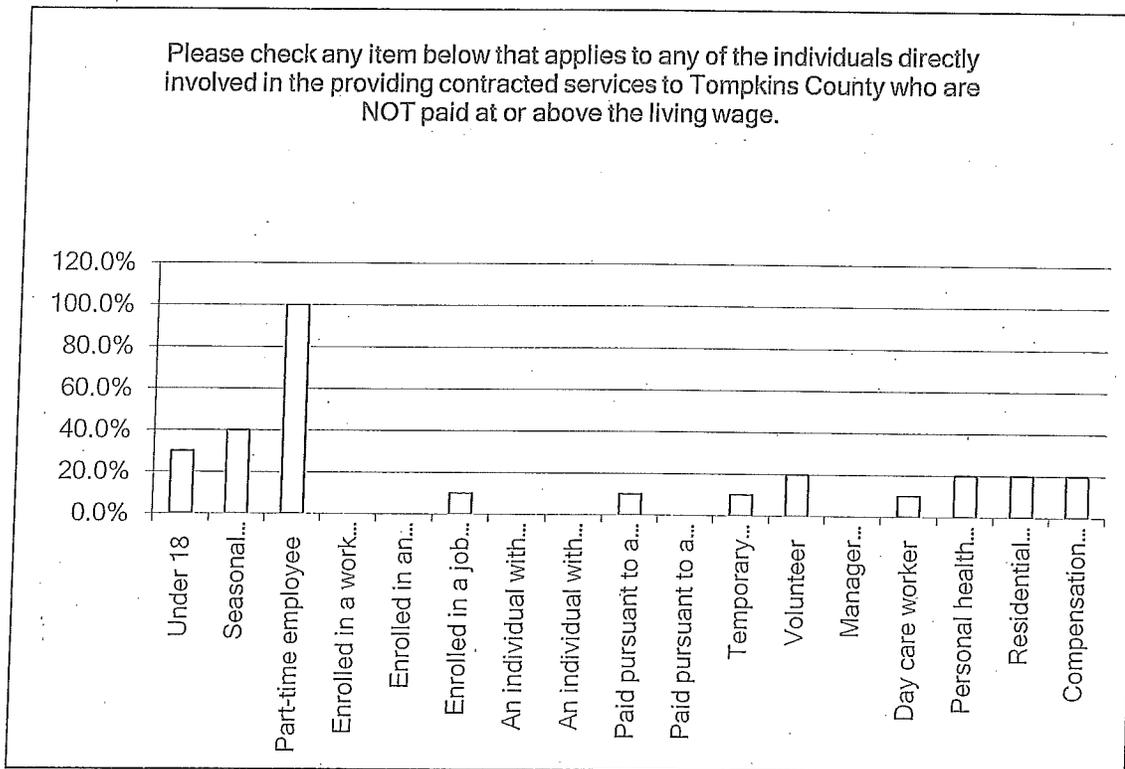
	All Paid Living Wage	Some Paid Living Wage	None Paid Living Wage	Not Applicable	Response Count
Full-Time	5	5	0	1	11
Part-Time	0	6	4	1	11
Seasonal	0	1	3	5	9
				<i>answered question</i>	12
				<i>skipped question</i>	62



## Tompkins County Livable Wage Survey

Please check any item below that applies to any of the individuals directly involved in the providing contracted services to Tompkins County who are NOT paid at or above the living wage.

Answer Options	Response Percent	Response Count
Under 18	30.0%	3
Seasonal employee	40.0%	4
Part-time employee	100.0%	10
Enrolled in a work study program	0.0%	0
Enrolled in an apprenticeship program	0.0%	0
Enrolled in a job training or job readiness program	10.0%	1
An individual with disabilities working within a supported	0.0%	0
An individual with disabilities working outside of a	0.0%	0
Paid pursuant to a collective bargaining agreement	10.0%	1
Paid pursuant to a mandated prevailing wage schedule	0.0%	0
Temporary employee	10.0%	1
Volunteer	20.0%	2
Manager (i.e., exempt from FLSA)	0.0%	0
Day care worker	10.0%	1
Personal health care worker (e.g., home health care)	20.0%	2
Residential treatment or group home worker	20.0%	2
Compensation rates established by State or Federal	20.0%	2
	<i>answered question</i>	10
	<i>skipped question</i>	64



## Tompkins County Livable Wage Survey

Does your organization provide, and contribute to, the following benefits to employees who are directly involved in providing contracted services to Tompkins County?

Answer Options	Response Percent	Response Count
Health care	80.0%	8
Defined contribution to an employee's pension	40.0%	4
Matching contribution to an employee's pension	30.0%	3
Educational benefits	50.0%	5
Life Insurance	40.0%	4
Long-term disability coverage	30.0%	3
Dental care	50.0%	5
Vision care	40.0%	4
Performance-based monetary bonuses	20.0%	2
Other (please specify)		6
	<i>answered question</i>	10
	<i>skipped question</i>	64

### Comments

A Cafeteria Benefit Plan is offered so that employees can pay for health care, dental care or make contributions to their annuity pre-tax.

all employees are part-time and per diem workers-no benefits are offered

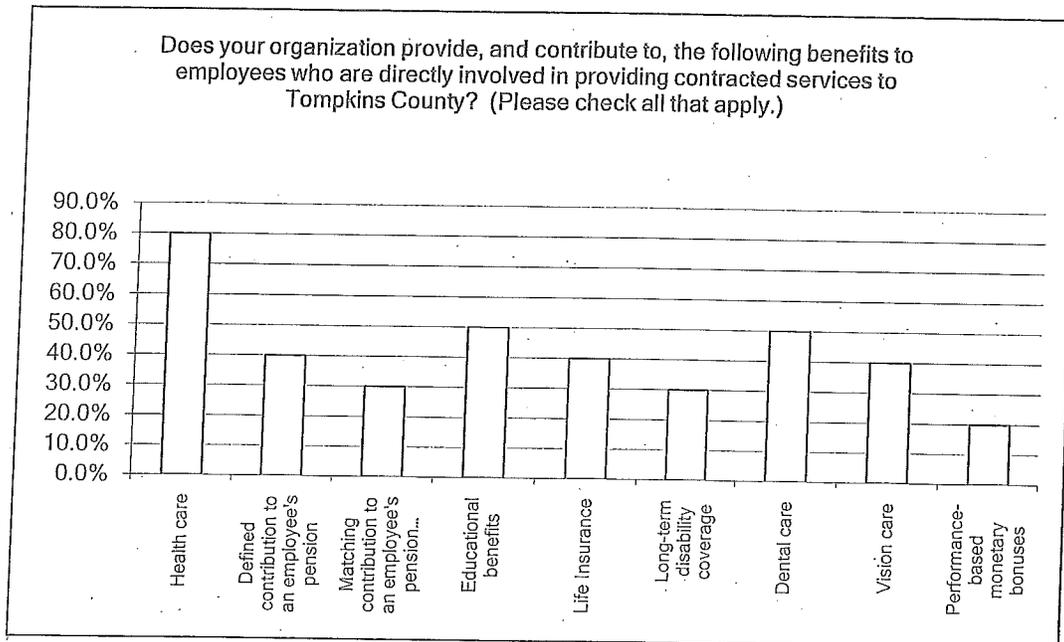
Director is paid an agreed upon amount each year (delivered in monthly allotments) that is meant to be deposited in an IRA or Roth IRA of the employee's choice. No other employees are offered this benefit.

Additional benefits provided include an Employee Assistance Program and a Medical Flexible Spending Plan. EAP is paid in full by the employer. Employer makes a contribution to the flexible spending plan as well.

Full time roster employees get benefits, part time/temporary/seasonal employees do not.

1 contract now gives the employees \$3.43 per hour for full time and \$.27 per hour for part time

Base pay has been raised to \$11.35 per hour for full time and \$11.00 for part time, with raises mandated by the state on the 1st of july each year



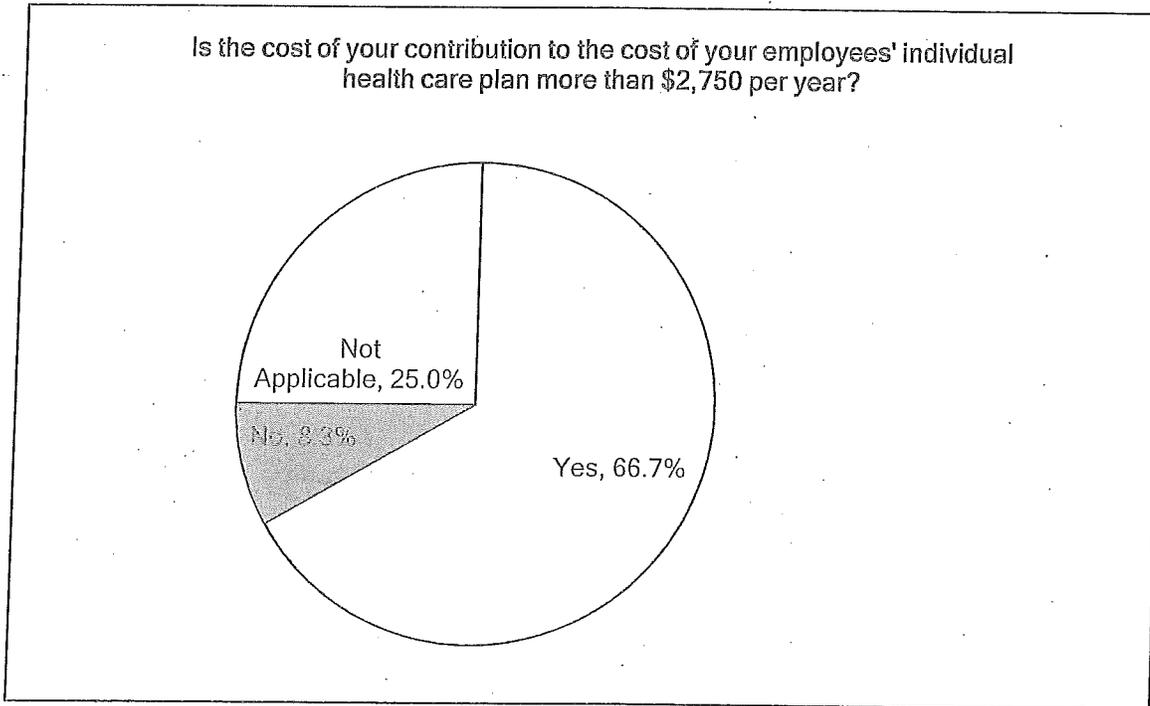
## Tompkins County Livable Wage Survey

Is the cost of your contribution to the cost of your employees' individual health care plan more than \$2,750 per year?

Answer Options	Response Percent	Response Count
Yes	66.7%	8
No	8.3%	1
Not Applicable	25.0%	3
Approximate annual cost of individual health care contribution		3
	<i>answered question</i>	12
	<i>skipped question</i>	62

### Approximate annual cost of individual health care contribution

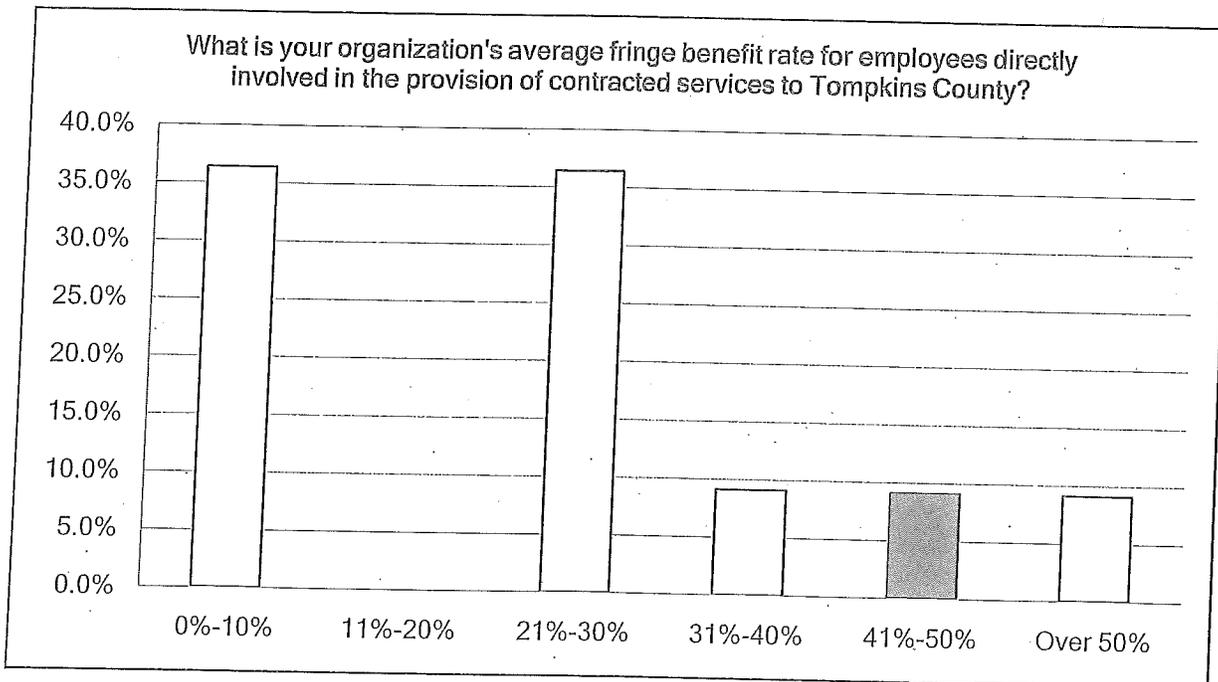
see above.  
5200  
5000



## Tompkins County Livable Wage Survey

What is your organization's average fringe benefit rate for employees directly involved in the provision of contracted services to Tompkins County?

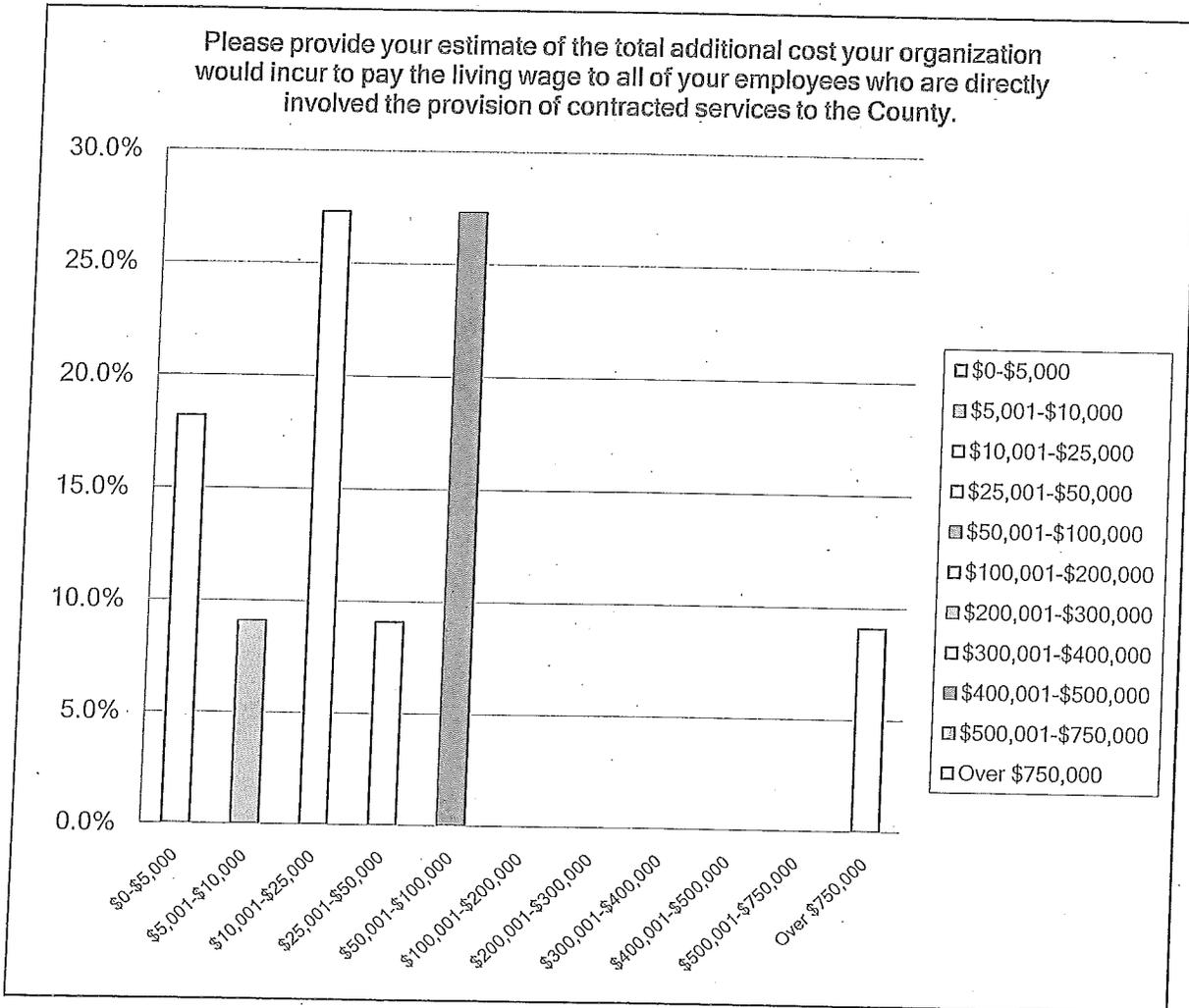
Answer Options	Response Percent	Response Count
0%-10%	36.4%	4
11%-20%	0.0%	0
21%-30%	36.4%	4
31%-40%	9.1%	1
41%-50%	9.1%	1
Over 50%	9.1%	1
<i>answered question</i>		11
<i>skipped question</i>		63



# Tompkins County Livable Wage Survey

Please provide your estimate of the total additional cost your organization would incur to pay the living wage to all of your employees who are directly involved the provision of

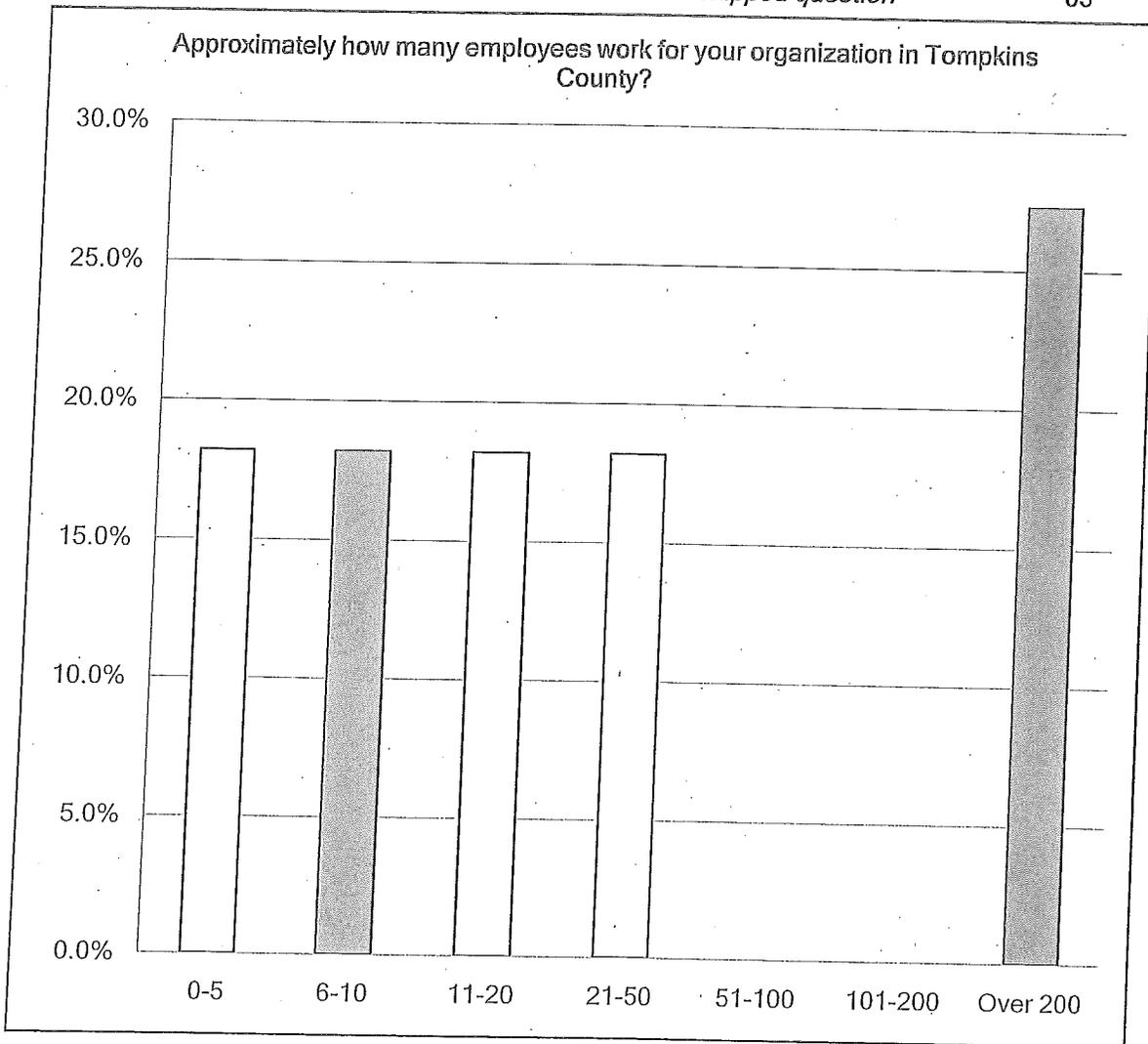
Answer Options	Response Percent	Response Count
\$0-\$5,000	18.2%	2
\$5,001-\$10,000	9.1%	1
\$10,001-\$25,000	27.3%	3
\$25,001-\$50,000	9.1%	1
\$50,001-\$100,000	27.3%	3
\$100,001-\$200,000	0.0%	0
\$200,001-\$300,000	0.0%	0
\$300,001-\$400,000	0.0%	0
\$400,001-\$500,000	0.0%	0
\$500,001-\$750,000	0.0%	0
Over \$750,000	9.1%	1
<i>answered question</i>		11
<i>skipped question</i>		63



# Tompkins County Livable Wage Survey

Approximately how many employees work for your organization in Tompkins County?

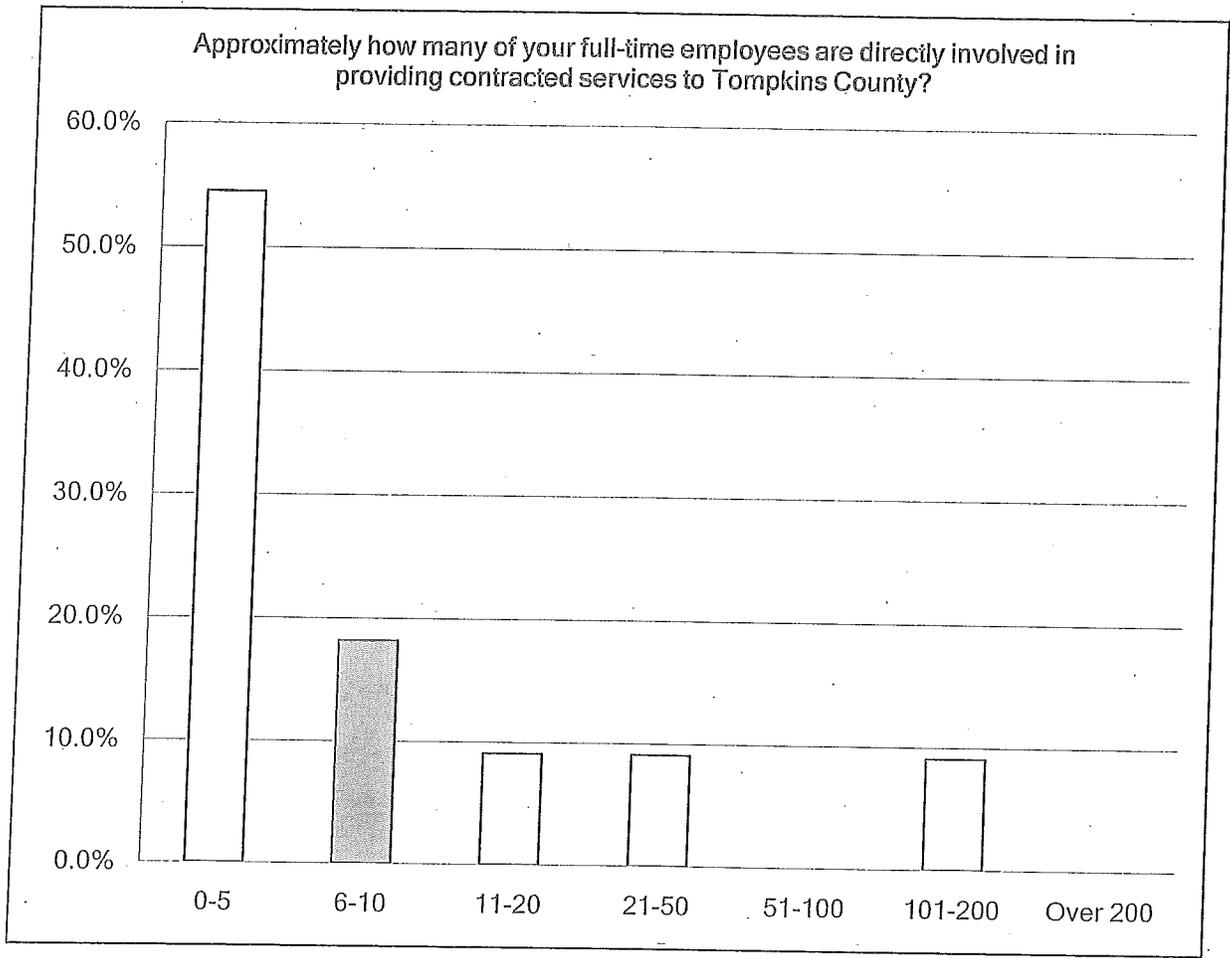
Answer Options	Response Percent	Response Count
0-5	18.2%	2
6-10	18.2%	2
11-20	18.2%	2
21-50	18.2%	2
51-100	0.0%	0
101-200	0.0%	0
Over 200	27.3%	3
	<i>answered question</i>	11
	<i>skipped question</i>	63



# Tompkins County Livable Wage Survey

Approximately how many of your full-time employees are directly involved in providing contracted services to Tompkins County?

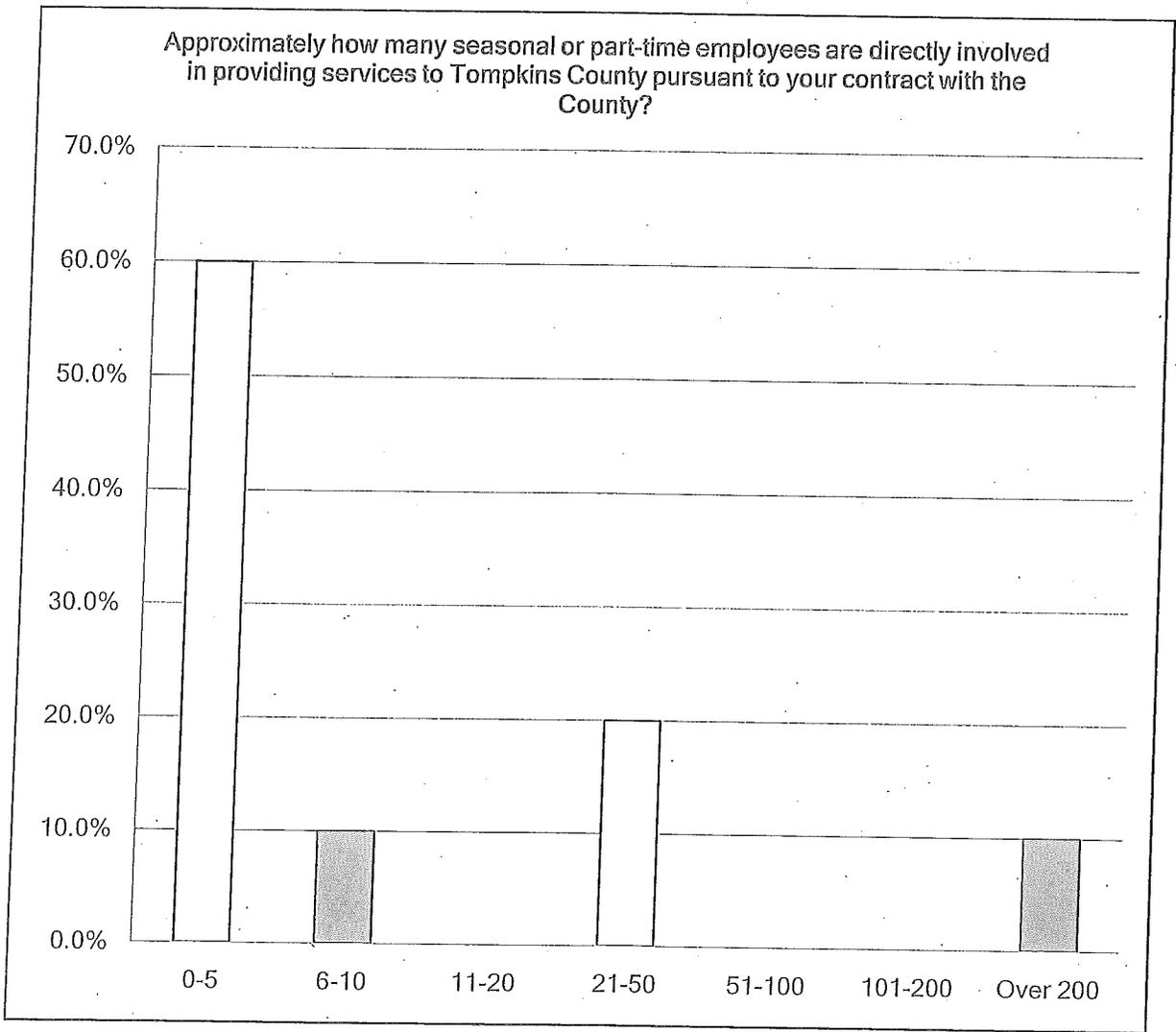
Answer Options	Response Percent	Response Count
0-5	54.5%	6
6-10	18.2%	2
11-20	9.1%	1
21-50	9.1%	1
51-100	0.0%	0
101-200	9.1%	1
Over 200	0.0%	0
<i>answered question</i>		<b>11</b>
<i>skipped question</i>		<b>63</b>



# Tompkins County Livable Wage Survey

Approximately how many seasonal or part-time employees are directly involved in providing services to Tompkins County pursuant to your contract with the County?

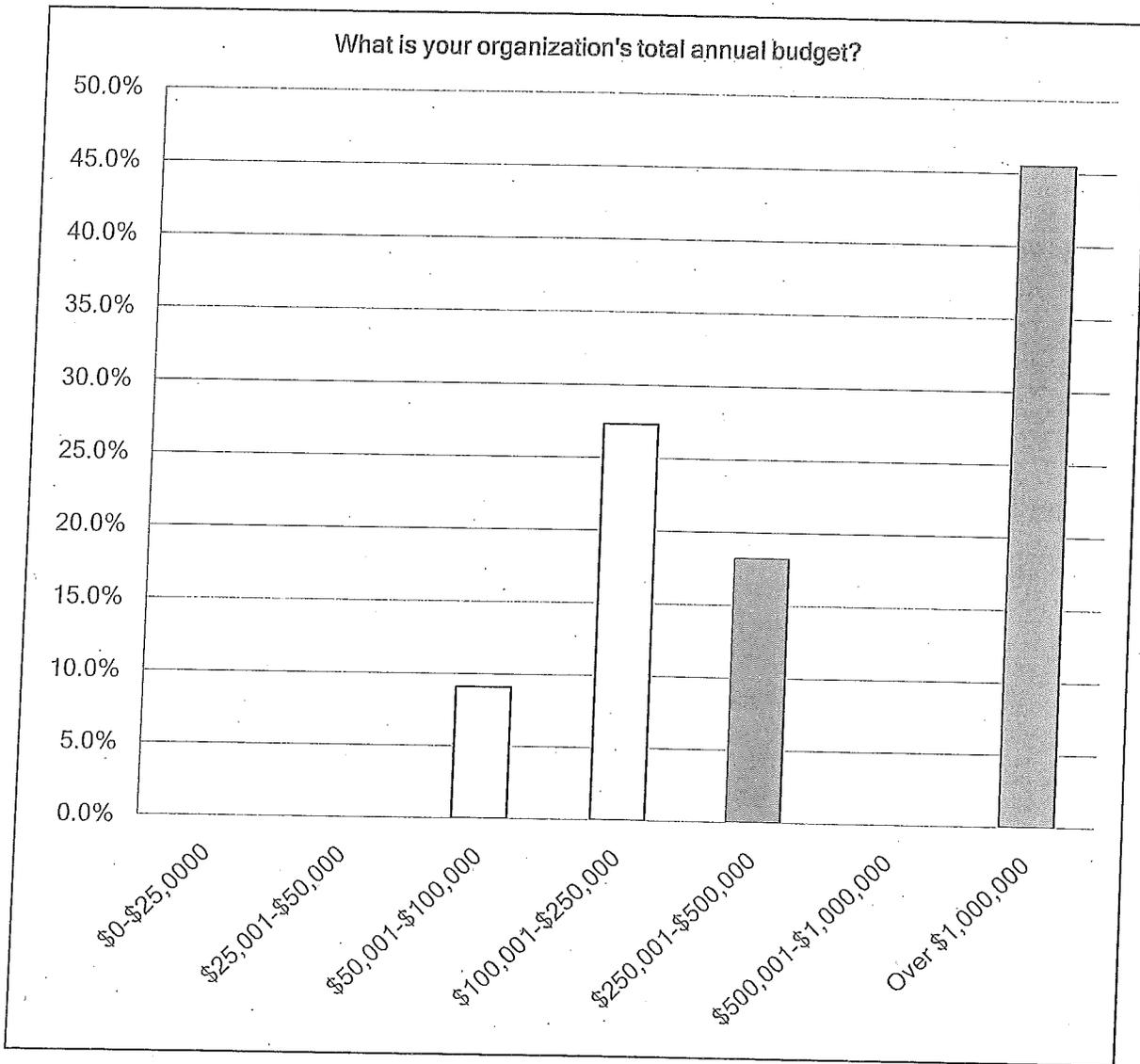
Answer Options	Response Percent	Response Count
0-5	60.0%	6
6-10	10.0%	1
11-20	0.0%	0
21-50	20.0%	2
51-100	0.0%	0
101-200	0.0%	0
Over 200	10.0%	1
<i>answered question</i>		<b>10</b>
<i>skipped question</i>		<b>64</b>



# Tompkins County Livable Wage Survey

What is your organization's total annual budget?

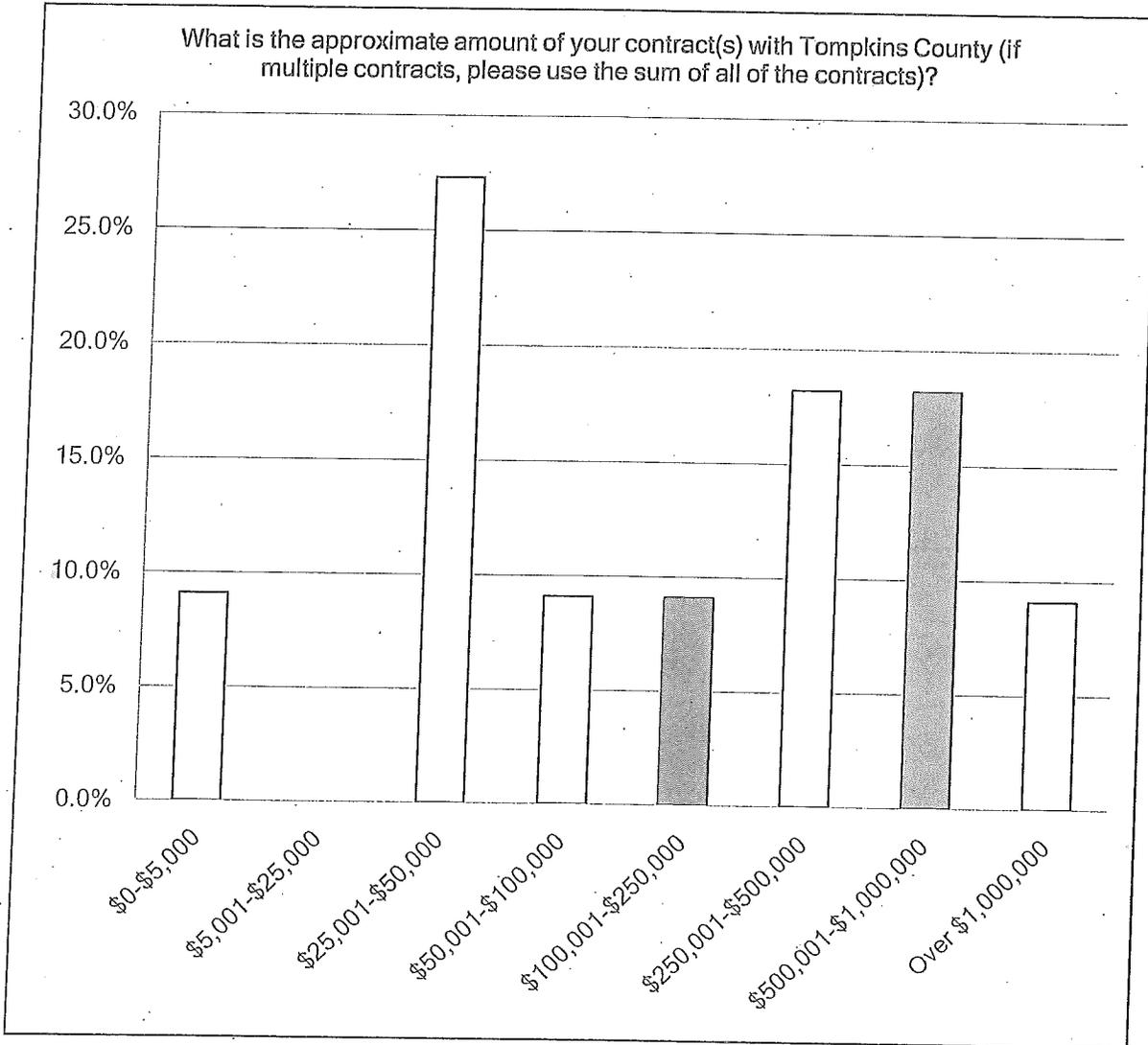
Answer Options	Response Percent	Response Count
\$0-\$25,000	0.0%	0
\$25,001-\$50,000	0.0%	0
\$50,001-\$100,000	9.1%	1
\$100,001-\$250,000	27.3%	3
\$250,001-\$500,000	18.2%	2
\$500,001-\$1,000,000	0.0%	0
Over \$1,000,000	45.5%	5
	<i>answered question</i>	11
	<i>skipped question</i>	63



# Tompkins County Livable Wage Survey

What is the approximate amount of your contract(s) with Tompkins County (if multiple contracts, please use the sum of all of the contracts)?

Answer Options	Response Percent	Response Count
\$0-\$5,000	9.1%	1
\$5,001-\$25,000	0.0%	0
\$25,001-\$50,000	27.3%	3
\$50,001-\$100,000	9.1%	1
\$100,001-\$250,000	9.1%	1
\$250,001-\$500,000	18.2%	2
\$500,001-\$1,000,000	18.2%	2
Over \$1,000,000	9.1%	1
<i>answered question</i>		11
<i>skipped question</i>		63



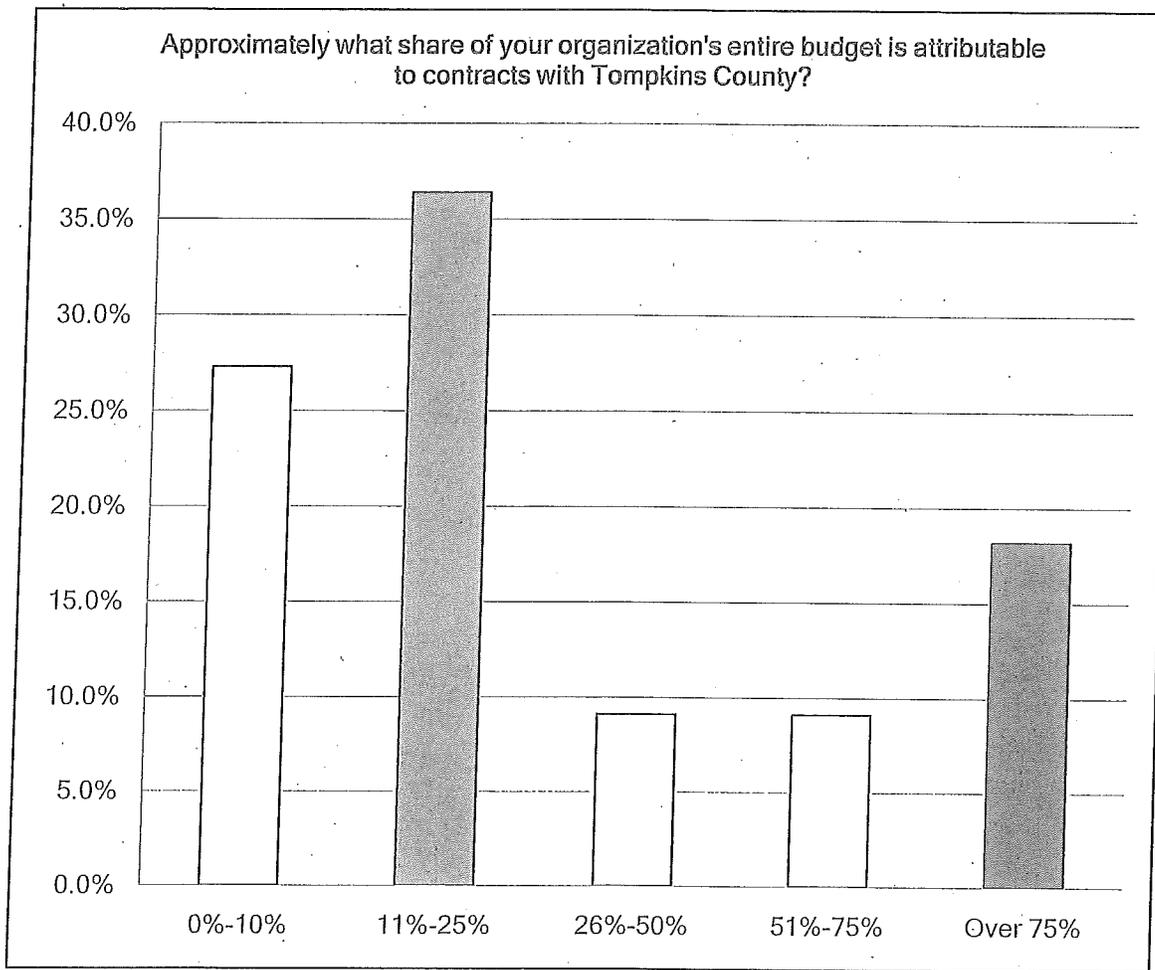
# Tompkins County Livable Wage Survey

Approximately what share of your organization's entire budget is attributable to contracts with Tompkins County?

Answer Options	Response Percent	Response Count
0%-10%	27.3%	3
11%-25%	36.4%	4
26%-50%	9.1%	1
51%-75%	9.1%	1
Over 75%	18.2%	2
Explanatory comments		3
	<i>answered question</i>	11
	<i>skipped question</i>	63

## Explanatory comments

we have a contractual agreement to provide non-medical home care effective 4/1/13, but have not provided any services as of this date  
 we work on a very close budget and the owner makes up part of the employee count  
 approximately 65% of all revenue comes from contracts with the Office Of Aging and the personal care program through the Department of Social Services



## Tompkins County Livable Wage Survey

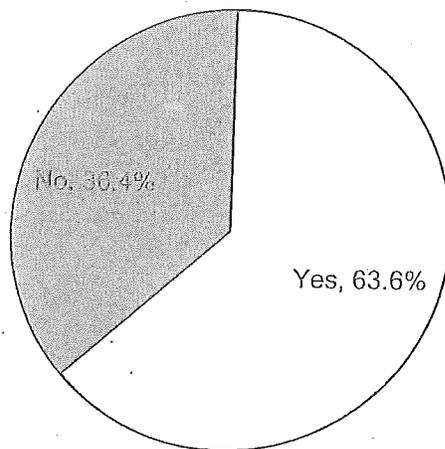
Do any of the employees who provide contracted services to Tompkins County also provide the same or similar services to other counties or customers?

Answer Options	Response Percent	Response Count
Yes	63.6%	7
No	36.4%	4
Comment		2
	<i>answered question</i>	11
	<i>skipped question</i>	63

### Comment

We have caregivers who could potentially work in Cortland, Cayuga, and Tompkins Counties depending upon where they live in relation to the client locations we have some private pay and insurance customers

Do any of the employees who provide contracted services to Tompkins County also provide the same or similar services to other counties or customers?



## Tompkins County Livable Wage Survey

In the space below, you are welcome to offer your comments or suggestions to assist the County in its review of the Livable Wage policy

Answer Options	Response Count
<i>answered question</i>	6
<i>skipped question</i>	68

### Comments

Our small business makes every effort to provide home care services at a reasonable rate to seniors who are living on a limited income. The current hourly rate to private pay clients is between \$17.50 and \$19.50. Services, and therefore business income can be transient, as our clients are of advanced age with many health issues. Our business income and payroll varies dependent upon the number of clients we are serving at any given time. Paying the liveable wage in Tompkins County, a small business such as ours would suffer a tremendous financial impact. The result would be that we would need to reconsider providing a very valuable service to the senior residents and their families in Tompkins county.

We have staff that perform identical duties for us that are contracted with Tompkins County as those that are not. We couldn't pay staff based off of who we contract with. It would have to be universal, and that simply, is unaffordable.

Our organization has a contract with Tompkins County only as a mechanism for NYS funds to "pass thru" the county and on to us. Tompkins County provides NO county funding to our organization. In addition, 83% of the funds we receive thru the county contract are designated for our Intensive Residential Chemical Dependency Program that serves individuals from counties throughout NYS. In 2012, 76% of the clients served in the program came from counties other than Tompkins to avail themselves of this unique service.

Mandating that we pay the livable wage without consideration of the entire benefit package does not provide a fair and equitable assessment of the employee's actual compensation or the employer's costs. If the living wage is mandated without consideration of the benefit costs, we will be forced to reduce our workforce and/or eliminate health care benefits.

The living wage is appropriate for full-time permanent employees, but needs to be implemented very carefully when it comes to young people, part time, temporary and seasonal employees in order to avoid myriad unintended negative consequences. These include, but are not limited to: killing job opportunities for young people, elimination of valuable programs and services (the costs would be too high if implemented poorly), destruction of valuable inter-municipal partnerships, fees that would need to be raised to the point that programs and services that charge fees would become unaffordable for families.

in section 6 you could add full time employees to the list

Our company has been in operations since 1967, we base our pay and benefits on what we are able to bill our customers. if our costs were to increase by 20-25% and there was no corresponding increase in billing rate, we would no longer be able to operate (service clients) in Tompkins county.

Estimate of cost to raise all employees of survey respondents directly involved in providing a contracted service to the County to the living wage

	Survey <u>Responses</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Average</u>
\$0-5,000	2	\$2,000	\$10,000	\$6,000
5,001-10,000	1	\$5,001	\$10,000	\$7,501
10,001-25,000	3	\$30,003	\$75,000	\$52,502
25,001-50,000	1	\$25,001	\$50,000	\$37,501
50,001-100,000*	2	\$100,002	\$200,000	\$150,001
100,001-200,000	0	\$0	\$0	\$0
200,001-300,000	0	\$0	\$0	\$0
300,001-400,000	0	\$0	\$0	\$0
400,001-500,000	0	\$0	\$0	\$0
500,001-\$750,000	0	\$0	\$0	\$0
Over \$750,000	<u>1</u>	<u>\$750,000</u>	<u>\$1,000,000</u>	<u>\$875,000</u>
Total	10	\$912,007	\$1,345,000	\$1,128,504
Totals, less outlier		\$162,007	\$345,000	\$253,504
Total Cost if Survey represents				
15% of Impacted Contractors		\$1,830,047	\$3,300,000	\$2,565,023
25% of Impacted Contractors		\$1,398,028	\$2,380,000	\$1,889,014
50% of Impacted Contractors		\$1,074,014	\$1,690,000	\$1,382,007
75% of Impacted Contractors		\$966,009	\$1,460,000	\$1,213,005
100% of Impacted Contractors		\$912,007	\$1,345,000	\$1,128,504

## Impact Assessments

### Representations from Testimony or Correspondence:

- Cayuga Addiction Recovery Services (CARS)
  - (Prior to increase in living wage)
    - \$25,000 to increase those now paid less than living wage
    - \$50,000 in total to maintain the relationship between work experience, performance, job description, and pay rate
- Challenge Workforce Solutions
  - (Prior to increase in living wage)
  - \$500,000 to raise all to the living wage
    - At a loss of how to implement requirement that applies only the those working on county contracts
- Franziska Racker Center
  - (After increase in living wage)
  - Well above \$1 million
    - (\$300,000 if MIT calculation applied)
- Finger Lakes Independence Center
  - (Prior to increase in living wage)
  - \$2,500

### From information provided to Department Heads by contract vendors

- Mental Health
  - Suicide Prevention is not able to pay a living wage
  - Lakeview not able to pay a living wage
- Solid Waste
  - Re-Community: \$191,325
- Workforce Investment
  - Summer Youth and Year-Round Youth Employment
    - Currently pay minimum wage
    - Would reduce jobs from 181 to 120
- COFA
  - Home care and senior nutrition
  - \$110,333

CROSS-TAB BY SECTOR

ctyadmin Sign Out Help

Home My Surveys Survey Services Plans & Pricing

+ Create Survey

### Tompkins County Livable Wage

Design Survey Collect Responses Analyze Results

- View Summary
- Browse Responses
- Filter Responses
- Crosstab Responses
- Download Responses
- Share Responses



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Default Report + Add Report

## Response Summary

Active Crosstab: Sorted by Sector

Total: 74

Crosstabbed: 73

Edit

Unapply

Select a page to view below or view all pages:

« #2. »

PAGE: 2

1. What is the form of your organization?

Create Chart Download

What is the form of your organization?				
	For Profit	Not-for-Profit	Government	Response Totals
For Profit	100.0% (31)	0.0% (0)	0.0% (0)	42.5% (31)
Not-for-Profit	0.0% (0)	100.0% (34)	0.0% (0)	46.6% (34)
Government	0.0% (0)	0.0% (0)	100.0% (8)	11.0% (8)
Other (please specify)	0 replies	0 replies	0 replies	0
answered question	31	34	8	73
skipped question				0

2. What is your organization's business relationship with Tompkins County?

Create Chart Download

What is the form of your organization?				
	For Profit	Not-for-Profit	Government	Response

Cross-Tab by Sector

ctyadmin Sign Out Help

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+ Create Survey

Tompkins County Livable Wage

Design Survey Collect Responses Analyze Results

- View Summary
- Browse Responses
- Filter Responses
- Crosstab Responses
- Download Responses
- Share Responses



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Default Report [+ Add Report](#)

Response Summary

Active Crosstab: Sorted by Sector

Total: 74

[Edit](#)

Crosstabbed: 73

[Unapply](#)

Select a page to view below or view all pages:

« #3. »

PAGE: 3

3. Are all of your organization's employees who are directly involved in delivering services to Tompkins County, pursuant to a contract with the County, paid the Living Wage or higher? (As of May 3, 2013, the Living Wage in Tompkins County is \$12.62/hour for employees receiving employer-provided health care and \$13.94/hour for employees who are not receiving employer-provided health care. The Living Wage is determined every two years by the Alternatives Federal Credit Union.)

What is the form of your organization?

	For Profit	Not-for-Profit	Government	Response Totals
Yes	85.7% (24)	60.0% (18)	60.0% (3)	71.4% (45)
No	14.3% (4)	40.0% (12)	40.0% (2)	28.6% (18)
Comments	1 reply	6 replies	2 replies	9

answered question 28 30 5 63

skipped question 10

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Living Wage Work Group Meeting #6  
May 21, 2013

Meeting Goal:

- Determine whether changes are needed in policy or procedure and, if so, what they should be.

Materials:

- Contractor Payment List, 2012
- Mental Health Programs, Local Costs
- AFCU and MIT Living Wage Calculations

Agenda

- I. Public comment
- II. Review of Materials
- III. Revisit
  - a. Potential financial implications
  - b. Living Wage calculations
    - AFCU 2013 rate
    - MIT rate
- IV. Continued Discussion: Prospective rules and procedures
  - a. Thresholds defining scope of the living wage policy
    - Point of Departure 5/15/13
      - Threshold based on County cost of contract (vs. total contract cost)
      - Dollar amount at \$50,000-\$100,000
      - Exclude foster care
      - Exclude Inter-Governmental contracts
      - Consider excluding Room Tax grants
  - b. Exempted positions, for example
    - 18 or under
    - 90-day temporary/seasonal
    - In sheltered or supported work environment (individuals with barriers to employment)
    - In job training/work-study programs

- In welfare-to-work programs
- Paid pursuant to collective bargaining agreement
- Paid pursuant to state or federal-mandated prevailing wage rate
- Volunteers

c. Waiver process

- Example of considerations:
  - Wage levels less than living wage are established by primary funding sources (state or federal governments)
  - Recognition of value of non-mandated fringe benefits or other employer-provided items beyond the \$1.32/hour health insurance allowance
  - Absence of alternative providers
  - Meet MIT living wage rate
  - Demonstrable progress in increasing wages of lowest paid
  - Employees provide the same service, at the same time, to other clients/customers
  - Payment adds more than X% to County's cost

d. Depth of coverage

- Directly involved in the provision of the contracted service

V. Next steps

VI. Adjourn

Andrea out of office. Have no notes for meeting.

**TC Livable Wage Work Group**  
Meeting Notes  
**Tuesday, May 21, 2013 – 3:00-5:00 PM**  
Old Jail Building, Heyman Conference Room

<b>Attendees</b>		<b>Status</b>
Jim	Dennis	
Barbara	Eckstrom	
Andrea	Gibbs	
Kathy Luz	Herrera	
Lisa	Holmes	
Jackie	Kippola	
Joe	Mareane	
Rick	Snyder	
David	Squires	
Peter	Stein	
Jonathan	Wood	

**Legislator:**

**Staff:**

**Public:**

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**Meeting Goal:**

- Determine whether changes are needed in policy or procedure and, if so, what they should be.

**Materials:**

- Contractor Payment List, 2012
- Mental Health Programs, Local Costs
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**Agenda**

- I. Public comment
- II. Review of Materials
- III. Revisit
  - a. Potential financial implications
  - b. Living Wage calculations

- i. AFCU 2013 rate
  - ii. MIT rate
- IV. Continued Discussion: Prospective rules and procedures
  - a. Thresholds defining scope of the living wage policy
    - i. Point of Departure 5/15/13
      - 1. Threshold based on County cost of contract (vs. total contract cost)
      - 2. Dollar amount at \$50,000-\$100,000
      - 3. Exclude foster care
      - 4. Exclude Inter-Governmental contracts
      - 5. Consider excluding Room Tax grants
  - b. Exempted positions, for example
    - i. 18 or under
    - ii. 90-day temporary/seasonal
    - iii. In sheltered or supported work environment (individuals with barriers to employment)
    - iv. In job training/work-study programs
    - v. In welfare-to-work programs
    - vi. Paid pursuant to collective bargaining agreement
    - vii. Paid pursuant to state or federal-mandated prevailing wage rate
    - viii. Volunteers
  - c. Waiver process
    - i. Example of considerations:
      - 1. Wage levels less than living wage are established by primary funding sources (state or federal governments)
      - 2. Recognition of value of non-mandated fringe benefits or other employer-provided items beyond the \$1.32/hour health insurance allowance
      - 3. Absence of alternative providers
      - 4. Meet MIT living wage rate
      - 5. Demonstrable progress in increasing wages of lowest paid
      - 6. Employees provide the same service, at the same time, to other clients/customers
      - 7. Payment adds more than X% to County's cost
  - d. Depth of coverage
    - i. Directly involved in the provision of the contracted service

V. Next steps  
Adjourn

2012 Contract Payments, by Contractor, Over \$5,000

Payee		Total	Payee		Total
<u>General</u>			<u>Government</u>		
1	FRANZISKA RACKER CENTERS	2,630,027	TOMPKINS COUNTY	7,252,108	
2	SUIT-KOTE CORPORATION	2,046,679	TC MUNICIPAL HEALTH INS CONSORTIUM	11,997,640	
3	COOPERATIVE EXTENSION OF TC	1,195,184	TCAT	4,826,375	
4	CHALLENGE INDUSTRIES	1,110,626	CITY OF ITHACA	3,292,619	
5	RECOMMUNITY	1,089,713	TOWN OF ITHACA	3,233,630	
6	TOMPKINS COUNTY CHAMBER OF COMMERCE	1,051,049	TC3	2,704,789	
7	ITHACA ALPHA HOUSE CENTER, INC.	924,979	TOMPKINS COUNTY PUBLIC LIBRARY	2,531,283	
8	CASELLA WASTE SERVICES	913,909	TOWN OF DRYDEN	2,380,879	
9	LAKEVIEW MENTAL HEALTH SERV., INC.	876,463	TOWN OF LANSING	1,813,956	
10	FOODNET	853,113	ITHACA CITY SCHOOL DISTRICT	1,163,996	
11	WE CARE TRANSPORTATION, LLC	780,231	DRYDEN CENTRAL SCHOOL	1,006,512	
12	MOTOROLA SOLUTIONS, INC.	753,317	CHASE EQUIPMENT LEASING INC.	984,537	
13	ICF INCORPORATED, LLC	716,029	TOMPKINS COUNTY BUDGET & FINANCE	879,946	
14	BETTER HOUSING OF TOMPKINS COUNTY	672,262	TOMPKINS COUNTY HIGHWAY	874,991	
15	SHEPARD BROTHERS, INC.	592,716	TOWN OF ULYSSES	736,600	
16	GUDABRI, INC.	573,229	VILLAGE OF CAYUGA HEIGHTS	729,151	
17	C & S ENGINEERS, INC.	569,881	VILLAGE OF LANSING	728,245	
18	F.E. JONES CONSTRUCTION, INC.	520,518	VILLAGE OF GROTON	507,698	
19	HAYLOR, FREYER, & COON	496,822	CITY OF ITHACA YOUTH BUREAU	507,213	
20	INTEGRYS ENERGY SERVICES OF NY, INC	457,109	TOWN OF GROTON	474,226	
21	BIRNIE BUS SERVICE, INC.	449,691	GROTON CENTRAL SCHOOL	425,691	
22	ALCOHOL & DRUG COUNCIL OF TC, INC.	440,458	VILLAGE OF DRYDEN	410,994	
23	DIFIORE CONSTRUCTION, INC.	422,385	VILLAGE OF TRUMANSBURG	377,275	
24	HUMAN SERVICES COALITION	421,705	LANSING CENTRAL SCHOOL	369,622	
25	MENTAL HEALTH ASSOCIATION	380,404	TRUMANSBURG CENTRAL SCHOOL	304,367	
26	CLIMATE CONTROL TECHNOLOGIES, INC.	339,705	NEWFIELD CENTRAL SCHOOL	298,424	
27	NYSEG ITHACA	328,089	TOMPKINS COUNTY SOIL & WATER	263,549	
28	THE LEARNING WEB	312,527	TST BOCES	155,858	
29	CHILD DEVELOPMENT COUNCIL	311,919	SPENCER VAN-ETTEN CENTRAL SCHOOL	114,217	
30	SPILLMAN TECHNOLOGIES	301,590	CANDOR CENTRAL SCHOOL	110,502	
31	VANTAGE EQUIPMENT, LLC	270,548	VILLAGE OF FREEVILLE	102,391	
32	TOMPKINS COMMUNITY ACTION, INC.	268,603	TOWN OF CAROLINE	80,660	
33	VAN BORTEL FORD	262,428	TOWN OF DANBY	71,483	
34	CARDMEMBER SERVICE	248,893	ITHACA POLICE DEPARTMENT	71,189	
35	ECONOMY PAVING CO., INC.	237,663	SOUTHERN TIER EAST REGIONAL	65,919	
36	MIRABITO FUEL GROUP	217,399	TOMPKINS COUNTY SHERIFF	62,727	
37	LECHASE CONSTRUCTION SERVICES	206,517	FINGER LAKES COMMUNITY COLLEGE	49,333	
38	HOLT ARCHITECTS, P.C.	204,246	SENECA COUNTY TREASURER	48,450	
39	CARGILL SALT INC.	189,177	TOWN OF NEWFIELD	48,059	
40	TOWER ROOFING COMPANY, INC	181,450	NEWARK VALLEY CENTRAL SCHOOL	47,814	
41	AMERICAN RED CROSS (ITHACA)	177,431	BROOME COMMUNITY COLLEGE	47,167	
42	FAMILY & CHILDREN'S SERVICES	173,723	NYS DOH	45,480	
43	SUICIDE PREVENTION & CRISIS SERVICE	173,308	CORNING COMMUNITY COLLEGE	44,782	
44	WENDEL DUCHSCHERER	172,353	NYS DEPARTMENT OF LABOR UNEMPLOYMEN	41,175	
45	PLASTISOL COMPOSITES	170,989	TOWN OF ENFIELD	38,905	
46	ASCENT AVIATION GROUP, INC.	169,969	CAYUGA COMMUNITY COLLEGE	33,315	
47	OPPORTUNITIES, ALTERNATIVES AND	167,063	ONONDAGA COMMUNITY COLLEGE	29,753	
48	CANARX GROUP INC.	166,178	NYS OFFICE OF MENTAL HEALTH	27,978	
49	CAREGIVERS	164,517	GROTON PUBLIC LIBRARY	27,500	
50	CAYUGA MEDICAL CENTER AT ITHACA	163,158	LANSING COMMUNITY LIBRARY	27,500	
51	LYNX TECHNOLOGIES	155,609	NEWFIELD LIBRARY ASSN.	27,500	
52	CATHOLIC CHARITIES TOMPKINS TIOGA	152,799	SOUTHWORTH LIBRARY ASSOCIATION	27,500	
53	RICHARDSON BROTHERS	151,976	ULYSSES PHILOMATHIC LIBRARY	27,500	
54	M&T BANK TRUST DEPT	150,545	NYS DEPARTMENT OF HEALTH	18,144	
55	THE HISTORY CENTER	149,996			

2012 Contract Payments, by Contractor, Over \$5,000

	Payee	Total
<u>General</u>		
111	BANGS AMBULANCE, INC.	66,577
112	HERMAN MILLER, INC.	66,534
113	JULIA KRETZMANN	65,891
114	HANCOCK PLAZA PROPERTY, INC.	64,723
115	BERKSHIRE FARM CENTER	64,517
116	CENTRAL NEW YORK SERVICES, INC.	64,108
117	STAPLES INC., AND SUBSIDIARIES	63,399
118	BRITE COMPUTERS	62,714
119	MARSHALL M. TRABOUT, M.D.	62,268
120	INFORMATION MANAGEMENT ASSOCIATES	60,813
121	SHARLYN KEEGAN	60,589
122	DELTA ENGINEERS, ARCHITECTS, &	60,132
123	JEFF BERCUVITZ	58,860
124	VERIZON	58,150
125	SHI INTERNATIONAL, INC.	57,810
126	CORNELL COOPERATIVE EXTENSION ITHAC	57,297
127	SCIENCENTER	56,696
128	STAFKINGS HEALTHCARE	55,592
129	SANICO, INC.	55,498
130	TIOGA CONSTRUCTION CO., INC.	55,000
131	LESLIE SHAKESPEARE	54,961
132	KRISTINE SHAW	54,772
133	VISION FORD	54,570
134	CASELLA	54,369
135	FASHION INSTITUTE TECH	54,342
136	BOTHAR CONSTRUCTION, LLC	53,920
137	GREEN SCENE LAWN & GARDEN	53,461
138	NOVARTIS	53,130
139	SHERRY GOLDEN	52,855
140	U.S. GEOLOGICAL SURVEY	52,387
141	LEGAL ASSISTANCE OF WESTERN NY, INC	52,380
142	MOTORS FLEET	51,565
143	HUNT ENGINEERS, P.C.	51,088
144	OFFICEMAX CONTRACT INC.	51,055
145	KNAPP ELECTRIC, INC.	50,279
146	DELL MARKETING L.P.	50,266
147	GENERAL CODE	49,747
148	BER NATIONAL CONTROLS	49,269
149	PHOENIX GRAPHICS, INC.	48,806
150	COMMUNITY DISPUTE RESOLUTION CTR.	46,795
151	WOMEN'S OPPORTUNITY CENTER	46,098
152	MATTHEWS BUSES, INC	45,984
153	MULTICULTURAL RESOURCE CENTER, INC.	45,277
154	TOMPKINS COUNTY SPCA	44,754
155	THE FOOD BANK OF THE SOUTHERN TIER	44,128
156	OFFICE OF ALCOHOLISM & SUBSTANCE	44,044
157	FINGER LAKES INDEPENDENCE CENTER	43,962
158	KING & KING MECHANICAL INC.	43,727
159	POWER LINE CONSTRUCTORS, INC.	43,150
160	COMFORT KEEPERS	42,797
161	CORNELL UNIVERSITY	40,892
162	EBS-RMSCO, INC.	40,359
163	MONRO MUFFLER/BRAKE, INC	39,106
164	UNITED UNIFORM CO, INC.	38,787
165	EDITH AYER	37,755

	Payee	Total
	JOCH & KIRBY	7,928
	MARLIN HOUSTON	6,000
	SAMUEL D. CASTELLINO, ESQ.	5,805
		1,460,024
<u>Tourism</u>		
	COMMUNITY ARTS PARTNERSHIP	93,105
	HANGAR THEATRE	66,513
	PALEONTOLOGICAL RESEARCH INST.	53,606
	THE KITCHEN THEATRE, CO.	52,573
	DISCOVERY TRAIL (PRI)	36,270
	STATE THEATRE OF ITHACA	32,007
	TOMPKINS COUNTY AREA DEVELOPMENT	29,391
	CAYUGA CHAMBER ORCHESTRA	22,236
	SOCIAL VENTURES, INC.	15,050
	ITHACA MOTION PICTURE PROJECT	13,600
	THE ITHACA SHAKESPEARE COMPANY	12,500
	CAYUGA LAKE WINE TRAIL	5,000
		431,851

2012 Contract Payments, by Contractor, Over \$5,000

Payee		Total	Payee		Total
General					
221	CERNER BEYONDNOW, INC.	20,395			
222	MOTOROLA, INC.	20,025			
223	ELIZABETH KUO	19,244			
224	NY WIRED FOR EDUCATION	19,200			
225	WECARE WASTE & RECYCLING SERVICES	19,160			
226	S&B COMPUTER & OFFICE PRODUCTS, INC	19,049			
227	NANCY FUHR BONN	19,049			
228	NE ENTERPRISES LLC	19,015			
229	MAGUIRE	19,011			
230	HORN RESEARCH LLC	19,000			
231	ERYNN BLUME	18,678			
232	ANDREE PETROLEUM, INC.	18,409			
233	IKON OFFICE SOLUTIONS	18,198			
234	INTRADO SYSTEMS CORPORATION	18,000			
235	SCHLATHER, STUMBAR, PARKS & SALK	17,937			
236	NELSON & STREETER CONSTRUCTION	17,886			
237	SUNGARD PUBLIC SECTOR INC	17,775			
238	EMPIRE STATE COLLEGE BOOKSTORE	17,587			
239	GANNETT CENTRAL NEW YORK	17,333			
240	HP HOOD	17,164			
241	STANLEY ACCESS TECHNOLOGIES	17,140			
242	IQM2 INC.	16,980			
243	ITHACA HEALTH ALLIANCE/FREE CLINIC	16,920			
244	SUZANNE V. REINE	16,893			
245	TALLMADGE TIRE CORTLAND	16,726			
246	MARGARET MCCARTHY	16,699			
247	TOMPKINS CORTLAND COMMUNITY	16,572			
248	NICOLE DAURIA	16,533			
249	ITHACA RECREATION SPORTS, INC.	16,513			
250	HOLMBERG, GALBRAITH, VAN HOUTEN &	16,512			
251	JC SMITH, INC.	16,396			
252	ALCOHOL MONITORING SYSTEMS INC.	16,192			
253	LIFESPAN	16,061			
254	CONCORD ELECTRIC CORPORATION	16,018			
255	FISCAL ADVISERS & MARKETING, INC.	16,000			
256	THERM	15,847			
257	PERVASIVE SOLUTIONS, LLC	15,805			
258	SDM LANDSCAPING	15,710			
259	SHERWIN-WILLIAMS CO.	15,394			
260	ESTATE OF WILLIAM P. SELLERS IV	15,173			
261	FARM CREDIT EAST, ACA	15,066			
262	SUZANNE GREEN	15,028			
263	CENTER FOR DISEASE DETECTION	14,986			
264	YVONNE FOGARTY	14,940			
265	BLUE WING SERVICES, INC.	14,770			
266	EDCO SALES	14,628			
267	CAYUGA CRUSHED STONE INC	14,625			
268	EAGLE ENVELOPE COMPANY	14,624			
269	RICOH USA, INC	14,519			
270	THYSSENKRUPP ELEVATOR CORPORATION	14,380			
271	ALEZA SIMONS	14,323			
272	NOCO DISTRIBUTION LLC	14,235			
273	ARMORY ASSOCIATES, LLC	14,200			
274	FINGER LAKES LIBRARY SYSTEM	14,178			
275	SANOFI PASTEUR, INC.	13,978			

2012 Contract Payments, by Contractor, Over \$5,000

Payee		Total	Payee		Total
General					
331	EAGLE POINT GUN/T.J. MORRIS & SON	9,908			
332	HORIZON SOLUTIONS CORP	9,882			
333	ITHACA WASTEWATER	9,737			
334	G.P. LAND & CARPET CORP.	9,724			
335	TRI-COUNTY REFRIGERATION, INC	9,594			
336	MOODY'S INVESTORS SERVICE	9,500			
337	PENN POWER SYSTEMS	9,489			
338	GENESSE COMMUNITY COLLEGE	9,467			
339	ITHACA TIMES	9,461			
340	SIT ON IT INC. EXEMPLIS	9,454			
341	ALBERT FANG	9,432			
342	ACCUFAB, INC.	9,294			
343	BRIGGS & STRATON POWER PRODUCTS GR.	9,255			
344	CUMMINS NORTHEAST, INC.	9,102			
345	LOWE'S COMMERCIAL SERVICES	9,092			
346	WEGMANS FOOD MARKETS, INC.	9,052			
347	JOEL LALONE CONSULTING	9,000			
348	GARY W. ANDERSON	8,996			
349	AGWAY	8,964			
350	OFFICE DEPOT	8,942			
351	CHRISTOPHER & APRIL PTAK	8,900			
352	MOORE MEDICAL CORP.	8,894			
353	HILL & MARKES, INC.	8,737			
354	CAYUGA RADIO GROUP	8,702			
355	APPLIED CONCEPTS, INC	8,686			
356	KOSKINEN'S COLLISON SERVICE	8,397			
357	MCKESSON SPECIALTY CARE DISTRIB.	8,378			
358	DATAMOMENTUM	8,358			
359	GRAMMATECH, INC.	8,307			
360	ESREF & BELGIN DOGAN	8,250			
361	TOMPKINS COUNTY FACILITIES	8,161			
362	CDW GOVERNMENT, INC	8,113			
363	LYNDEN & SHIVAUN ARCHER	8,100			
364	STEVENS OFFICE INTERIORS	8,084			
365	FEHER RUBBISH REMOVAL	7,993			
366	FREIHOFER SALES COMPANY, INC.	7,957			
367	DELL MARKETING, L.P.	7,948			
368	KELLIE HUMMEL	7,875			
369	WPIE RADIO	7,610			
370	DEBRA MCCALL	7,545			
371	ERIN CAMPFIELD	7,502			
372	KRISTINA WIGHT	7,456			
373	TYLER FIRE EQUIPMENT	7,454			
374	ALTERNATIVE WASTE SERVICE INC.	7,425			
375	H.J. PETER PATRICK	7,400			
376	Z95.5	7,343			
377	SOUTHERN COMPUTER WAREHOUSE	7,339			
378	SYNERGY S/W TECHNOLOGIES, INC.	7,297			
379	ODESSA-MONTOUR CENTRAL SCHOOL	7,262			
380	ROBERT RICH	7,250			
381	CRAFCO, INC.	7,241			
382	DAVIS-ULMER	7,226			
383	KEVIN & DEBORAH COWAN	7,200			
384	VISION SOLUTIONS, INC.	7,171			
385	SYRACUSE SIGNAL SYSTEMS, INC.	7,100			

2012 Contract Payments, by Contractor, Over \$5,000

Payee		Total	Payee		Total
General					
441	RICONDO & ASSOCIATES, INC.	5,351			
442	PROFORMA CUSTOMIZED BUSINESS PROD.	5,292			
443	CUSTOM PRODUCTS CORPORATION	5,284			
444	MICROBAC - NEW YORK	5,281			
445	AIRGAS EAST	5,278			
446	ID BOOTH, INC.	5,259			
447	OVERHEAD DOOR CO. OF CORTLAND, INC.	5,240			
448	PATRICIA JOHNSON	5,200			
449	MATTHEW D'ORTONA, PSY.D	5,170			
450	LAKE WATCH INN	5,113			
451	VAN HORN JOHNSON FARM	5,100			
452	NIAGARA COUNTY COMMUNITY COLLEGE	5,057			
453	JP MORGAN CHASE BANK - DALLAS	5,047			
454	CHRIS GARTLEIN	5,022			
455	STERICYCLE, INC	5,019			
456	VERONICA E. FROSEN	5,011			
457	G&H FIRE EXTINGUISHERS	5,007			
458	BINGHAMTON UNIVERSITY ACCT 900316	5,000			
459	TAMARACK DESIGN, INC.	5,000			
460	CATALOG CHOICE	5,000			
461	EARTHLINK CLOUD	5,000			
	5,000 and Over	39,720,793			

Mental Health Programs, Estimated Local and Total Cost (from 2013 budget)

<u>Program</u>	<u>Local \$</u>	<u>Total \$</u>	<u>Local %</u>
Alcohol & Drug Council--Chem Dependency Prevention	-	152,128	0%
Alcohol & Drug Council--Outpatient Chem Dep Clinic	57,780	216,555	27%
American Red Cross--Homeless Services	-	64,033	0%
Catholic Charities--Parent Advocacy	-	4,870	0%
CARS--Recovery Svcs Outpatient Program	-	161,949	0%
CARS-Residential Rehab for Addiction Recovery	-	780,489	0%
Challenge--Assisted Competitive Employment	7,578	83,422	9%
Challenge--Ongoing Integrated Supported Employment	1,351	117,539	1%
Challenge--Sheltered Workshop	48,834	274,068	18%
Challenge-Transitional Employment Placement	1,236	131,116	1%
Family & Childrens--Crisis Stabilization	-	37,993	0%
Family & Childrens--Respite Care and Caregiver Couns.	-	99,923	0%
Family & Childrens--Zero to Five Project	-	22,473	0%
Ithaca Youth Bureau	47,661	136,334	35%
Lakeview MH--Supported Housing Community Svcs	-	219,085	0%
Lakeview MH--Supported SRO	-	657,379	0%
Mental Health Association--Advocacy and Support	-	139,459	0%
Mental Health Association--Family Support Svcs	-	106,768	0%
Mental Health Association--Psychosocial club	-	13,226	0%
Mental Health Association--Respite Program	-	10,896	0%
Racker Ctr/TST BOCES Possibilities Classroom Program	-	241,528	0%
Racker Ctr-SPOA Contract	-	35,000	0%
TST BOCES-Education and Training	-	105,291	0%
	<u>164,440</u>	<u>3,811,524</u>	<u>4%</u>

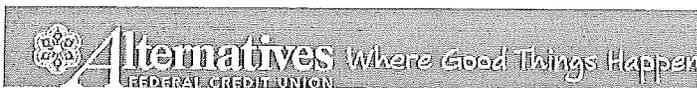
Living Wage Calculation--AFCU (2013) and M.I.T.

Expense Per Month

<u>Expense</u>	<u>AFCU</u>	<u>MIT</u>
Housing	836.00	795.00
Food	218.50	242.00
Transportation	189.01	262.00
Communication		-
Internet	35.74	
Phone	27.50	
Health Care	188.64	127.00
Recreation	107.00	-
Savings	64.00	-
Misc	113.75	84.00
Net	1,780.14	1,510.00
Tax	406.71	271.83
Total Monthly	2,186.85	1,781.83
Months	12	12
Annualized	26,242.20	21,382.00

Expense Per Hour

<u>Expense</u>	<u>AFCU</u>	<u>MIT</u>
Housing	4.82	4.59
Food	1.26	1.40
Transportation	1.09	1.51
Communication		-
Internet	0.21	
Phone	0.16	
Health Care	1.09	0.73
Recreation	0.62	-
Savings	0.37	-
Misc	0.66	0.48
Net	10.27	8.71
Tax	2.35	1.57
Total Hourly	12.62	10.28
If Only MIT Items		
Recreation	(0.62)	12.00
Savings	(0.37)	11.63
Internet	(0.21)	11.42
Phone	(0.16)	11.27

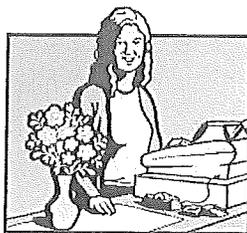


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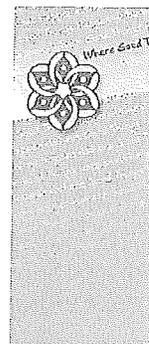
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**Gary H.**  
 I came to Alternatives for  
 loan and a truck loan. I a  
 son to Alternatives for a  
 loan, my daughter for a n  
 loan, and a close friend f  
 improvement and new ca  
 I really liked the speed in  
 received the money; I fill  
 application mid-morning i  
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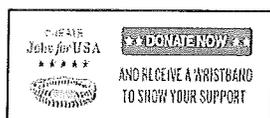
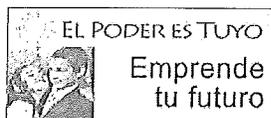
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# Living Wage 2013 Chart

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Alternatives Federal Credit Union Living Wage Study 2013

Category	Month (2010)	Month (2012)	Percent Change	Year (2012)	Comments	Source
Rent	\$811.00	\$836.00	3.08%	\$10,032.00	Fair Market rent for single bedroom apartment including utilities	HUD
Food	\$203.60	\$218.50	7.32%	\$2,622.20	Average of low-cost food plan for males and females ages 19-50	USDA
Transportation	\$179.03	\$189.01	5.57%	\$2,268.12	Weighted average of amount spent on cars, car share, public transportation, and bicycle maintenance	ACS, BLS, EIA, TCAT
Communication	\$59.99	\$63.24	5.42%	\$758.88	Nationwide prepaid cell phone and internet	AT&T, Verizon, Time Warner
Health Care	\$173.08	\$188.64	8.99%	\$2,263.68	Employee's share of premium and out of pocket medical expenses	BLS, Alternatives
Recreation	\$101.62	\$107.00	5.29%	\$1,284.00	Adjusted for inflation	
Savings	\$60.78	\$64.00	5.30%	\$768.00	Adjusted for inflation	
Miscellaneous	\$110.46	\$113.75	2.98%	\$1,365.00	Apparel products, housekeeping supplies and personal care products and service	BLS
Net (Subtotal)	\$1,699.56	\$1,780.14	4.74%	\$21,361.68		
Payroll tax	\$114.28	\$167.33	46.42%	\$2,007.95		
Federal tax	\$149.23	\$165.91	11.18%	\$1,990.91		
State tax	\$59.56	\$73.47	23.36%	\$881.67		
<b>TOTAL</b>	<b>\$2,022.63</b>	<b>\$2,186.85</b>	<b>8.12%</b>	<b>\$26,242.21</b>		
hourly @ 40hrs./week	\$11.67	\$12.62				



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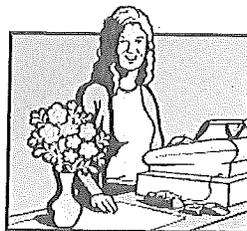


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## Living Wage 2013 Notes

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### 2013 Living Wage Study Notes

These notes reflect the sources from which the data used in the 2013 Living Wage Study was selected. Whenever possible, the most up-to-date publications with the most local data were used. All percentage increases/decreases marked in parenthesis indicate the change from the same numbers used or obtained in the 2011 Living Wage Study for comparative purposes.

**Rent:**

\$836.00/month One-Bedroom x 12 months = \$10,032/year (+3.08%)  
 Other options:  
 Efficiency: \$682 (-13.56%)  
 2BR: \$1,001 (+5.37%)  
 3BR: \$1,387 (+20.61%)  
 4BR: \$1,392 (+16.78%)

**Sources:**

U.S. Department of Housing and Urban Development: Final FY 2013 Fair Market Rent Documentation System,  
<http://www.huduser.org/portal/datasets/fmr/fmrs/docsys.html&data=fmr13> (Select NY State Tompkins County)

**Food:**

\$218.50/month x 12 months = \$2,622/year (+7.32%)  
 Low-cost Official USDA Food Plan: Average of male and female ages 19-50  
 Monthly cost of food on low-cost plan:  
 Men 19-50 years: \$234 (+7.39%)  
 Women 19-50 years: \$203 (+7.24%)  
 Average of men and women: \$218.50 (+7.32%)

**Sources:**

Official USDA Food Plans: Cost of Food at Home at Four Levels, U.S. Average, June 2012 (June statistics are used to represent the annual average),  
<http://www.cnpp.usda.gov/Publications/FoodPlans/2012/CostofFoodJun2012.pdf>

**Transportation:**

\$168.86 + \$17.45 + \$2.58 + \$0.12 + \$0 = \$189.01/month x 12 months = \$2268.12/year (+5.57%)

Population of Tompkins County: 101,723 (US Census Bureau 2011)  
 Drive Alone 56.6%, Carpool 11.7%, Public Transportation 5.9%, Bike, 1.5%, Walk 16.4%, Work at home 6.3%, Other 1%

Drive Alone = \$3,580/12 x 0.566 = \$168.86/month  
 Cost of driving alone, according to BLS Customer Expenditure Survey 2011 (second 20%) = \$1,981 (gasoline/motor oil up 32.24%) + \$1,599 (other expenses, including insurance, maintenance and repairs, vehicle finance charges, licenses, up 14.58%) = \$3,580/year

Carpool = \$1790/12 x 0.117 = \$17.45/month  
 Share the cost of driving alone - divide by 2.



**Rima Shamieh**

My IDA (Individual Development Account) experience was just incredible. I saved a few bucks every week and after a year, I had a savings account with \$3,000 in it! And I'm glad that the MoneyWise class was required, because it really helped me develop a healthier relationship with money. So many of the skills I learned in class seemed so obvious, but I never thought I knew how to do them until we went over them in class. For example, tracking my spending made a HUGE difference in how I now spend money. Also, the exercises in the beginning when we explored our relationships with money - I discovered I'm a carefree, spirited, impulsive spender. It helps to put a name on things.

After accruing thousands of dollars in debt from student loans from when I was an undergraduate, I was determined to do all I could to stay out of debt for when I continued my education. The IDA really helped. I feel so much better prepared to build equity and save for my future. Thanks, Alternatives!

### Alternatives Financial Education »

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Public Transportation  $\$456/12 \times 0.068 = \$2.58/\text{month}$   
 Cost of public transportation (annual bus pass on TCAT) = \$450 (Zone 1) or \$600 (Zone 2)  
 Per TCAT, 95.9 buy Zone 1, 4.1% Zone 2.  
 Average cost of TCAT bus pass =  $(\$450 \times 95.9\% = \$431.55 + \$600 \times 4.1\% = \$24.60 = \$456.15)$

Bike  $\$92.59/12 \times 0.015 = \$0.12/\text{month}$   
 Cost of a bike \$50 (\$250 over 5 years) + \$42.59 annual maintenance = \$92.23  
 Annual maintenance such as tuning, changing of tires, brakes and tubes.

Cost of maintenance of existing bicycle based on Living Wage Study 2002 (obtained from Claritas Consumer Spending Patterns data) = \$33/year, adjusted for inflation = \$42.59/year

Walking 16.4% + Work at home 6.3% + Others (including taxi and motorcycle) 1%  
 These categories are collectively assumed to have none or very little cost.

Sources:

Commuting to Work (Ages 16+) study, prepared by Ithaca-Tompkins County Transportation Council,  
[http://www.tompkins-co.org/itctc/Statistics/Journey-to-Work/Easy%20to%20read%20chartsDec2011/JTW\\_by\\_Municipality2011ACS\\_12\\_14.pdf](http://www.tompkins-co.org/itctc/Statistics/Journey-to-Work/Easy%20to%20read%20chartsDec2011/JTW_by_Municipality2011ACS_12_14.pdf)

Consumer Expenditures Survey 2011 (second 20%),  
<http://www.bls.gov/cex/2011/Standard/quintile.pdf>  
 Weekly Retail Gasoline and Diesel Prices, US Energy Information Administration,  
[http://www.eia.gov/dnav/pet/pet\\_pri\\_gnd\\_a\\_epm0\\_pte\\_dpgal\\_a.htm](http://www.eia.gov/dnav/pet/pet_pri_gnd_a_epm0_pte_dpgal_a.htm)

References:

Tompkins County, NY QuickFacts, US Census Bureau,  
<http://quickfacts.census.gov/qfd/states/36/36109.html>  
 Ithaca, NY Economy at a Glance, Bureau of Labor Statistics,  
[http://www.bls.gov/eag/eag.ny\\_ithaca\\_msa.htm](http://www.bls.gov/eag/eag.ny_ithaca_msa.htm)  
 Interlocking Pieces: Housing, Transportation, and Jobs (2004), from Tompkins County Comprehensive Plan, prepared by Tompkins County Planning Department,  
[http://www.tompkins-co.org/planning/compplan/4%20housing\\_trans\\_jobs.pdf](http://www.tompkins-co.org/planning/compplan/4%20housing_trans_jobs.pdf)

Journey to Work study, prepared by Ithaca-Tompkins County Transportation Council,  
[http://www.tompkins-co.org/itctc/Statistics/Journey-to-Work/Easy%20to%20read%20chartsDec2011/JTW\\_by\\_Municipality2011ACS\\_12\\_14.pdf](http://www.tompkins-co.org/itctc/Statistics/Journey-to-Work/Easy%20to%20read%20chartsDec2011/JTW_by_Municipality2011ACS_12_14.pdf)

Communication:

$(\$35.74 + \$27.50)/\text{month} = \$63.24/\text{month}$   
 $\$63.24/\text{month} \times 12 \text{ months} = \$758.88/\text{year} (+5.42\%)$

Internet

Access to the internet has become an indispensable part of life in the 21st century. These no-contract internet plans have been selected from Verizon and Time Warner Cable for their comparative speeds (download speed: 15 Mbps; upload speed: 1 Mbps) that would suffice for both personal communication and entertainment purposes. Both service providers have been chosen because of the difference in service availability throughout Tompkins County; depending on their geographical location, some households might not be able to subscribe to one or the other service provider. Taxes and fees are assumed to be 10% of cost before tax.

Verizon Better Internet = \$29.99 + taxes and fees = \$32.99/month  
 Time Warner Cable Standard Internet = \$34.99 + taxes and fees = \$38.49/month  
 Average =  $(\$32.99 + \$38.49)/2 = \$35.74/\text{month}$

Telephone

As the popularity of cell phone usage rises, fewer households maintain the use of a landline phone. The calculations below are based on the assumption that an individual can purchase a basic prepaid cell phone for a monthly plan without a contract. This particular plan from AT&T provides 250 nationwide anytime minutes per month and unlimited texting. For every minute exceeding the included 250 minutes, an additional \$0.10 charge is applied. Taxes and fees are assumed to be 10% of cost before tax.

Prepaid cell phone (AT&T) = \$25 + taxes and fees = \$27.50/month

Sources:

Verizon, <http://www22.verizon.com/home/highspeedinternet/high-speed-internet-plans/>  
 Time Warner Cable, <http://www.timewarnercable.com/en/residential-home/internet/plans.html>  
 AT&T, [www.att.com](http://www.att.com)

Healthcare:

With employer-provided health insurance:  $\$115.31 + \$73.33 = \$188.64/\text{month} \times 12 = \$2263.68/\text{year} (+8.99\%)$

Health Insurance (from Alternatives)

This calculation is based on the 2013 Staff Per-Payroll Contribution under the Simply Blue Copay Plan, averaging the co-pay plan and two high deductible plans. Alternatives pays 75% of individual health insurance premiums as soon as insurance starts for full-time staff. 55.55% of staff have the Co-pay plan and contribute \$66.78/pay period (There are 26 pay

periods.) 22.22% pay \$43.10 to a high deductible plan, and 22.22% pay \$29.46 to a higher deductible plan.  
 $(\$66.78 \times 55.55\% = \$37.09 + \$43.10 \times 22.22\% = 9.58 + \$29.46 \times 22.22\% = \$6.55 = \$53.22 \times 26 \text{ payrolls} = \$1383.72/12 \text{ months} = \$115.31)$

**Health Insurance (from Healthy NY)**

For those employers who do not offer employee sponsored Health Insurance, an individual can purchase health insurance from Healthy NY. There is a choice for individual coverage w/drugs under the Excellus Health Plan in Tompkins County: \$380.80/month for a traditional plan, \$307.07 for the high deductible plan. Average the two for \$343.94/month which is \$228.63 more than our staff pays towards their premium. That comes out to and additional \$1.32/hour for a 40 hour week. ( $\$228.63 \times 12 = \$2743.56/2080 = \$1.32$ )

Out of pocket expenses based on Consumer Expenditure Survey 2011 (second 20% quintile)

Medical services: \$467  
 Drugs: \$314  
 Medical supplies: \$99  
 Total:  $\$880/12 = \$73.33/\text{month}$

**Sources:**

Alternatives Federal Credit Union 2013 Health Insurance Rates, internal document  
 Consumer Expenditures Survey 2011  
<http://www.bls.gov/cex/2011/Standard/cusize.pdf>

2013 Healthy NY Rates by County,  
<http://www.dfs.ny.gov/healthny/rates/pdf/Tompkins.pdf>

**Recreation:**

$\$107.00/\text{month} \times 12 \text{ months} = \$1,284.00/\text{year} (+5.298\%)$   
 Activities important to work-life balance. Based on prior studies, minimum \$100 has been increased by inflation. Increased \$101.62 (2010) by 5.29% inflation rate to adjust for 2012 buying power.

**Sources:**

Bureau of Labor Statistics CPI Inflation Calculator,  
[http://www.bls.gov/data/inflation\\_calculator.htm](http://www.bls.gov/data/inflation_calculator.htm)  
 Living Wage Study Notes 2009, <http://www.alternatives.org/livingwage2009notes.html>

**Savings:**

$\$64.00/\text{month} \times 12 \text{ months} = \$768.00/\text{year} (+5.29\%)$   
 As a Credit Union, we think a savings habit is an important component of any budget. Increased \$60.78 (2010) by 5.29% inflation rate for 2012 buying power.

**Sources:**

Bureau of Labor Statistics CPI Inflation Calculator,  
[http://www.bls.gov/data/inflation\\_calculator.htm](http://www.bls.gov/data/inflation_calculator.htm)  
 Living Wage Study Notes 2000, [http://www.alternatives.org/livable\\_notes.html](http://www.alternatives.org/livable_notes.html)

**Miscellaneous:**

$\$113.75/\text{month} \times 12 \text{ months} = \$1,365/\text{year} (+2.98\%)$

Based on average annual figures from Consumer Expenditures Survey 2011

Housekeeping Supplies = \$348  
 Apparel cost (Average, ages 16+) = \$331  
 Apparel cost (Men, ages 16+): \$235  
 Apparel cost (Women, ages 16+): \$427  
 Footwear = \$161  
 Other apparel products and services \$137  
 Personal care and services = \$388

**Sources:**

Consumer Expenditures Survey 2011 (second 20%),  
<http://www.bls.gov/cex/2011/Standard/quintile.pdf>

**References:**

<http://www.bls.gov/opub/btn/volume-1/pdf/travel-expenditures-2005-2011-spending-slows-during-recent-recession.pdf>  
<http://www.bls.gov/opub/btn/volume-1/pdf/a-comparison-of-25-years-of-consumer-expenditures-by-homeowners-and-renters.pdf>  
<http://www.bls.gov/opub/mlr/2012/09/art1full.pdf>

**Taxes:**

Payroll taxes increased, going back up to 7.65% equaling \$2007.95 for the year or \$167.33/mo.  
 Federal tax computation \$1990.91/year = \$165.91/mo.  
 NY State taxes would be \$881.67/year = \$73.47/mo.

**Addendum:**

**Childcare:**

Although this data is not included in the determination of a living wage for a single-household individual, it is provided here for reference.

Infant:  $\$1061.64/\text{month} \times 12 \text{ months} = \$12,739.68/\text{year}$

Toddler: \$1062.32/month x 12 months = \$12,747.84/year  
 Pre-school: \$951.19/month x 12 months = \$11414.28/year

Monthly (4 weeks) tuition rates are self-reported based on email inquiries to a random sample of registered local childcare centers and service providers. As close as possible, the data is selected for registered day care centers providing full day services for 5 days a week.

**Infant**

Drop-in Children's Center (full day): \$1040  
 Bright Horizons/Cornell University Child Care Center (full day): \$1474  
 NYS Self-sufficiency report 2010 (adjusted for inflation): \$778.12  
 NYS Office of Children and Family Services survey 2010 (adjusted for inflation): \$954.44

Average: \$1061.64/month

**Toddler**

Drop-in Children's Center (full day): \$1000  
 Bright Horizons/Cornell University Child Care Center (full day): \$1279  
 NYS Self-sufficiency report 2010 (adjusted for inflation): -  
 NYS Office of Children and Family Services survey 2010 (adjusted for inflation): \$907.96

Average: \$1062.32/month

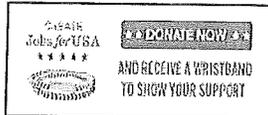
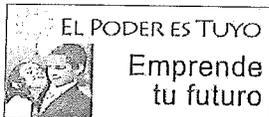
**Pre-school**

Drop-in Children's Center (full day): \$920  
 Bright Horizons/Cornell University Child Care Center (full day): \$1167  
 NYS Self-sufficiency report 2010 (adjusted for inflation): \$890.03  
 NYS Office of Children and Family Services survey 2010 (adjusted for inflation): \$827.72

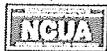
Average: \$951.19/month

**Sources:**

Bureau of Labor Statistics CPI Inflation Calculator, [http://www.bls.gov/data/inflation\\_calculator.htm](http://www.bls.gov/data/inflation_calculator.htm)  
 Monthly Tuition Schedule, Cornell University Child Care Center, [https://www.hr.cornell.edu/life/support/c4\\_rates.pdf](https://www.hr.cornell.edu/life/support/c4_rates.pdf)  
 Drop-in Children's Center, <http://www.dicc.org/fees.html> (actual data obtained through email communication)  
 Child Care Market Rates 2011-2013 (2010), prepared by NYS Office of Children and Family Services, [http://www.childdevelopmentcouncil.org/files/all/2011\\_market\\_rates.pdf](http://www.childdevelopmentcouncil.org/files/all/2011_market_rates.pdf)  
 (Full report at: [https://www.ocfs.state.ny.us/main/policies/external/OCFS\\_2011/LCMs/11-OCFS-LCM-12%20Child%20Care%20Market%20Rates%202011-2013.pdf](https://www.ocfs.state.ny.us/main/policies/external/OCFS_2011/LCMs/11-OCFS-LCM-12%20Child%20Care%20Market%20Rates%202011-2013.pdf))  
 Child Care Costs and Financial Assistance, Child Development Council, <http://www.childdevelopmentcouncil.org/content/view/financial-assistance.html>  
 Tompkins County Childcare Centers listing, [http://childcarecenter.us/county/tompkins\\_ny#\\_UO7z7ORX3ng](http://childcarecenter.us/county/tompkins_ny#_UO7z7ORX3ng)  
 The Self-sufficiency Standard for New York State 2010, prepared by Diana M. Pearce, PhD for the NYS Self-sufficiency Standard Steering Committee, <http://www.selfsufficiencystandard.org/docs/New%20York%20State%202010.pdf> (p.85 Tompkins County)



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Living Wage Work Group Meeting #7  
May 28, 2013  
(Agenda is same as 5.21.13)

**Meeting Goal:**

- Determine whether changes are needed in policy or procedure and, if so, what they should be.

**Materials:**

- Contractor Payment List, 2012
- Mental Health Programs, Local Costs
- AFCU and MIT Living Wage Calculations

**Agenda**

- I. Public comment
- II. Review of Materials
- III. Revisit
  - a. Potential financial implications
  - b. Living Wage calculations
    - AFCU 2013 rate
    - MIT rate
- IV. Continued Discussion: Prospective rules and procedures
  - a. Thresholds defining scope of the living wage policy
    - Point of Departure 5/15/13
      - Threshold based on County cost of contract (vs. total contract cost)
      - Dollar amount at \$50,000-\$100,000
      - Exclude foster care
      - Exclude Inter-Governmental contracts
      - Consider excluding Room Tax grants
  - b. Exempted positions, for example
    - 18 or under
    - 90-day temporary/seasonal
    - In sheltered or supported work environment (individuals with barriers to employment)

- In job training/work-study programs
- In welfare-to-work programs
- Paid pursuant to collective bargaining agreement
- Paid pursuant to state or federal-mandated prevailing wage rate
- Volunteers

c. Waiver process

- Example of considerations:
  - Wage levels less than living wage are established by primary funding sources (state or federal governments)
  - Recognition of value of non-mandated fringe benefits or other employer-provided items beyond the \$1.32/hour health insurance allowance
  - Absence of alternative providers
  - Meet MIT living wage rate
  - Demonstrable progress in increasing wages of lowest paid
  - Employees provide the same service, at the same time, to other clients/customers
  - Payment adds more than X% to County's cost

d. Depth of coverage

- Directly involved in the provision of the contracted service

V. Next steps

VI. Adjourn

Contract Payments, Service Contracts, 2017, Sorted by Total Payments

*Sorted By Total Cost*

		Public Works Construction		Contract, Competitive Bid		Commodity Purchase, Lease, or Financing?		Est. County % Share		Est. County \$ Share	
		Contractor		2012 Contract Payments							
1	Health Department	FRANZISKA RACKER CENTERS	2,372,562	No	46%	\$ 1,085,447	average of preschool and EI, third party reimb not accounted for				
2	Solid Waste Management Division	RECOMMUNITY	1,089,713	No	%	\$ 320,414	Sale of Recyclable Materials \$769,299				
3	Planning Department - Tourism	Tompkins County Chamber of Commerce	1,036,297	No	100%	\$ 1,036,297					
4	Mental Health	CARS/ITHACA ALPHA HOUSE CENTER, INC.	920,779	No	0%	\$ -					
5	Solid Waste Management Division	CASELLA WASTE SERVICES	913,909	No	100%	\$ 913,909					
6	Mental Health	LAKEVIEW MENTAL HEALTH SERV., INC.	876,463	No	0%	\$ -					
7	County Office for the Aging	FOODNET	818,533	No	43%	\$ 351,969					
8	Solid Waste Management Division	WE CARE TRANSPORTATION, LLC	772,729	No	0%	\$ -	Tip Fee Revenues				
9	Planning Department	ICF INCORPORATED, LLC	716,029	No	0%	\$ -					
10	Emergency Response	MOTROLA SOLUTIONS, INC.	682,608	No	5%	\$ 35,801					
11	County Administration	COOPERATIVE EXTENSION OF TC	642,418	No	100%	\$ 642,418					
12	Planning Department - Special Projects	BETTER HOUSING OF TOMPKINS COUNTY	603,665	No	0%	\$ -					
13	Mental Health	CHALLENGE INDUSTRIES	534,632	No	11%	\$ 58,959					
14	Social Services Department	AMERICAN RED CROSS (ITHACA)	420,000	No	43%	\$ 180,600					
15	Mental Health	MENTAL HEALTH ASSOCIATION	380,404	No	0%	\$ -					
16	Social Services Department	WILLIAM GEORGE AGENCY	372,033	No	38%	\$ 141,373					
17	Mental Health	ALCOHOL & DRUG COUNCIL OF TC, INC.	362,690	No	16%	\$ 57,780					
18	Human Services Coalition of Tompkins County	HUMAN SERVICES COALITION	359,738	No	100%	\$ 359,738					
19	County Clerk	CHALLENGE INDUSTRIES	335,465	No	100%	\$ 335,465					
20	Social Services Department	YOUTH ADVOCACY PROGRAM	317,536	No	38%	\$ 120,664					
21	Social Services Department	CHILD DEVELOPMENT COUNCIL	286,467	No	25%	\$ 71,617					
22	Mental Health Department	FRANZISKA RACKER CENTERS	257,465	No	0%	\$ -					
23	Social Services Department	FAMILY AND CHILDRENS SERVICES	250,781	No	38%	\$ 95,297					
24	Social Services Department	LIBERTY RESOURCES	230,231	No	38%	\$ 87,488					
25	Social Services Department	COOPERATIVE EXTENSION OF TC	219,587	No	3%	\$ 6,568					
26	Social Services Department	TOMPKINS COMMUNITY ACTION, INC.	183,018	No	35%	\$ 64,056					
27	Youth Services Department	THE LEARNING WEB	175,068	No	74%	\$ 130,128					
28	Emergency Response	PLASTISOL COMPOSITES	170,969	No	100%	\$ 170,969					
29	Workforce Investment Board	CHALLENGE INDUSTRIES	170,415	No	0%	\$ -					
30	County Administration	CANARX GROUP INC.	166,178	No	100%	\$ 166,178					
31	County Office for the Aging	CAREGIVERS	164,517	No	46%	\$ 75,678					
32	Mental Health	FAMILY & CHILDREN'S SERVICES	160,388	No	0%	\$ -					
33	Mental Health	SUICIDE PREVENTION & CRISIS SERVICE	159,734	No	8%	\$ 13,574					
34	County Administration	TOMPKINS COMMUNITY ACTION, INC.	156,283	No	100%	\$ 156,283					
35	Workforce Investment Board	ITHACA YOUTH BUREAU	151,000	No	0%	\$ -					
36	Airport	FAIRWEATHER CONCIERGE SERVICE	148,319	No	100%	\$ 148,319					
37	Social Services Department	CATHOLIC CHARITIES TOMPKINS TIOGA	138,034	No	18%	\$ 24,846					
38	Social Services Department	THE LEARNING WEB	137,459	No	25%	\$ 34,365					
39	Social Services Department	CHALLENGE INDUSTRIES	127,950	No	43%	\$ 55,019					
40	Solid Waste Management Division	FINGER LAKES REUSE, INC.	122,029	No	100%	\$ 122,029					
41	Airport	CINDY'S CLEANING SERVICE	119,442	No	100%	\$ 119,442					
42	Health Department	HEATHER FORSYTHE	119,300	No	46%	\$ 54,580	average of preschool and EI, third party reimb not accounted for				
43	Human Services Coalition - Community Agencies	DROP-IN CHILDREN CENTER	114,038	No	100%	\$ 114,038					
44	Planning Department	CENTER FOR TRANSFORMATIVE ACTION	113,130	No	6%	\$ 6,788					
45	Health Department	PLANNED PARENTHOOD OF THE SOUTHERN	109,189	No	64%	\$ 69,981					
46	Social Services Department	THE ADVOCACY CENTER	106,278	No	62%	\$ 66,264					

47	Health Department	MARIA MUSCENTE	105,932	
48	Mental Health	TST BOCES	105,746	
49	Facilities Division	HOLT ARCHITECTS, P.C.	104,247	
50	County Clerk	LYNX TECHNOLOGIES	101,185	
			19,203,205	
51	Solid Waste Projects	FCR, LLC	98,296	
52	County Administration	THE HISTORY CENTER	96,171	
53	Youth Services Department	COOPERATIVE EXTENSION OF TC	90,022	
54	Human Services Coalition - Community Agencies	TOMPKINS LEARNING PARTNERS INC.	89,518	
55	County Office for the Aging	REDMOON CAREGIVERS	81,320	
56	Health Department	CAYUGA MEDICAL CENTER AT ITHACA	80,579	
57	Solid Waste Management Division	CLEAN HARBORS ENVIRONMENTAL SVCS.	79,896	
58	Airport	COMMUNIQUE DESIGN & MARKETING	78,681	
59	Finance Department	CIASCHI,DIETERSHAGEN,LITTLE,MICKELS	77,823	
60	Health Department	BRITTA LEE	76,998	
			849,304	
61	Health Department			
62	Health Department	CHILD'S PLAY OCCUPATIONAL	74,817	
63	Health Department	KELLY O'GARA SINN	74,710	
64	Mental Health Department	BETH KRETZ	72,180	
65	Facilities Division	CAYUGA MEDICAL CENTER AT ITHACA	71,838	
66	Planning Department - Tourism	JOHNSON CONTROL, INC. CHARLOTTE	71,521	
67	Health Department	Community Arts Partnership	68,755	
68	Social Services Department	SHELLEY S. MCGUIRE	67,245	
69	Health Department	FOODNET	65,798	
70	Youth Services Department	BANGS AMBULANCE, INC.	64,839	
71	Mental Health Department	BERKSHIRE FARM CENTER	64,517	
72	Mental Health	CENTRAL NEW YORK SERVICES, INC.	64,108	
73	Human Services Coalition - Community Agencies	AMERICAN RED CROSS (ITHACA)	64,083	
74	Mental Health Department	LIFELONG	63,768	
75	Health Department	INFORMATION MANAGEMENT ASSOCIATES	60,813	
76	Workforce One-Stop Career Center	SHARLYN KEEGAN	60,589	
77	Mental Health Department	TCS BUSINESS DEVEL. & TRAINING CENT	59,533	
78	Solid Waste Management Division	CHALLENGE INDUSTRIES	38,999	
79	Mental Health Department	JEFF BERCOVITZ	58,850	
80	Health Department	ALCOHOL & DRUG COUNC OF TC, INC.	57,780	
81	Health Department	CHRISTINA STEINORTH	56,203	
82	County Office for the Aging	STACEY KIDDER	55,990	
83	Health Department	STARKINS HEALTHCARE	55,592	
84	Solid Waste Management Division	LESLIE SHAKESPEARE	54,951	
85	Health Department	CASELLA	54,369	
86	Mental Health Department	NANCY QUARRIER	54,182	
87	Health Department	HAYLOR, FREYER, & COON	53,653	
88	Facilities Division	SHERRY GOLDEN	52,855	
89	Social Services Department	EDWARD J. DINGER	52,000	
90	Human Services Coalition - Community Agencies	FRANZISKA RACKER CENTER	51,500	
		THE ADVOCACY CENTER OF TOMPKINS CO.	50,859	
			1,836,835	

46% \$ 48,464 average of preschool and EI, third party reimb not accounted for  
0% \$ -  
100% \$ 104,247  
100% \$ 101,185  
8,430,924

100% \$ 98,296  
100% \$ 96,171  
100% \$ 90,022  
100% \$ 89,518  
46% \$ 37,407  
64% \$ 51,570  
50% \$ 79,896 NYS DEC Grant  
100% \$ 78,681  
100% \$ 77,823 confirmed  
46% \$ 35,227 average of preschool and EI, third party reimb not accounted for  
734,611

46% \$ 34,229 average of preschool and EI, third party reimb not accounted for  
46% \$ 34,180 average of preschool and EI, third party reimb not accounted for  
46% \$ 33,022 average of preschool and EI, third party reimb not accounted for  
55% \$ 39,511  
100% \$ 71,521  
100% \$ 68,755  
48% \$ 30,765 average of preschool and EI, third party reimb not accounted for  
38% \$ 24,992  
100% \$ 64,839  
76% \$ 48,891  
30% \$ 19,232  
0% \$ -  
100% \$ 63,768  
100% \$ 60,813  
46% \$ 27,719 average of preschool and EI, third party reimb not accounted for  
0% \$ - This is not a contract but agreements to pay for individual customer training  
0% \$ - See Above  
100% \$ 58,860  
0% \$ - See Above  
46% \$ 25,713 average of preschool and EI, third party reimb not accounted for  
46% \$ 25,615 average of preschool and EI, third party reimb not accounted for  
46% \$ 25,572  
46% \$ 25,145 average of preschool and EI, third party reimb not accounted for  
100% \$ 54,369  
46% \$ 24,788 average of preschool and EI, third party reimb not accounted for  
100% \$ 53,653 I do not recognize this vendor  
46% \$ 24,181 average of preschool and EI, third party reimb not accounted for  
100% \$ 52,000  
38% \$ 19,570  
100% \$ 50,859  
1,062,562



Contract Payments, Service Contracts, 2012, Sorted by County Cost

*Sorted by "LOCAL DOLLAR" COST*

	Contractor	2012 Contract Payments	Public Works Construction Contract, Competitive Bid	Commodity Purchase, Lease, or Financing?	Est. County % Share	Est. County \$ Share
1 Health Department	FRANZISKA RACKER CENTERS	2,372,562	No	No	46%	\$ 1,085,447
2 Planning Department - Tourism	Tompkins County Chamber of Commerce	1,036,297	No	No	100%	\$ 1,036,297
3 Solid Waste Management Division	CASELLA WASTE SERVICES	913,909	No	No	100%	\$ 913,909
4 Emergency Response	MOTOROLA SOLUTIONS, INC.	682,608	No	No	100%	\$ 682,608
5 County Administration	COOPERATIVE EXTENSION OF TC	642,418	No	No	100%	\$ 642,418
6 Human Services Coalition of Tompkins County	HUMAN SERVICES COALITION	359,738	No	No	100%	\$ 359,738
7 County Office for the Aging	FOODNET	818,533	No	No	43%	\$ 351,969
8 County Clerk	CHALLENGE INDUSTRIES	335,465	No	No	100%	\$ 335,465
9 Solid Waste Management Division	RECOMMUNITY	1,089,713	No	No	%	\$ 320,414
10 Social Services Department	AMERICAN RED CROSS (ITHACA)	420,000	No	No	43%	\$ 180,600
11 Emergency Response	PLASTISOL COMPOSITES	170,989	No	No	100%	\$ 170,989
12 County Administration	CANARX GROUP INC.	166,178	No	No	100%	\$ 166,178
13 County Administration	TOMPKINS COMMUNITY ACTION, INC.	156,283	No	No	100%	\$ 156,283
14 Airport	FAIRWEATHER CONCIERGE SERVICE	148,319	No	No	100%	\$ 148,319
15 Social Services Department	WILLIAM GEORGE AGENCY	372,033	No	No	38%	\$ 141,373
16 Youth Services Department	THE LEARNING WEB	175,068	No	No	74%	\$ 130,128
17 Solid Waste Management Division	FINGER LAKES REUSE, INC.	122,029	No	No	100%	\$ 122,029
18 Social Services Department	YOUTH ADVOCACY PROGRAM	317,536	No	No	38%	\$ 120,664
19 Airport	CINDY'S CLEANING SERVICE	119,442	No	No	100%	\$ 119,442
20 Human Services Coalition - Community Agencies	DROP-IN CHILDREN CENTER	114,038	No	No	100%	\$ 114,038
21 Facilities Division	HOLT ARCHITECTS, P.C.	104,247	No	No	100%	\$ 104,247
22 County Clerk	LYNX TECHNOLOGIES	101,185	No	No	100%	\$ 101,185
		10,738,592				7,503,741
23 Solid Waste Projects	FCR, LLC	98,296	No	No	100%	\$ 98,296
24 County Administration	THE HISTORY CENTER	96,171	No	No	100%	\$ 96,171
25 Social Services Department	FAMILY AND CHILDRENS SERVICES	250,781	No	No	38%	\$ 95,297
26 Youth Services Department	COOPERATIVE EXTENSION OF TC	90,022	No	No	100%	\$ 90,022
27 Human Services Coalition - Community Agencies	TOMPKINS LEARNING PARTNERS INC.	89,518	No	No	100%	\$ 89,518
28 Social Services Department	LIBERTY RESOURCES	230,231	No	No	38%	\$ 87,488
29 Solid Waste Management Division	CLEAN HARBORS ENVIRONMENTAL SVCS.	79,896	No	No	50%	\$ 79,896
30 Airport	COMMUNIQUE DESIGN & MARKETING	78,681	No	No	100%	\$ 78,681
31 Finance Department	CIASCHI,DIETERSHAGEN,LITTLE,MICKELS	77,823	No	No	100%	\$ 77,823
32 County Office for the Aging	CAREGIVERS	164,517	No	No	46%	\$ 75,678

		25%	\$	71,617	No	286,467	940,486
33 Social Services Department	CHILD DEVELOPMENT COUNCIL					1,542,403	
34 Facilities Division	JOHNSON CONTROL, INC. CHARLOTTE	100%	\$	71,521	No	71,521	
35 Health Department	PLANNED PARENTHOOD OF THE SOUTHERN	64%	\$	109,189	No	109,189	
36 Planning Department - Tourism	Community Arts Partnership	100%	\$	68,755	No	68,755	
37 Social Services Department	THE ADVOCACY CENTER	62%	\$	106,878	No	106,878	
38 Health Department	BANGS AMBULANCE, INC.	100%	\$	64,839	No	64,839	
39 Social Services Department	TOMPKINS COMMUNITY ACTION, INC.	35%	\$	183,018	No	183,018	
40 Human Services Coalition - Community Agencies	LIFELONG	100%	\$	63,768	No	63,768	
41 Mental Health Department	INFORMATION MANAGEMENT ASSOCIATES	100%	\$	60,813	No	60,813	
42 Mental Health	CHALLENGE INDUSTRIES	11%	\$	534,632	No	534,632	
43 Solid Waste Management Division	JEFF BERCUVITZ	100%	\$	58,860	No	58,860	
44 Mental Health	ALCOHOL & DRUG COUNCIL OF TC, INC.	16%	\$	362,690	No	362,690	
45 Social Services Department	CHALLENGE INDUSTRIES	43%	\$	127,950	No	127,950	
46 Health Department	HEATHER FORSYTHE	46%	\$	119,300	No	119,300	
47 Solid Waste Management Division	CASELLA	100%	\$	54,369	No	54,369	
48 Mental Health Department	HAYLOR, FREYER, & COON	100%	\$	53,653	No	53,653	
49 Facilities Division	EDWARD J. DINGER	100%	\$	52,000	No	52,000	
50 Health Department	CAYUGA MEDICAL CENTER AT ITHACA	64%	\$	80,579	No	80,579	
51 Human Services Coalition - Community Agencies	THE ADVOCACY CENTER OF TOMPKINS CO.	100%	\$	50,859	No	50,859	
						2,223,673	\$ 1,077,586
52 Youth Services Department	BERKSHIRE FARM CENTER	76%	\$	64,517	No	64,517	
53 Board of Elections	PHOENIX GRAPHICS, INC.	100%	\$	48,806	No	48,806	
54 Highway Division	MOTOROLA SOLUTIONS, INC.	100%	\$	48,680	No	48,680	
55 Health Department	MARIA MUSCENTE	46%	\$	105,932	No	105,932	
56 Human Services Coalition - Community Agencies	CATHOLIC CHARITIES TOMPKINS TIOGA	100%	\$	47,803	No	47,803	
57 Solid Waste Management Division	CORNELL COOPERATIVE EXTENSION ITHAC	100%	\$	47,150	No	47,150	
58 Human Services Coalition - Community Agencies	COMMUNITY DISPUTE RESOLUTION CTR.	100%	\$	46,795	No	46,795	
59 Human Services Coalition - Community Agencies	BETTER HOUSING OF TOMPKINS COUNTY	100%	\$	46,392	No	46,392	
60 Human Services Coalition - Community Agencies	WOMEN'S OPPORTUNITY CENTER	100%	\$	46,098	No	46,098	
61 Human Services Coalition - Community Agencies	MULTICULTURAL RESOURCE CENTER, INC.	100%	\$	44,300	No	44,300	
62 Human Services Coalition - Community Agencies	THE FOOD BANK OF THE SOUTHERN TIER	100%	\$	44,128	No	44,128	
63 Human Services Coalition - Community Agencies	LEGAL ASSISTANCE OF WESTERN NY, INC	100%	\$	42,833	No	42,833	
64 Mental Health Department	FINGER LAKES TECHNOLOGIES GROUP, INC	100%	\$	42,256	No	42,256	
65 Facilities Division	HAYLOR, FREYER, & COON	100%	\$	40,901	No	40,901	
66 Solid Waste Management Division	CORNELL UNIVERSITY	100%	\$	40,892	No	40,892	
67 County Clerk	GENERAL CODE	100%	\$	40,878	No	40,878	

68	County Administration	EBS-RMSCO, INC.	40,359	No	100%	\$	40,359
69	Solid Waste Management Division	BARTON & LOGUIDICE, P.C.	39,635	No	100%	\$	39,635
70	Mental Health Department	CAYUGA MEDICAL CENTER AT ITHACA	71,838	No	55%	\$	39,511
71	County Office for the Aging	REDMOON CAREGIVERS	81,320	No	46%	\$	37,407
72	Board of Elections	NTS DATA SERVICES, INC.	37,175	No	100%	\$	37,175
73	Planning Department - Tourism	Discovery Trail	36,270	No	100%	\$	36,270
74	Planning Department	ICF INCORPORATED, LLC	716,029	No	5%	\$	35,801
75	Human Services Coalition - Community Agencies	AMERICAN RED CROSS (ITHACA)	35,536	No	100%	\$	35,536
76	Health Department	BRITTA LEE	76,998	No	46%	\$	35,227
77	Airport	HAYLOR, FREYER, & COON	34,569	No	100%	\$	34,569
78	Social Services Department	THE LEARNING WEB	137,459	No	25%	\$	34,365
79	Airport	BER NATIONAL CONTROLS	34,334	No	100%	\$	34,334
80	Health Department	CHILD'S PLAY OCCUPATIONAL	74,817	No	46%	\$	34,229
81	Health Department	KELLY O'GARA SINN	74,710	No	46%	\$	34,180
82	Airport	ENVIRONMENTAL FLOORING, LLC	33,652	No	100%	\$	33,652
83	County Administration	TOMPKINS COUNTY SPCA	33,356	No	100%	\$	33,356
84	Health Department	DRYDEN FAMILY MEDICINE	33,168	No	100%	\$	33,168
85	Health Department	BETH KRETZ	72,180	No	46%	\$	33,022
86	Emergency Response	UNITED RADIO INC.	32,419	No	100%	\$	32,419
87	Health Department	SHELLEY S. MCGUIRE	67,245	No	46%	\$	30,765
88	Personnel Department	ROEMER WALLENS & MINEAUX, LLP	30,625	No	100%	\$	30,625
89	Solid Waste Management Division	BARTON & LOGUIDICE, P.C.	30,462	No	100%	\$	30,462
90	Highway Division	DELTA ENGINEERS, ARCHITECTS, &	30,297	No	100%	\$	30,297
91	Airport	GREEN SCENE LAWN & GARDEN	28,767	No	100%	\$	28,767
92	Health Department	SHARLYN KEEGAN	60,589	No	46%	\$	27,719
93	Probation and Community Justice Department	SECUREALERT, INC.	26,395	No	100%	\$	26,395
94	Human Services Coalition - Community Agencies	CANCER RESOURCE CENTER	26,390	No	100%	\$	26,390
95	Highway Division	LABELLA ASSOCIATES, PC	26,375	No	100%	\$	26,375
96	County Administration	COOPERATIVE EXTENSION OF TC	26,018	No	100%	\$	26,018
97	Health Department	CHRISTINA STEINORTH	56,203	No	46%	\$	25,713
98	Health Department	STACEY KIDDER	55,990	No	46%	\$	25,615
99	County Office for the Aging	STAFKINGS HEALTHCARE	55,592	No	46%	\$	25,572
100	Planning Department	COMMUNITY SCIENCE INSTITUTE	25,250	No	100%	\$	25,250
101	Health Department	HAYLOR, FREYER, & COON	25,237	No	100%	\$	25,237
102	Health Department	LESLIE SHAKESPEARE	54,961	No	46%	\$	25,145
103	Planning Department - Tourism	Downtown Ithaca Alliance	25,000	No	100%	\$	25,000
104	Planning Department - Tourism	Cayuga Nature Center	25,000	No	100%	\$	25,000
105	Social Services Department	FOODNET	65,768	No	38%	\$	24,992
106	Social Services Department	CATHOLIC CHARITIES TOMPKINS TIOGA	138,034	No	18%	\$	24,846
107	Health Department	NANCY QUARRIER	54,182	No	46%	\$	24,788
108	Health Department	SHERRY GOLDEN	52,855	No	46%	\$	24,181

109	County Office for the Aging	COMFORT KEEPERS	42,797	No	46%	\$	19,686
110	Social Services Department	FRANZISKA RACKER CENTER	51,500	No	38%	\$	19,570
111	Mental Health Department	CENTRAL NEW YORK SERVICES, INC.	64,108	No	30%	\$	19,232
112	Planning Department	Barton and Loguidice (HIMP)	37,000	No	50%	\$	18,500
113	Health Department	MARJORIE SPINGLER	34,343	No	51%	\$	17,515
114	Health Department	EDITH AYER	37,755	No	46%	\$	17,273
115	Health Department	LISA GLASNER	36,735	No	46%	\$	16,806
116	Mental Health Department	DEENA SCHWARTZ	32,000	No	50%	\$	16,000
117	County Office for the Aging	FINGER LAKES INDEPENDENCE CENTER	43,962	No	35%	\$	15,387
118	Health Department	LINDSAY KOZINSKY	31,878	No	46%	\$	14,584
119	Mental Health	SUICIDE PREVENTION & CRISIS SERVICE	159,734	No	8%	\$	13,574
120	Health Department	JANET BRUNO	25,175	No	46%	\$	11,518
121	Health Department	MCCARTHY & CONLON, LLP	26,000	No	36%	\$	9,360
122	Planning Department	CENTER FOR TRANSFORMATIVE ACTION	113,130	No	6%	\$	6,788
123	Social Services Department	COOPERATIVE EXTENSION OF TC	219,587	No	3%	\$	6,588
124	County Office for the Aging	C & M RESIDENTIAL BUILDERS INC.	30,879	No	16%	\$	4,941
125	Airport Projects	LOOMACRES WILDLIFE MANAGEMENT	36,048	No	5%	\$	1,802
126	Mental Health	CARS/ITHACA ALPHA HOUSE CENTER, INC.	920,779	No	0%	\$	-
127	Mental Health	LAKEVIEW MENTAL HEALTH SERV., INC.	876,463	No	0%	\$	-
128	Solid Waste Management Division	WE CARE TRANSPORTATION, LLC	772,729	No	0%	\$	-
129	Planning Department - Special Projects	BETTER HOUSING OF TOMPKINS COUNTY	603,665	No	0%	\$	-
130	Mental Health	MENTAL HEALTH ASSOCIATION	380,404	No	0%	\$	-
131	Mental Health Department	FRANZISKA RACKER CENTERS	257,465	No	0%	\$	-
132	Workforce Investment Board	CHALLENGE INDUSTRIES	170,415	No	0%	\$	-
133	Mental Health	FAMILY & CHILDREN'S SERVICES	160,388	No	0%	\$	-
134	Workforce Investment Board	ITHACA YOUTH BUREAU	151,000	No	0%	\$	-
135	Mental Health	TST BOCES	105,746	No	0%	\$	-
136	Mental Health	AMERICAN RED CROSS (ITHACA)	64,033	No	0%	\$	-
137	Workforce One-Stop Career Center	TC3 BUSINESS DEVEL. & TRAINING CENT	59,533	No	0%	\$	-
138	Mental Health Department	CHALLENGE INDUSTRIES	58,999	No	0%	\$	-
139	Mental Health Department	ALCOHOL & DRUG COUNCIL OF TC, INC.	57,780	No	0%	\$	-
140	County Office for the Aging	LIFELONG	43,161	No	0%	\$	-
			9,186,612				2,213,759
			23,691,279				11,735,572

Living Wage Calculation--AFCU (2013) and M.I.T.

Expense Per Month

<u>Expense</u>	<u>AFCU</u>	<u>MIT</u>
Housing	836.00	795.00
Food	218.50	242.00
Transportation	189.01	262.00
Communication		-
Internet	35.74	
Phone	27.50	
Health Care	188.64	127.00
Recreation	107.00	-
Savings	64.00	-
Misc	113.75	84.00
Net	1,780.14	1,510.00
Tax	406.71	271.83
Total Monthly	2,186.85	1,781.83
Months	12	12
Annualized	26,242.20	21,382.00

Expense Per Hour

<u>Expense</u>	<u>AFCU</u>	<u>MIT</u>
Housing	4.82	4.59
Food	1.26	1.40
Transportation	1.09	1.51
Communication		-
Internet	0.21	
Phone	0.16	
Health Care	1.09	0.73
Recreation	0.62	-
Savings	0.37	-
Misc	0.66	0.48
Net	10.27	8.71
Tax	2.35	1.57
Total Hourly	12.62	10.28
If Only MIT Items		
Recreation	(0.62)	12.00
Savings	(0.37)	11.63
Internet	(0.21)	11.42
Phone	(0.16)	11.27

Concepts: Elements of Procedure ("Lightening Rod" draft)

- Policy applies to all service contracts and associated subcontracts that are reasonably expected to result in a local dollar cost of \$75,000 or more. Local dollar cost is defined as the total expected cost of the contract, less any applied aid or program revenue associated with that contract.
  - Specific exclusions:
    - Other governments
    - Foster care
    - Tourism grants
    - Contracts with or through the NYS Industries for the Disabled
    - Construction or building services contracts governed by Article 8 and 9 of the NYS Labor Law
    - Contracts for goods and commodities (procurement is governed by the competitive bid requirements set in NYS General Municipal Law)
    - Contracts for building or equipment leases or financial services
- Policy applies to all employees other than:
  - Employees age 18 and younger
  - Seasonal or temporary employees (90 days or less)
  - Employees in a probationary status (90 days or less)
  - Employed in a sheltered or supported work environment
  - Employees participating in a limited-duration (90 day) job training program
  - Employees participating in an academic work-study or internship program
  - Volunteers
  - Employees participating in mandated welfare-to-work programs
  - Employees paid pursuant to a collective bargaining agreement
- If the contracting department finds a need or cause to consider a waiver of the living wage standard, the considerations that may be applied are:
  - a. Specific wage levels for covered employees are established by the primary funding source (e.g., State or Federal Government) and are less than the living wage;

- b. Wage levels less than the living wage are required to remain within reimbursement levels for specific services established by the primary funding source (e.g., State or Federal government);
  - c. The value of non-mandated fringe benefits provided to the employee by the employer (e.g., unconditional contribution to employee's pension, health/vision/dental care, educational benefits, generous paid time off policy, discounts, or other benefits or beneficial terms of employment) can reasonably be judged to make up the difference between the living wage and the actual wage paid;
  - d. Evidence of the contractor's progress in improving wages of those paid less than the living wages and/or a reasonable plan by the contractor to improve the wages of those paid less than the living wage;
  - e. Evidence that the contractor cannot reasonably distinguish Tompkins County from other clients/customers also receiving the service. For example, Tompkins County may contract with Agency X to provide preschool education services to children from Tompkins County. The classroom housing the Tompkins County children may also include children from other counties, making it impossible to pay the teacher or aide a different rate of pay for work associated with the Tompkins County contract.)
  - f. The absence of alternative providers;
  - g. The estimated additional cost associated with payment of the living wage adds 10% or more to the local dollar cost of the contract
- Departmental requests for waivers will be made to the County Administrator who will authorize or deny the waiver within 10 days of receipt and report his determination to the appropriate program committee of the Legislature at that committee's next regularly scheduled meeting.

**TC Livable Wage Work Group**  
 Meeting Notes  
**Wednesday, May 28, 2013 – 3:00-5:00 PM**  
 Old Jail Building, Heyman Conference Room

Attendees		Status
Jim	Dennis	Present
Barbara	Eckstrom	Present
Andrea	Gibbs	Present
Kathy Luz	Herrera	Absent
Lisa	Holmes	Present
Jackie	Kippola	Present
Joe	Mareane	Present
Rick	Snyder	Present
David	Squires	Present
Peter	Stein	Present
Jonathan	Wood	Present

**Staff:** Marcia Lynch, Tompkins County Administration

**Public:** Dan Brown, Franziska Racker Center; Nancy Burston, Human Services Coalition; Patrick McKee, Challenge; Pete Meyers, TC Workers' Center; Bill Rusen, Cayuga Addiction Recovery Services

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**Meeting Goal:**

- Determine whether changes are needed in policy or procedure and, if so, what they should be.

**Materials:**

- Contractor Payment List, 2012
- Mental Health Programs, Local Costs
- AFCU and MIT Living Wage Calculations

**Agenda**

- I. Call to Order**  
Mr. Mareane called the meeting to order at 3:05 PM.
- II. Agenda Review**  
The agenda is the same as the agenda for the May 21<sup>st</sup> meeting.
- III. Public comment**  
There was no public comment.

#### **IV. Review of Materials**

##### Contract Payments, Service Contracts, 2012, Sorted by Total Payments

In order to determine the threshold for applying the living wage policy and whether to consider the cost of the entire contract or only the County's costs in the contract, the 2012 service contract vendors' transactions files in the Finance Dept. were reviewed May 13-24. Also during that time, department heads were asked to review all the service contracts for their department and identify the local costs of the contracts. A document with the results of the research was distributed and reviewed. The document is grouped by levels of thousands of dollars and shows what would happen by drawing the line at different levels, i.e. \$100,000, \$75,000.

##### Contract Payments, Service Contracts, 2012, Sorted by County Cost

The second document distributed and reviewed shows estimated dollars that the County paid, grouped by levels of thousands of dollars. This document will help to determine the service contract size threshold based on the County's costs in the contract.

#### **V. Revisit**

- a. Potential financial implications
- b. Living Wage calculations
  - AFCU 2013 rate
  - MIT rate

Mr. Mareane noted that at the last meeting, it was agreed to defer determining a threshold, basically the first filter, based on the contract monetary size. First, decide if the County is going to more rigorously enforce the living wage policy for contracts over a certain money value, bigger contracts as opposed to smaller contracts. The floor was opened for discussion.

The Group discussed the complexities of moving toward a livable wage: affordability of subsidizing contractors; reduction in funds from grantors to offset subsidy; diverse types of contracts requiring different solutions.

#### **VI. Continued Discussion: Prospective rules and procedures**

Mr. Mareane distributed a sheet titled, Concepts: Elements of Procedure, outlining three areas identified in previous meetings with suggestions of what might be covered under area.

- a. Thresholds defining scope of the living wage policy
  - Point of Departure 5/15/13
    - Threshold based on County cost of contract (vs. total contract cost)
    - Dollar amount at \$50,000-\$100,000
    - Exclude foster care
    - Exclude Inter-Governmental contracts
    - Consider excluding Room Tax grants
- b. Exempted positions, for example  
Contractors above the threshold move to the following next step to determine what employees are excluded. Exclusions apply to employees.

- 18 or under
  - 90-day temporary/seasonal
  - In sheltered or supported work environment (individuals with barriers to employment)
  - In job training/work-study programs
  - In welfare-to-work programs
  - Paid pursuant to collective bargaining agreement
  - Paid pursuant to state or federal-mandated prevailing wage rate
  - Volunteers
- c. Waiver process
- A waiver process might be requested by contractors or department heads. Also suggested is that the County Administrator authorize or deny waivers and report decision to the Legislature, including timelines.
- Example of considerations:
    - Wage levels less than living wage are established by primary funding sources (state or federal governments)
    - Recognition of value of non-mandated fringe benefits or other employer-provided items beyond the \$1.32/hour health insurance allowance
    - Absence of alternative providers
    - Meet MIT living wage rate
    - Demonstrable progress in increasing wages of lowest paid
    - Employees provide the same service, at the same time, to other clients/customers
    - Payment adds more than X% to County's cost
- d. Depth of coverage
- Directly involved in the provision of the contracted service

#### Discussion

In response to a question, it was stated that the suggestions do not preclude subsidization.

How do waivers apply to non-discretionary, mandated or sole-source contractors? To avoid eliminating these contractors in the beginning of the procedures, the suggested procedure elements are ordered to create a front end with all contractors involved and a back end to allow for discussion of considerations.

Wages will be separated from other contract costs. It is the labor content that is the subject of the policy.

It was agreed that a waiver is not a release from the policy but releases a contract from consideration in the process to carry out the policy.

It was suggested that time be allowed to react to the provision for a waiver to be granted.

The representatives present at the meeting were asked how the suggested exclusions would affect their organizations.

- CARS would be excluded as a pass-through contractor.
- Human Services Coalition – identified a couple of vendors on the Contracts Payments table that would fall under the waiver of “adds 10%

- or more to the local dollar cost of the contract” and one with only 3 employees that would not be burdened
- Challenge would be excluded with a threshold of \$75,000
- Racker Centers would be affected by waivers

Mr. Mareane suggested applying process by contract rather than by contractor.

Mr. Stein suggested a report to the Legislature evaluating the County’s costs to subsidize living wage and the effect after two years.

Ms. Holmes stated that using the \$75,000 threshold would only affect one healthcare agency in contract with COFA; the other 4-5 contracts would be below the level.

However, it would mean one agency is held to a certain standard and not the others, or they could go under waiver “e” listed on the Concepts: Elements of Procedure. Either way it creates a lot of different possible dynamics in terms of home care. Although the contract is negotiated each year, the agency’s amount business may change from year to year.

Mr. Wood suggested: 1) adding a criteria regarding competitive advantage or disadvantage; 2) not using the term “waiver,” for it implies that a decision has been made that the living wage will apply to the contract; and, 3) on what is suggested not to be called a waiver, maybe just a general assessment of the practical impact of this application. For example, if applied to Food Net, it would cost \$16,000. What would be the effect? Would some people get fewer meals? What is its practical impact that should be considered?

Ms. Eckstrom asked for more information regarding the Item g. of the waivers.

## **VII. Next steps**

It was agreed that there will be 3 more meetings:

1. To review and agree upon a final working draft. Mr. Mareane, will edit the current working draft, incorporating information from this meeting, and circulate.
2. To refine the elements of the final working draft agreed on at the previous meeting. Mr. Mareane will use decisions made at this meeting to develop a full report.
3. To consider and sign on to a full report.

A poll of dates and times will be taken to determine the next meeting date.

## **VIII. Adjourn**

The meeting was adjourned at 4:25 PM.

Living Wage Work Group Meeting #8  
June 13, 2013

Meeting Goal:

- Establish consensus regarding specific recommended changes in policy or procedure

Materials:

- Original "lightening rod" list of suggested procedural elements
- Suggested revisions to original list of suggested procedural elements
- Draft "Findings"

Agenda

- I. Public comment
- II. Review of Materials
- III. Establishment of recommendations
  - a. Procedures
  - b. Policy

"It shall be the policy of Tompkins County to consider the wage levels and benefits, particularly health care, provided by contractors when awarding bids or negotiating contracts, and to encourage the payment of livable wages whenever practical and reasonable,"
  - c. Findings
- IV. Next Steps
- V. Adjourn

**TC Livable Wage Work Group**  
 Meeting Notes  
**Thursday, June 13, 2013 – 2:30-4:30 PM**  
 Old Jail Building, Heyman Conference Room

Attendees		Status
Jim	Dennis	Present
Andrea	Gibbs	Present
Kathy Luz	Herrera	Absent
Lisa	Holmes	Present
Jackie	Kippola	Present
Joe	Mareane	Present
Rick	Snyder	Present
David	Squires	Present
Peter	Stein	Absent
Jonathan	Wood	Present

**Legislators:** W. Burbank; D. Keifer

**Staff:** Marcia Lynch, Tompkins County Administration

**Public:** D. Brown, Franziska Racker Center; Caregivers representative; L. DiPietro, Ithaca Journal; K. Schlather, Human Services Coalition; P. Meyers, TC Workers' Center; W. Rusen, Cayuga Addiction Recovery Services

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**Meeting Goal:**

- Establish consensus regarding specific recommended changes in policy or procedure

**Materials:**

- Original "lightening rod" list of suggested procedural elements
- Suggested revisions to original list of suggested procedural elements
- Draft "Findings"

**AGENDA**

**I. Public comment**

Brandon, invited by Pete Meyers, is a 25 years old employee making below the living wage level (20 hours at \$9/hr.), who spoke of his support for a living wage.

Pete Meyers, TC Workers' Center, expressed frustration with the way the living wage conversation has been framed, especially with the local media's reporting of what it would cost the County to increase contracted workers to a living wage. He believes that this conversation cannot be isolated from County personnel costs as a whole for when

isolated, it can be seen that the contracted workers are actually being asked to subsidize the pay of those who are working for and being directly paid for by the County. He said that both contracted workers and employed workers are doing County business and finds the discrepancies very disturbing. Citing personnel costs and salaries obtained from the County website, Mr. Meyers noted that the County's estimated, two million dollar worse-case scenario costs to subsidize the living wage is one-thirtieth of the current County's personnel budget of \$58.2 million dollars to pay all County employees or 35% of the County budget.

Mr. Meyers also said that the exclusion for age should be "younger than 18 years old" rather than "18 years old and younger" to be consistent with other counties and the City of Ithaca. Also, he is concerned about the non-mandated minimums in the exclusions. He asked if they might be phased in over several years.

## **II. Other Comments**

Peter Stein said that, essentially, there are only two sources of funds that the County can adjust: property taxes and reduction in services provided. He supports the notion but not above the services provided. If the County has to finance the living wage out of its own resources, there should be agreement that it should not come out of the services provided. It should all come from the property taxes. He acknowledged that there may be property owners who are not making a living wage and that is not good, but eliminating a service that some may be in dire need of would be worse.

## **III. Review of Materials**

- The living wage policy is still appropriate and relevant.
- Although department heads know of the policy, without procedural guidance it is difficult to consistently apply the policy. The operable policy terms—to consider, to encourage, to be reasonable and practical—are difficult to interpret with procedural guidance or definition.
- The focus was mostly on procedure to make clear how to apply a very broadly written policy. As a group, we discussed the obligation to live up to the policies adopted by the County.
- The County is a certified living wage employer and among the first to be certified.
- The County is among about 120 communities in the country that have enacted legislation that establishes a policy speaking to contract services.
- The County has entered into thousands of contracts but among those are:
  - o Construction and building service contracts governed by State labor law to pay prevailing wages, which are always higher than the living wage
  - o Commodity contracts affected by general municipal law with competitive bid requirements for which wage levels cannot be defined.
  - o Service contracts were the remaining contracts on which the Group could focus.
- Because counties are required to deliver human services, the concentration of the County's service contracts are with the local, not-for-profit, human services agencies, which come with their own set of restraints and restrictions, such as no competitive forces like for-profit organization and profit margins that can be used to absorb costs like the living wage.

- It was found that an overwhelming majority of County contractors pay all of their employees involved in the contract at least a living wage. Three-quarters the contractors responding to the survey said that they pay their employees at least a living wage.
- The survey showed that 86% of the for-profits did pay the living wage compared to 58% of not-for-profits that pay a living wage.
- The survey showed that even though compliance is high, 73%, the cost to achieve 100% compliance is quite high. The lowest impact of a blanket policy requiring everyone to pay all of their employees, who are involved in the contract, a living wage is roughly \$900,000; the highest is in the \$3,000,000 range. The benchmark we have been using is between 1-2 million dollars. To put the cost in context, if it is a million dollar cost, about a 2.3% increase in the tax levy and to the average homeowner, it is a \$25 impact. A two million dollar cost is 4.6% increase in tax levy and \$50 impact.
- Heard from not-for-profits that often wage levels are set by primary funders, such as Medicaid, federal, and State; that many have been hit by funding cuts creating constraints in what employees can be paid and continuing to provide services; that often the same service is provided simultaneously to a number of clients making it hard to distinguish the service to Tompkins County from others, who are unable to pay higher wages.
- Learned more about the issue of living wage – at the beginning of the this process, the AFCU (Alternative Federal Credit Union) rate was \$11.67 if employer contributed to health benefits and \$12.78 if not; mid-way through the process, the rates increased by 8.1% to \$12.62 if employer contributed to health benefits and \$13.94 if not. As a result, a second level of concern has been raised about the effect on employers who are compliant and their ability to remain compliant.

To synthesize the findings, there is a need to recognize the livable wage goal as a legislative goal that has to be balanced with other, possibly conflicting, legislative goals, such as to provide an essential level of services and have an affordable government—to balance the goals in a reasonable way. The Work Group’s approach to balance the goals has been to look at procedure that helps to understand what might be practical and reasonable, key operative words of current policy: contract size, carving out certain employee positions, considerations to apply at end of process on whether to incorporate the living wage standard.

#### **IV. Comments and Discussion**

D. Keifer – Related that DSS staff at table with her during 25 Years dinner were in favor of living wage and would be willing to pay up to \$50.00 increase in taxes. She, therefore, agrees with Mr. Stein that living wage be covered with taxes and not by cutting back programs.

D. Squires – Is for simplicity and has bias about not imposing any mandates on not-for-profits (NP), therefore, if exclude any 501(c)(3) from this process, it would make most of the exclusions would go away. It would be a nightmare to administrate. Most NPs contracted with County are small agencies; are for services County does; and some are for inherited services, e.g. sales tax agreement the County picked up from City of Ithaca requiring payment of certain amounts to certain NPs based upon agreement. It would be unconscionable for County to add to those amounts if process results in including NPs.

Eliminating 501(c)(3)s would also remove any tourism grants. He noted that procedures for Montgomery County, Maryland do not deal with NPs, i.e. 501(c)(3). He suggests carving out 501(c)(3).

The Work Group discussed the following suggestions:

- Excluding 501(c)(3) agencies suggested by Mr. Squires
- Excluding home care agencies that are subject to Medicaid rates although they are profit agencies suggested by Ms. Holmes
- Not excluding any County contractor, except those below threshold amount
- Determining how much subsidy the County can afford for the first year of subsidizing the living wage and plan to increase subsidy in subsequent years
- Applying subsidy equitably among contractors not paying the living wage
- Whether or not all of the subsidy should be covered by taxes or shared with the budget of the TC department making the contract.

Mr. Mareane asked the Group for a show of hands of those who agree with excluding not-for-profits. The tally was 4-yes; 3-no; 1-undecided.

Other suggestions were made regarding helping contractors to move to paying a living wage and not burden taxpayers:

- Mr. Brown suggested that the County work with contractors to implement a plan to increase wages by taking lowest wage paid by contractor and using a common denominator determine the percentage of the living wage being paid. Each time the contract is to be renewed, it must be increased by x-percent. This process continues until the contractor reaches the living wage amount. A response to this suggestion was that it could take up to thirty years.
- Ms. Herrera suggested removing whether employees live or work in Tompkins County from the considerations and develop steps for increasing—keeping in mind the impact of cost of living increases—by giving goals, something measurable, and having contractors report on progress reaching goals.
- Mr. Stein clarified his stance on including not-for-profits in the process. He stated that besides not feeling right, it is implicit in the process that the County will be putting in funds to implement policy, he does not understand why only for-profit contractors would be asked to follow policy. In the end, it will be both not-for-profits and for-profit contractors to whom the policy will apply. Let contractors bid giving the cost at which they can provide the service based on the policy. The County will have to subsidize the chosen contract bid to make the living wage payment possible. Mr. Stein sees this process as more defensible than making the division between the two types of contractors.

Mr. Mareane asked for further clarity on how the County would apply the subsidy funds per Mr. Stein's suggestion—by setting aside funds and allocating to chosen contractors to make incremental increases in wages based on a living wage set by the County, which could be less than the AFCU rate and increased every year. Mr. Stein responded that if the County cannot do the approximately \$900,000 needed to meet the subsidy cost calculated from survey responses, then adjust the amount to what the County can do, e.g. \$3-400,00. The County would then know

the percentage it needs to subsidize the difference between its living wage and the minimum wage per contract. Each year it would be part of the calculation and show how committed the County is. He considers this way better than using carve-outs that only save money in addition to the reasonable carve-outs to decrease subsidy needed; decrease by declaring what percentage of total subsidy can be done but will try to do more.

Ms. Holmes noted that this process might serve as a basis for starting to determine the threshold. However, she thinks the logistics to administer where the money goes and the requirement that it was used to increase wages at the end of the contract could be difficult. Also to be considered is who would administer and how would it happen.

## V. Establishment of recommendations

### a. Procedures

Mr. Mareane framed Group has done thus far:

1. Filter and carve-outs still relevant:
  - Need filter based on size of contract, a threshold, to reduce the 3,000 contracts to be reviewed
  - Class of employees, whether all contracts or not, is still relevant
  - Need guidelines for considerations to be applied for what is reasonable and practical
2. Fundamental things still a struggle:
  - Is there a difference between for- and not-for-profits
  - Is there a way to recognize progress and a willingness to discuss with contractors how long-term progress will be made—a plan
  - A budget of a reasonable amount; what is the balancing number that approaches one goal without crushing others

Mr. Mareane said that it could not be decided at this meeting whether not-for-profits would be exempt or treated differently than for-profits in working on long-term plan for wage increase. Mr. Squires suggested putting a time limit on the exemption for these contracts, such as 4 years to allow time for planning. Mr. Dennis suggested asking not-for-profits how much it would cost to pay employees in organization a living wage when sending out budget for contracts, thus getting top number right out, then use that number to determine what might be done to fix it. Mr. Mareane questioned how it could be done with most contracts originating in the departments.

As a result of this discussion, Mr. Mareane agreed to put together a synthesis of discussion. He asked Group to send any written ideas to assist him.

### b. Policy

“It shall be the policy of Tompkins County to consider the wage levels and benefits, particularly health care, provided by contractors when awarding bids or negotiating contracts, and to encourage the payment of livable wages whenever practical and reasonable,”

### c. Findings

**VI. Next Steps**

The Group will go beyond eight meetings. There might be 10 meetings but will keep to schedule in charge to complete task by July 31, 2013.

Mr. Dennis asked if the second bullet point regarding “local dollar cost of \$75,000 [\$25,000]” on page 1 of *Suggested revisions to original list of suggested procedural elements* will be decided at this meeting. Ms. Herrera suggested using a lower threshold about to allow Legislature to possibly recommend a higher amount when report is presented; suggested \$25,000 for it would be easier to raise than to lower amount. Mr. Mareane explained that as the threshold is lowered, the number of contracts rises. He gave the ratio of contracts to thresholds for \$75,000, \$50,000 and \$25,000, based on survey findings.

**The consensus was to use a \$50,000 threshold.**

**VII. Next meeting**

A meeting poll will be taken to set the next meeting date.

**VIII. Adjourn**

The meeting adjourned at 4:05 PM.

## Suggested Amendments Since 5.28

### Concepts: Elements of Procedure

- The living wage rate will be the rate established every two years by the Alternatives Federal Credit Union.
- Policy applies to all service contracts and associated subcontracts that are reasonably expected to result in a local dollar cost of ~~\$75,000~~ \$25,000 or more. Local dollar cost is defined as the total expected cost of the contract, less any applied aid or program revenue associated with that contract.
  - Specific exclusions:
    - Other governments
    - Foster care
    - Tourism grants
    - Contracts with or through the NYS Industries for the Disabled
    - Construction or building services contracts governed by Article 8 and 9 of the NYS Labor Law (require payment of prevailing wage rates established by NYSDOL)
    - Contracts for goods and commodities (procurement is governed by the competitive bid requirements set in NYS General Municipal Law)
    - Contracts for building or equipment leases or financial services
- Policy applies to all employees directly involved in the provision of the contracted service other than:
  - Employees age 18 and younger
  - Seasonal or temporary employees (90 days or less)
  - Employees in a probationary status (90 days or less)
  - Employed in a sheltered or supported work environment
  - Employees participating in a limited-duration (90 day) job training program
  - Employees participating in an academic work-study or academic internship program
  - Volunteers
  - Employees participating in mandated welfare-to-work programs

- Employees paid pursuant to a collective bargaining agreement
- Considerations that should be applied by department heads when evaluating whether to incorporate living wages into a specific contract include:
  - a. Specific wage levels for covered employees are established by the primary funding source (e.g., State or Federal Government) and are less than the living wage;
  - b. Wage levels less than the living wage are required to remain within reimbursement levels for specific services established by the primary funding source (e.g., State or Federal government);
  - c. The value of non-mandated fringe benefits provided to the employee by the employer (e.g., unconditional contribution to employee's pension, health/vision/dental care, educational benefits, generous paid time off policy, discounts, or other benefits or beneficial terms of employment) can reasonably be judged (how and by whom?) to make up the difference between the living wage and the actual wage paid;
  - d. Evidence of the contractor's progress in improving wages of those paid less than the living wages and ~~for~~ a reasonable plan by the contractor to improve the wages of those paid less than the living wage;
  - e. Evidence that the contractor cannot reasonably distinguish Tompkins County from other clients/customers also receiving the service. For example, Tompkins County may contract with Agency X to provide preschool education services to children from Tompkins County. The classroom housing the Tompkins County children may also include children from other counties, making it impossible to pay the teacher or aide a different rate of pay for work associated with the Tompkins County contract;)
  - f.
  - g. The County has no discretion over whether and how the service is provided (if this remains in procedure, provide an example);
  - h. The estimated (by whom) additional cost associated with payment of the living wage adds ~~10%~~ 20% or more to the local dollar cost of the contract
- Based on the above considerations, a Department head may conclude that the livable wage goal cannot reasonably be achieved in a specific contract. In that case, he or she will advise the County Administrator of that conclusion. Within 10 working days, the County Administer must either concur with, or reject, the department head's conclusion. The County Administrator will advise the Legislature ~~appropriate program committee~~ of any contract that does not pay

the living wage to all covered employees directly involved in the provision of the contacted service.

- Enforcement (*how and by whom?*) should be complaint-based. The County will investigate (*how and by whom?*) complaints received regarding a contractor's failure to pay the living wage rate and will take action to resolve that complaint (*how and by whom?*) and to report the conclusion of the process with the ~~complainant~~complainant. (*explanation of possible conclusions of this process*)
- Within two years of the legislative enactment of any changes in the livable wage policy or related procedures, there will be an objective assessment (*how and by whom?*) of the impacts of those changes, including, but not limited to: ~~The assessment must include~~ any effects on wages paid to employees of county contractors, any additional costs to the County, any changes levels of service provided by contractors, and the administrative ~~changes~~burdens caused by ~~changes in the~~ policy or procedure. The assessment may also include other factors of interests that may be identified by staff or Legislators.

Living Wage Work Group Meeting #9  
June 25, 2013

**Meeting Goal:**

- Establish consensus regarding specific recommended changes in policy or procedure

**Materials:**

- Procedural elements from 6/13/13, with possible add-ons based on 6/13 discussion

**Agenda**

- I. Public comment
- II. Review of Materials
- III. Establishment of recommendations
  - a. Procedures
  - b. Policy

“It shall be the policy of Tompkins County to consider the wage levels and benefits, particularly health care, provided by contractors when awarding bids or negotiating contracts, and to encourage the payment of livable wages whenever practical and reasonable,”
- IV. Next Steps
- V. Adjourn

**TC Livable Wage Work Group**  
 Meeting Notes  
**Tuesday, June 25, 2013 – 3:00-5:00 PM**  
 Old Jail Building, Heyman Conference Room

Attendees		Status
Jim	Dennis	Present
Barb	Eckstrom	Present
Andrea	Gibbs	Present
Kathy Luz	Herrera	Absent
Lisa	Holmes	Present
Jackie	Kippola	Present
Joe	Mareane	Present
Rick	Snyder	Present
David	Squires	Present
Peter	Stein	Excused
Jonathan	Wood	Present

**Legislators:** W. Burbank; D. Keifer

**Staff:** M. Lynch, Tompkins County Administration

**Public:** D. Brown, Franziska Racker Center; P. Meyers, TC Workers' Center; W. Rusen, Cayuga Addiction Recovery Services

**Meeting Goal:**

- Establish consensus regarding specific recommended changes in policy or procedure

**Materials:**

- Procedural elements from 6/13/13, with possible add-ons based on 6/13 discussion

**AGENDA**

**I. Call to Order**

Mr. Mareane called the meeting to order and reviewed the meeting goal and distributed material, *Procedural Framework, From 6/13/13*, that includes, at the end, the discussion synthesis he agreed to do and that was circulated. He suggested an item for discussion at this meeting, *Is that approach not only interesting but also workable?*

**II. Discussion of Procedural Approach: Is it not only interesting but also workable?**

Thoughts:

- Element of monitoring and accountability in either of the two options; who would be responsible

- If consensus of group was to provide definition to approach of existing policy in how to go about encouraging a livable wage, then using mechanism for determining what contracts are covered, all the other items are things to be considered beginning with the department head. Economic impact is the
- “Covered Contracts”  
To say that “all professional services don’t result in a bid” is an incorrect statement. For example, garbage hauling is a service, and it must be bid under general municipal law. However, garbage hauling is a service, but not a professional service. A bid could be an offering for pricing for goods and/or services. Not all services are subject to a RFP.

**It was agreed that,**

- o The County’s living wage policy will only apply to the professional services contracted through RFPs.
- o The procedure would be: 1) the contractor responds that a living wage is not paid for the given reasons; 2) the department head evaluates response using the established criteria and makes a recommendation whether to apply policy and timeline; 3) County Administrator reviews recommendation and approves or not; 4) County Administrator reports decision to Legislature
- It was suggested to extend the Group’s timeline to another year to gather better data to estimate the cost to the County.

**It was agreed that,**

- o Whether or not to apply the procedure to current contracts will be decided on a contract-by-contract basis.
- Concern was expressed about what will happen to human service agencies that the County has good relations with and do good work for the County but may not feel as good about the new living wage policy as the Group does, how to pay the living wage, and adding a new dimension to how department heads do contracts.

**III. Public comment**

Bill Rusen commented that although it may look good for a year or two, if the County applies the living wage policy to organizations like his, that do the work neither profit nor many non-profit organizations do or want to do, unintentionally, it will cause these organizations to go down after a few years.

Responses:

Mr. Rusen’s comment highlights missing general criteria: What is the effect of applying this wage to this contract, long-run and short-run? Is the overall effect of applying this wage to this contract positive or negative?

The parameters used to judge the impact should take into consideration the economic impact on individuals.

**IV. Path to Follow**

The Group discussed the two suggested approaches: 1) Original procedural approach and 2) Approach with timeline, appropriation process, milestones.

**By consensus it was decided that,**

1. The “Additional items Tied to 6/13/13/ Discussion” will not be added to the Procedural Framework.
2. Procedural Framework
  - Considerations: Item “c” – will be done by department heads in consultation with County Administrator, Finance and/or Personnel
  - Considerations: Item “f” – add *absence of suitable alternative*
  - Considerations: Item “g” – remove percentage; replace *cost* with *economic impact*
  - Covered Contracts: Joe will add wording for department head to recommend a lower threshold for a particular type of contract; Joe will word
  - Covered employees: note change in age group to *under the age of 18*
  - Considerations: delete *for waiver or deferral*

**V. Next Steps**

Joe will circulate *findings*.

Since it was not suggested to scrape the 2003 policy, the Group will continue to work on how to implement the goal of the policy and how to accommodate, within reason, the need for dollars over time.

Mr. Dennis and Ms. Herrera expressed thanks for the work the Group has done.

Mr. Mareane will send the edit version of the *Procedural Framework* out today or tomorrow. The findings will be circulated next. The Group will gather again for a review of findings and recommendations and add an introduction.

Mr. Mareane thanked the Group.

**VI. Next meeting**

The Group will gather in a couple of weeks to finalize recommendations.

**VII. Adjourn**

The meeting adjourned at 4:05 PM.

## Procedural Framework, From 6/13/13

### Covered Contracts

- All service contracts estimated to result in the annual expenditure of \$50,000 [as agreed on 6/13] or more of County, or “local,” dollars (i.e., contract cost net of reimbursements, recoveries, and earned income), with the exception of contracts with or for:
  - Other governments
  - Foster care
  - Tourism grants
  - The NYS Industries for the Disabled
  - Construction or building services contracts governed by Article 8 and 9 of the NYS Labor Law (require payment of prevailing wage rates established by NYSDOL)
  - Goods and commodities (procurement is governed by the competitive bid requirements set in NYS General Municipal Law)
  - Building or equipment leases or financial services

### Covered employees

- All employees other than:
  - Employees under the age of 18 [as agreed on 6/13]
  - Seasonal or temporary employees (90 days or less)
  - Employees in a probationary status (90 days or less)
  - Employed in a sheltered or supported work environment
  - Employees participating in a limited-duration (90 day) job training program
  - Employees participating in an academic work-study or academic internship program
  - Volunteers
  - Employees participating in mandated welfare-to-work programs
  - Employees paid pursuant to a collective bargaining agreement

### Considerations for waiver or deferral

- Considerations that can be applied when determining whether it is “practical and reasonable” to incorporate the living wage standard in a specific contract, and therefore if an exception should be made for that contract, include:
  - a. Specific wage levels for covered employees are established by the primary funding source (e.g., State or Federal Government) and are less than the living wage;
  - b. Wage levels less than the living wage are required to remain within reimbursement levels for specific services established by the primary funding source (e.g., State or Federal government);
  - c. The value of non-mandated fringe benefits provided to the employee by the employer (e.g., unconditional contribution to employee’s pension, health/vision/dental care, educational benefits, generous paid time off policy, discounts, or other benefits or

- beneficial terms of employment) can reasonably be judged (*how and by whom?*) to make up the difference between the living wage and the actual wage paid;
- d. Evidence of the contractor's progress in improving wages of those paid less than the living wages and a reasonable plan by the contractor to improve the wages of those paid less than the living wage;
  - e. Evidence that the contractor cannot reasonably distinguish Tompkins County from other clients/customers also receiving the service. For example, Tompkins County may contract with Agency X to provide preschool education services to children from Tompkins County. The classroom housing the Tompkins County children may also include children from other counties, making it impossible to pay the teacher or aide a different rate of pay for work associated with the Tompkins County contract;)
  - f. The County has no discretion over whether and how the service is provided (*if this remains in procedure, provide an example*);
  - g. The estimated (*by whom*) additional cost associated with payment of the living wage adds ~~10%~~ 20% [suggested by KLH; no discussion], or more to the local dollar cost of the contract
- The County Administrator must be accept or reject a department head's determination that it is not reasonable or practical to incorporate the living wage standard in a specific contract based on the above considerations. In turn, the County Administrator must report any such "waivers" to the Legislature.
  - It is expected that the County will work with the excepted contractor to explore a multi-year plan to achieve the living wage level.

#### Additional items Tied to 6/13/13 Discussion

#### **Approach**

- A phased, multi-year approach to achieving the livable wage standard for covered employees of County contractors.
  - A phased approach provides time for the County to make incremental budget adjustments, and for contractors to develop and implement plans, to meet the County's living wage goals.

#### **Milestones**

- Attainment of Adjusted AFCU rate (exclude recreation, internet, and savings) by 2017
  - That rate is currently \$11.42/hour, and would be adjusted in 2015 and 2017 as a part of the biennial AFCU adjustment

- Attainment of AFCU rate, without adjustments, by 2020
  - That rate is currently \$12.62/hour, and will be adjusted by the AFCU in 2015, 2017, and 2019

#### **Budgetary Process**

- Each year, as a part of the presentation of factors to be considered by the Legislature in developing the next year's fiscal goals and targets, the County Administrator will propose an allocation of funds that he or she believes sufficient to keep the County on a path toward achieving the 2017 and 2020 milestones. Funds appropriated by the Legislature for this purpose would be included in the County Contingency account and could be appropriated only by resolution of the Legislature.
- In years in which the Legislature finds that fiscal or economic conditions do not allow additional funds to apply to achieving its living wage goals without diminishing essential services, the Legislature will adjust its milestone dates to achieve its living wage policy goals.

Living Wage Work Group Meeting #10  
July 23, 2013

**Meeting Goal:**

- Adopt a report containing the work group's findings and recommendations

**Materials:**

- Draft report (7.17.13 Mark-Up)

**Agenda**

- I. Public comment
- II. Review of Draft Report
- III. Consideration of Amendments
- IV. Adoption of Final Report
- V. Adjourn

**TC Livable Wage Work Group**  
Meeting Notes  
**Tuesday, July 23, 2013 – 3:00-5:00 PM**  
Old Jail Building, Heyman Conference Room

<b>Attendees</b>		<b>Status</b>
Jim	Dennis	Present
Barb	Eckstrom	Present
Andrea	Gibbs	Present
Kathy Luz	Herrera	Absent
Lisa	Holmes	Absent
Jackie	Kippola	Present
Joe	Mareane	Present
Rick	Snyder	Present
David	Squires	Present
Peter	Stein	Present
Jonathan	Wood	Present

**Legislators:** D. Kiefer

**Staff:** M. Lynch, Tompkins County Administration

**Public:** D. Brown, Franziska Racker Center; P. McKee, Challenge Workforce Solutions; P. Meyers, TC Workers' Center; S. Oakes, Cayuga Addiction Recovery Services; W. Rusen, Cayuga Addiction Recovery Services

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**Meeting Goal:**

- Adopt a report containing the work group's findings and recommendations

**Materials:**

- Draft report (7.17.13 Mark-Up)

**AGENDA**

**I. Call to Order**

Mr. Mareane called the meeting to order.

**II. Public comment**

Dooley Kiefer – Made recommendations for the report: 1) that an aspirational goal be added and 2) that it should be stated that the goal is, at some point in time, any and all contracted employees be paid a living wage.

Response: Mr. Mareane will add the actual numbers of survey responses (how many were sent out/returned) and divide by sector (for profit/not-for-profit) to the final report. Also, there will be opportunity during this meeting for persons to submit recommendations for language for an aspirational goal for discussion during that part of the report.

### **III. Review of Draft Report**

#### **It was agreed that,**

Any suggested changes and amendments to the report were adopted by majority present rule.

#### Introduction and Executive Summary

#### **It was voted, unanimously,**

To accept the Introduction and Executive Summary section as written in the draft report.

#### Findings

#### **It was voted, unanimously,**

To accept **Items #1, 4, 8, 9, 12** of the Findings section as written in the draft report.

#### **It was voted, unanimously,**

To accept **Item #2** of the Findings section in the draft report with the following addition: a third bullet – “The policy is applicable to service contracts for which biddings is not required.”

#### **It was voted, 5-Yes/2-No/3 Absences,**

To accept **Item #3** of the Findings section in the draft report with the following addition: language conveying the position the AFCU is the default standard but does not preclude the County from using an alternative to that standard and how long the AFCU has been providing the rates. (Mr. Mareane will provide language.)

#### **It was voted, unanimously,**

To accept **Item #5** of the Findings section in the draft report with the following change: the caption will be worded to reflect that not-for-profits have a special problem; and reword bullet #1 to not be comparative.

#### **It was voted, unanimously,**

To accept **Item #6** of the Findings section in the draft report with the following change: Ithaca Workers Center to Tompkins County Workers' Center.

#### **It was voted, unanimously,**

To accept **Item #7** of the Findings section in the draft report with the following change: Bullet #2 - delete “in performance levels.”

#### **It was voted, unanimously,**

To accept **Item #10** of the Findings section in the draft report with the following change: Bullet #3 – delete first sub-bullet and delete “however” in second sub-bullet; Bullet #5 – delete “for the consideration of waivers is necessary and appropriate.”

**It was voted, unanimously,**

To accept **Item #11** of the Findings section in the draft report with the following change: In caption delete “not-for-profit.”

#### Recommendations

**It was voted, unanimously,**

To accept **Items #3, 4, 5** of the Recommendations section as written in the draft report.

**It was voted, unanimously,**

To accept **Item #1** of the Recommendations section in the draft report with the following addition: language regarding “aspirational goal” (Joe will provide wording).

**It was voted, unanimously,**

To accept **Item #2** of the Recommendations section in the draft report with the following addition: at end of sentence 1, “not subject to bidding”

#### Recommended Procedure

**It was voted, unanimously,**

To accept **Bullets #3, 5, 6, 7, and 8** of the Recommended Procedure section as written in the draft report.

**It was voted, unanimously,**

To accept **Bullet #1** of the Recommended Procedure section in the draft report with the following: add “nothing precludes the Legislature...” (Joe will provide wording.)

**It was voted, unanimously,**

To accept **Bullet #2** of the Recommended Procedure section in the draft report with the following: add to end of Sentence 1 “and to minimize administrative burden.”

**It was voted, unanimously,**

To accept **Bullet #4** of the Recommended Procedure section in the draft report with the following: sub-bullet 8, delete “critical.”

#### **IV. Adoption of Report**

**It was voted, unanimously,**

That the Living Wage Work Group adopts the Report as reviewed and amended.

Mr. Mareane thanked the Group and agency representatives for their work and support.

Mr. Mareane will make revisions to the draft and circulate it. Group members should return comments and suggestions by email to Mr. Mareane.

**V. Adjourn**

The meeting adjourned at 5:00 PM.

# Draft 3, 7.17.13 Mark-Up

## Introduction and Executive Summary:

In 2003, Tompkins County was among the first local governments in the country to enact a living wage policy that extended to contractors doing business with the County.

The essence of that policy requires County staff to “consider the wage levels and benefits, particularly health care, provided by contractors when awarding bids or negotiating contracts, and to encourage the payment of livable wages whenever practical and reasonable.”

The policy does not mandate the payment of living wages. In fact, the operative words in the policy—*consider, encourage, practical, and reasonable*—convey the latitude and judgment the Legislature found necessary to balance its goal of paying the living wage to employees of County contractors with other, sometimes conflicting goals, such as preserving essential services and property tax stability.

The broad statements of principle and approach in the 2003 policy remain relevant today.

Recently, questions have arisen about how the policy is being applied and whether the Legislature’s living wage goals are being adequately considered in the procurement and award of County contracts.

These questions led to a decision to undertake a retrospective review of the 2003 Livable Wage policy and to determine whether shortcomings exist in the policy or procedures that should be addressed.

With the support of the County Legislature’s Government Operations and Budget, Capital, and Personnel Committees, the County Administrator convened an 8-person work group<sup>1</sup>, including 3 Legislators, to review the County’s 2003 Livable Wage Policy.

The group accepted the following charge:

*Undertake a thorough review of the County’s livable wage policy to determine whether County’s policy goals are being adequately achieved, including the extent to which livable wages are now being paid by County contractors. Based on that review, recommend specific changes in the policy or procedure that would address any shortcomings in the policy or its execution.*

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<sup>1</sup> Legislators Jim Dennis, Kathy Luz Herrera, and Peter Stein; County Attorney Jonathan Wood, County Administrator Joe Mareane, Finance Director David Squires; Solid Waste Manager Barbara Eckstrom, Office of Aging Director Lisa Holmes; Contracts Manager Jackie Kippola,

*Recommendations made by the work group will be presented to the Legislature for its consideration.*

*To arrive at sound recommendations, the Work Group must consider the full implication of changes that may be proposed. This will require input from knowledgeable groups and individuals with divergent perspectives. Therefore, the process followed by the work group will be transparent and open to the public. Each meeting should include an opportunity for public comment.*

*Recommendations developed by the work group should be based on clear and specific findings that emerge from its review, and should include the justification for, and expected outcome associated with, each recommendation. The recommendations should be presented in a concise report to the Legislature.*

The work group met nine times, beginning with an organizational meeting on April 16, 2013, and conducted a well-attended public input session on May 1. All of the work group's meetings were conducted in public, with meeting dates posted on the County's calendar, and with individuals who have expressed an interest in the issue receiving email notifications of meetings and agendas. At every meeting, members of the public were invited to speak, and many did. All discussions were on the record.

As a part of its review of the policy and potential new procedures, the work group has had access to a volume of pertinent information and materials, including how other communities have approached the living wage issue. It commissioned several internal reports and an internally-prepared survey of all County service contractors intended to better understand the fiscal and programmatic consequences of various options available for consideration. The work group devoted an early session to gathering input from County department heads.

The review quickly found that the Livable Wage policy is known to department heads and seems to have positively impacted wages paid by County contractors (the living wage is paid by 73% of those who responded to our survey). However, there is not procedural guidance in place that would help contractors and department heads understand how to consistently implement the policy. Accordingly, much of the work group's effort was focused on the development of such procedures.

The work group also found that many of the County's contracts are either subject to State Labor Law dictating the payment of State-calculated prevailing wages (public works and building services) or to State General Municipal Law that prohibits the establishment or consideration of wage levels for items subject to a competitive bidding process. Therefore, the focus has been on service contracts.

Over the course of its nine meetings, the work group has come to fully appreciate the complexity of the issue and the need to find a balance between the goal of providing a living wage to individuals employed by County contractors and other goals, including those relating to the County's fiscal stability and ability to provide essential services.

Cost is a major element in considering the Legislature's livable wage goal, just as it is when considering the feasible level of attainment of any public policy goal. Based on survey and anecdotal information compiled by the work group, it appears an immediate and blanket application of the living wage standard would carry a cost of between \$1 million and \$2 million annually. In the view of the work group, that cost—which is the equivalent of a 2.3%-4.6% increase in property taxes—is beyond the County's immediate reach.

Adding to the complexity of the issue, and to the cost of paying the living wage, the Alternatives Federal Credit Union (AFCU) living wage rate was raised by over 8% mid-way through the work group's review, due largely to an adjustment for higher payroll taxes. The AFCU living wage now stands at \$12.62/hour (\$26,250/year) if employers contribute to the cost of health care, and \$13.94/hour (\$28,996/year) if they do not. The 2013 increase raised the bar for those who are not currently paying the living wage, and created significant new cost pressures for those who have committed to pay the living wage.

In spite of the increase, nearly three-quarters of survey respondents said they pay new living wage to all employees engaged in County contract work. However, as indicated earlier, the estimated cost to raise wages for those who do not currently pay the living wage is quite high. Most of that \$1-\$2 million cost is attributable to agencies that provide human services to the community via a contract with the County.

Reflecting the core mission of New York's counties to provide a diverse range of human services mandated by the State, most of the County's contracts are with local, and generally not-for-profit, human service organizations. These agencies often face funding cuts and restrictions imposed by their primary funders (state and federal governments), adding to the challenge of achieving a broadly-applied living wage. This is reflected in survey results that found that the living wage standard is met by only 58% of the responding not-for-profit organizations—far less than the 86% of for-profit firms that said they meet the living wage goal.

A blanket imposition of a living wage standard is unlikely to be absorbed in smaller profit margins of not-for-profit agencies, or as entrepreneurial risk as might be the case when for-profit firms are competing for County business. Instead, the additional cost would most likely result in either diminished services or a dollar-for-dollar increase in the County's cost. The work group's general sentiment favored sustaining current levels of human services, which means that options may sometimes be limited to raising contract payments by an amount necessary to pay the higher wage, or finding a more gradual course toward attainment of the living wage goal.

In recognizing the challenges of a mandated living wage standard or rigid policy, the work group has found that the 2003 Livable Wage policy remains a strong and appropriate statement of the community's values and goals, and provides the latitude and judgment necessary to find the right balance between the legislature's living wage goal and other, sometimes conflicting, policy goals.

However, there is an absence of procedures necessary for a consistent, reasonable, and practical application of that policy. Therefore, the work group recommends a procedural system to fill this void.

The recommended procedure would focus on service contracts that are expected to involve an expenditure of \$50,000 or more in County dollars (net of state and federal reimbursements or earned income).

It would exempt certain positions from the living wage standard, and establish criteria that can be consistently applied when considering if it is practical and reasonable to incorporate the living wage standard into a specific contract, as is called-for in the 2003 Policy.

This procedure is expected to mitigate, but not eliminate, the costs associated with a broader application of the living wage. It will help to balance the conflicting goals of higher wages for employees of County contractors and the County's ability to provide essential services at an affordable cost to taxpayers.

The procedure also establishes a system of accountabilities in which managers and policy makers will be aware of progress being made in attaining the living wage goal, including specific cases in which the living wage standard is not being incorporated into a contract, and the considerations applied in deciding not to apply the standard. A retrospective evaluation of the effects of the policy and new procedures will be undertaken after two years of operation.

In making these recommendations, the work group recognizes that there will remain employees of County contractors who will not be paid the living wage—at least not immediately. It also recognizes there will be contracts for which our policy finds that living wages should be paid—and that there will be associated cost implications. Given this, the Legislature may wish to augment and/or conserve the use of the County's contingency fund in anticipation of additional contract costs required to lift some employees to the higher wage.

The sections below present the detailed findings and recommendations of the work group.

### Findings

#### 1. The 2003 Policy remains relevant and appropriate, but procedural guidelines are lacking.

- The County's current policy, passed by Resolution of the Legislature in 2003, requires the consideration of "the wage levels and benefits, particularly health care, provided by contractors when awarding bids or negotiating contracts, and to encourage the payment of livable wages whenever practical and reasonable."
- The policy reflects the need to apply reason and judgment to its application, and that the livable wage goal must be balanced with other, potentially conflicting, legislative goals.
- The work group finds that department heads are aware of the 2003 Livable Wage policy, but in the absence of any procedures accompanying the policy, lack the guidance necessary to consistently and methodically *encourage* prospective contractors to pay employees a livable wage, *consider* such payment when awarding contracts, and apply the standards "*practical and reasonable*" to those considerations.
- The work group finds that procedures should be put in place to guide the implementation of the 2003 policy, and has devoted much of its time to considering such procedures.

#### 2. The policy is applicable to County service contracts.

- While broadly written, in practice, the policy applies to service contracts.
    - The policy does not apply to construction projects or building service contracts. Articles 8 and 9 of the New York State Labor Law govern wages paid for all public works projects and building service contracts. (NYS DOL-determined prevailing wage rates must be paid).
    - The policy does not apply to the purchase of commodities. New York State General Municipal Law dictates that all commodities be purchased through a low-bid process that precludes establishment of wage levels by the buyer.
  - The work group did not consider the application of the policy to projects sponsored by other governments or governmental agencies, including the Industrial Development Agency, and did not find cause to recommend an expansion of the policy to such other organizations.
- 3. For purposes of administering the Livable Wage Policy, the County should use the wage rate established by the Alternatives Federal Credit Union as its standard.**
- The calculation of the living wage prepared by the Alternatives Federal Credit Union (AFCU) for its own employees has been generally accepted in Tompkins County as the standard definition of the living wage.
  - The AFCU living wage is now \$12.62 per hour (\$26,250/year for employees working a 40-hour work week) when the employer provides employer-supported health care benefits. It is \$13.94 per hour when health benefits are not provided.
  - There are other calculations of the living wage, including one from M.I.T. that estimates the living wage for communities across the country.
    - The M.I.T. rate, which is currently \$10.28/hour, differs from the AFCU rate largely in not providing allowances for recreation, communication, and personal savings.
  - If the AFCU living wage was adjusted to exclude recreation, internet service, and personal savings, the adjusted rate would be \$11.42/hour.
- 4. The recent 8% increase in the AFCU living wage rate adds to the challenge of achieving the Living Wage standard.**
- During the course of the work group's review, the AFCU living wage rate, which is adjusted every two years, rose by over 8%. The prior rates were \$11.42/hour (\$23,754/year for employees working a 40-hour work week) with health benefits and \$12.78/hour without. The increase was attributed primarily to higher federal taxes.
  - The increase widens the gap between actual and living wage rates for contractors who are not now paying all employees the living wage, and adds significantly to the cost associated with closing that gap.
  - The May increase also raises a concern that many County contractors that have been paying the living wage, including many who are Certified Living Wage employers, will now fall

below the living wage threshold. To stay compliant, these organizations may have no alternative other than to seek additional County support or reduce services.

**5. Most of the County's contracts are with local not-for-profit human service agencies, making the impact of a Livable Wage policy less likely to be "absorbed" by smaller profit margins or competitive market forces.**

- In city, town, and village governments, most contracts are with for-profit vendors who generally provide non-recurring or highly specialized services that relate to core municipal functions (road maintenance, parks, land use, and public safety.) Competition among for-profit firms for such contracts can sometimes result in costs being absorbed through smaller profits or alternative approaches to the work.
- Counties are unique in delivering a broad range of human service and social welfare programs, many of which are provided by local human service agencies. Most, although not all, of these human services agencies are not-for-profit organizations.
- The large majority of County contracts are with local not-for-profit human service agencies and providers that have developed a niche that addresses a specific County program need. Competition among local not-for-profits for County contract work is the exception, rather than the rule.
- Particularly at a time of federal, state, and local cutbacks in funding for programs delivered by not-for-profit human service agencies (and for-profit human service agencies delivering services regulated and funded by State or Federal agencies), it is not reasonable to expect that additional costs for higher wages can simply be absorbed by not-for-profit County contractors.

**6. Tompkins County's commitment to the living wage is evident in being one of just 89 certified living wage employers in the Country, and among 120 communities in the United States with legislation that speaks to paying living wages to employees of contractors.**

- There are 89 businesses and organizations within Tompkins County, including the County itself, that are listed as "Certified Living Wage Employers," by the Ithaca Workers Center. These firms and organizations have committed to pay all employees a wage at least as high as the AFCU living wage.
- According to the National Employment Law Program, 120 communities in the U.S. have living wage laws that apply to businesses that receive contracts from local governments. Similar to the recommendations that the work group will offer, most carve-out certain types of positions and many have financial or other thresholds that exempt smaller firms or contracts.

**7. Based on survey results, 73% of County contractors pay employees the living wage. However, participation is significantly lower among not-for-profits, and the hurdles in the way of full participation are quite steep even for the largest not-for-profit agencies.**

- Based on a survey of contractors<sup>2</sup> and input of department heads, nearly three-quarters of County contractors now pay at least the living wage to all employees directly involved in delivering contracted County services.
    - 73% of the contractors who responded to the survey indicated they are paying these employees at least the (2013) living wage.
  - There is a substantial difference in the payment of living wages performance levels between for-profit and not-for-profit organizations.
    - 86% of the for-profit survey respondents said they are paying the living wage to all employees directly involved in providing the contracted County service.
    - 58% of the not-for-profit respondents said they are paying the living wage to all employees directly involved in providing the contracted County service.
  - The work group found that the lower wages often paid by human service organizations and firms relate to two primary factors:
    - A generally austere funding environment. Agencies that rely on governmental funds have suffered federal, state, and county funding cuts, often significant, in the wake of the 2008 recession. Wages have often been constrained as a part of an overall agency strategy to preserve service levels during this time of high demand.
    - Reimbursement levels set by state and federal funders. State and federal (e.g., Medicaid) programs often establish either a specific wage rate eligible for reimbursement or a total reimbursement level for a specific service that, when combined with minimum staffing required for that service, essentially establishes a maximum wage level. These cost containment factors have a significant influence on the wages affected agencies can pay their employees.
  - As a result of these factors, some of the community's largest not-for-profit organizations (Franziska Racker Center, Challenge Workforce Solutions, Cayuga Addiction Recovery Services), which run programs serving some of the County's most difficult-to-serve populations, may face the greatest challenges in paying all employees the living wage rate—at least without a dollar-for-dollar increase in County funding.
  - Faced with the same kind of regulatory and revenue constraints, several agencies involved in providing home health care, day care, and nutritional services do not pay all employees involved in their County contracts a living wage.
- 8. The contractor's survey found that several contractors who do not pay all of their employees the living wage do provide employer-supported benefits well beyond the \$1.32/hour contribution to health benefits recognized in the AFCU's living wage calculation.**

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<sup>2</sup> Survey was distributed to approximately 400 County contractors. Seventy-four responses were received.

- In several cases, employers offered vision and dental care, employer-contributions to pensions, educational benefits, and other non-mandated benefits.
- 9. There are other complex challenges that have to be a part of the consideration of what is “practical and reasonable” when applying the Livable Wage policy.**
- Several not-for-profit County contractors provide services to County clients that are indistinguishable from services provided to clients from outside the County. For example, a single rehab counselor may be working with clients from several counties at the same time. In cases like this, it is not possible to pay the employee one rate for serving Tompkins County clients, and a different rate for other clients.
  - In raising the wage of its lowest paid employees who are working under a County contract, employers have to consider the equity issues that arise if peers who aren’t working on a County contract don’t receive a similar increase—and the economic consequences if they do. Similarly, in most organizations there is a hierarchy of positions. When one rung of the ladder is adjusted, costs may be incurred to maintain the pay differential between positions that are most often based on levels of responsibility.
  - In several cases, the County acts simply as a pass-through of state or federal dollars to an organization. Although the contract is with the County, there are no County dollars involved. The logic of the livable wage policy—that in return for County funding, contractors should agree to pay the livable wage—is diminished or lost when no County dollars are involved.
- 10. There are significant cost implications associated with a blanket imposition of livable wage rates that need to be taken into account in the implementation of the Livable Wage policy. Clear, consistently-applied guidelines need to be put in place that will realize the 2003 Policy’s call for a “practical and reasonable” approach.**
- A blanket imposition of the livable wage will result in significant additional costs that will be borne by the contractor, the County and its property taxpayers, or clients in the form of reduced services.
  - Based on the contractors’ survey and informal polling by department heads, costs would rise by an estimated \$1-\$2 million with a blanket imposition of the livable wage.
  - It cannot be determined how much of that increase would be absorbed by contractors through smaller profit margins, translated into reduced service, or passed on to the County.
    - In an aggressively competitive environment, some of these additional costs might be absorbed by the contractor. To a degree, this exists when the County procures services most commonly delivered by private sector firms, such as architectural services.
    - However, most of the County’s contracts are with austere not-for-profits or for-profit agencies that have developed unique niches that align with specific County

service needs. There is neither competition nor profits that might otherwise lead to the contractor absorbing all or a significant portion of the added cost.

- It is therefore likely that costs associated with raising wages to the livable wage level will be borne primarily by the County in the form of higher contract prices, or by clients in the form of diminished services.
- Accordingly, the work group finds that procedures that include thresholds on contract size, carve-outs of certain positions, and consistently applied criteria for the consideration of waivers is necessary and appropriate to mitigate the cost impact and speaks directly to the “practical and reasonable” considerations referenced in the Livable Wage policy.

**11. Among those who have interacted with the work group, there seems to be a general appreciation for the goal of paying all employees a living wage, tempered by a concern about cost effects that may either reduce the level of service provided by not-for-profit contractors or cause a significant increase in County property taxes.**

- The work group has invited public input throughout its process, including hosting two public input sessions on May 1, 2013 and opening every meeting with a (frequently accepted) opportunity for public comment.
- We found sentiment in favor of a living wage policy, tempered by concern with the impact of higher labor costs on the ability of organizations, particularly those in the not-for-profit sector, to maintain current levels of service without requiring commensurate increases in the County’s contribution.
  - Over the course of its review, the work group did not hear from anyone who advocated eliminating the 2003 livable wage policy.
  - Most who favor a broader application of the living wage cite the moral value of a wage that allows an individual the dignity of self-sufficiency; the positive economic impact that occurs when higher wages circulate through the local economy; and the diminished reliance on economic assistance programs, including those administered by the County.
  - Most of those who expressed reservations about the implementation effects of the policy raised concerns about regulatory and revenue constraints that would translate into either diminished levels of service or higher County costs if the living wage were mandated. Some indicated that if the added costs of the program exceeded available revenue, an organization would choose not to compete for the County’s work. Some pointed out the logistical issues involved in paying one employee a higher rate under a County contract when a co-worker performing an identical task is paid less.

**12. Any changes made in policy or procedure can only be applied prospectively, to new or renewed contracts.**

### **Recommendations**

1. The 2003 Livable Wage Policy should remain in place and in force. The policy establishes a goal based on the values of the Legislature, while also recognizing that it must be balanced with other goals, including a fiscally stable, affordable government.
2. The policy should be applied to County service contracts. The work group focused exclusively on County government operations and does not intend its recommendations to be accepted or applied by other public entities, including economic development agencies and other municipalities.
3. Procedures must be put in place to provide clarity and guidance to department heads and others charged with administering the policy. A specific recommended procedure is detailed below.
4. Taken in their entirety, the procedures should help to balance the Legislature's livable wage goals with its fiscal goals, and define the reasonable and practical considerations department heads should apply when evaluating a contract proposal.
5. The Legislature should regularly be informed of the operation of the policy, including a retrospective evaluation of the effect of the changes undertaken two years after the implementation of any changes authorized by the Legislature.

### **Recommended Procedure**

- The living wage rate will be the rate established every two years by the Alternatives Federal Credit Union.
- The policy applies to all service contracts and associated subcontracts that are reasonably expected to result in a local dollar cost of \$50,000 or more. Local dollar cost is defined as the total expected cost of the contract, less any applied aid or program revenue associated with that contract. The purpose of this threshold is to focus on contracts where the County has the greatest leverage and standing, and on those contractors that may have the greatest ability to pay.
  - Specific exclusions:
    - Other governments
    - Foster care
    - Tourism grants
    - Contracts with or through the NYS Industries for the Disabled

- Construction or building services contracts governed by Article 8 and 9 of the NYS Labor Law (require payment of prevailing wage rates established by NYSDOL)
    - Contracts for goods and commodities (procurement is governed by the competitive bid requirements set in NYS General Municipal Law)
    - Contracts for building or equipment leases or financial services
  - A department head may elect to apply a lower contract expenditure threshold to define a “covered contract” in order to ensure fairness and equity among contractors.
- The policy applies to all employees of the contractor or subcontractor directly involved in the provision of the contracted service other than:
  - Employees under the age of 18
  - Seasonal or temporary employees (90 days or less)
  - Employees in a probationary status (90 days or less)
  - Those employed in a sheltered or supported work environment
  - Employees participating in a limited-duration (90 day) job training program
  - Employees participating in an academic work-study or academic internship program
  - Volunteers
  - Employees participating in mandated welfare-to-work programs
  - Employees paid pursuant to a collective bargaining agreement.
- Considerations to be applied when evaluating whether it is “practical and reasonable” to incorporate living wages into a specific contract:
  - Specific wage levels for covered employees are established by the primary funding source (e.g., State or Federal Government) and are less than the living wage;
  - Wage levels less than the living wage are required to remain within reimbursement levels for specific services established by the primary funding source (e.g., State or Federal government);
  - The value of non-mandated fringe benefits provided to the employee by the employer (e.g., unconditional contribution to employee’s pension, health/vision/dental care, educational benefits, generous paid time off policy, discounts, or other benefits or beneficial terms of employment) can reasonably be judged by the department head, in consultation with the County Administrator and Finance Director, to make up the difference between the living wage and the actual wage paid;
  - Evidence of the contractor’s progress in improving wages of those paid less than the living wages and a reasonable plan by the contractor to improve the wages of those paid less than the living wage;

- Evidence that the contractor cannot reasonably distinguish Tompkins County from other clients/customers also receiving the service. For example, Tompkins County may contract with Agency X to provide preschool education services to children from Tompkins County. The classroom housing the Tompkins County children may also include children from other counties, making it impossible to pay the teacher or aide a different rate of pay for work associated with the Tompkins County contract;
- There is an absence of suitable alternative services or contractors ;
- The fiscal impact associated with payment of the living wage is prohibitively high;
- Paying the living wage to a contractor causes a cut in a critical contracted service.
- The County Administrator must accept or reject a department head's determination that it is not reasonable or practical to incorporate the living wage standard in a specific contract based on the above considerations. In turn, the County Administrator must report all decisions to not incorporate the living wage into a contract to the relevant program committee.
  - It is expected that the County will work with the excepted contractor to explore a multi-year plan to achieve the living wage level.
- Additionally, the County Administrator will issue a report to the Legislature twice each year documenting the level of attainment of the Legislature's living wage goal.
- Enforcement will be complaint-based.
  - The County will promptly investigate complaints received regarding a contractor's alleged failure to pay the living wage rate. Action will be taken by the County Attorney to investigate and resolve the complaint.
  - The individual who made the complaint will be advised of the outcome of the investigation.
- Within two years of the legislative enactment of any changes in the livable wage policy or related procedures, there will be an objective assessment of the impacts of those changes. The assessment *must* include:
  - Effects on wages paid to employees of county contractors;
  - Additional costs to the County;
  - Changes In levels of service provided by contractors;
  - Administrative burdens caused by changes in policy or procedure;
  - The assessment *may* also include other factors of interests that may be identified by staff or Legislators.