

**SUPERIOR CHARTER TOWNSHIP  
WASHTENAW COUNTY, MICHIGAN**

**ORDINANCE # 160**

**SUPERIOR TOWNSHIP LIVING WAGE ORDINANCE**

The purposes of this Ordinance are to increase the quality and reliability of services procured for the Township or provided to Township inhabitants by promoting higher productivity and retention of employees working on Township contracts and grants; to use Township spending and procurement of services to require covered employers that provide services to the Township or that receive grants, tax abatements, and other forms of financial assistance from the Township in exchange for providing services or employment to Township inhabitants and the public to pay their employees a "Living Wage," that is, a wage sufficient to meet their employees' basic subsistence needs; to raise the income of low-income working people and their families employed by covered employees on Township contracts or grants; to use Township spending and financial assistance to encourage the development of jobs paying wages above the poverty level; to provide incentives for covered employers to provide health insurance to their employees; and for other purposes including the enforcement of the provisions hereof.

The Township hereby ordains:

**Section 160.01. Findings**

The Township Board finds as follows:

- (1) Payment of higher wages is associated with greater business investment in employee training, higher productivity, and lower employee turnover, and this Ordinance is intended to promote better quality and reliability of services procured for the Township or provided to Township inhabitants by contractors and grantees by promoting higher productivity and increasing retention of employees working on Township contracts and grants;
- (2) The creation of jobs that pay wages high enough to support families above the poverty level promotes the prosperity and general welfare of the Township and its residents, increases consumer spending with local businesses, and improves the economic welfare and security of affected employees;
- (3) Jobs with Township contractors, recipients of tax abatements, or certain other grantees should pay wages that permit the employees of such contractors and grantees and their families to live above the poverty level and should include employee health care benefits whenever possible;

- (4) According to a report entitled "Michigan's Families: Poor Despite Work" issued in November 1998 by the Michigan League for Human Services, from the late-1970s through the mid-1990s, the State of Michigan experienced a 152% increase in the number of working families that were poor—exceeding increases in all other states—while nearly tripling the 48 percent increase experienced nationally;
- (5) The Michigan League for Human Services found in its April 1998 report, "Economic Self-Sufficiency: A Michigan Benchmark," that a family of three required at that time, on average, \$2,724 a month to pay for housing, food, child care, health care, transportation, clothing, household supplies, a telephone, and taxes, and this was at the time equivalent to an hourly wage of \$15.83 for households with a single worker and \$7.92 for households with two workers;
- (6) The Michigan County Social Services Association found in its 2000 "market basket survey" that a "minimal needs" budget for a family of three (3) in Michigan required \$15,222 per year, while not including anything for health care benefit costs and assuming rent of only \$465 a month. According to the U.S. Department of Housing and Urban Development, the fair market rent for a two bedroom apartment in Ann Arbor Metropolitan Statistical Area (which included Superior Township) for 2000 was \$717 a month, and the fair market rent for a three-bedroom apartment was \$940 a month. This means that a family of three requires at least \$18,246 a year to meet a minimal needs budget in this area, not including health care. This converts to an hourly wage of \$8.77 for a full-time, full-year employee;
- (7) Federal and state minimum wages, currently set at only \$5.15 an hour, mean that a full-time, full-year minimum wage employee earns only \$206 a week, or \$10,712 a year, while the 2000 United States Department of Health and Human Services federal poverty guideline was \$11,250 for a two-person family, \$14,150 a year for a three-person family, and \$17,050 a year for a four-person family and income near the poverty level is not a desirable standard of living sufficient to meet the subsistence needs of a family in Superior Township and its surrounding communities;
- (8) Requiring manufacturers, outside service vendors/contractors, and certain other grantees that receive public dollars in the form of tax abatements, service contracts, and other grants of financial assistance to pay their affected employees a "Living Wage" will be in the best interest of the Township of Superior, the affected employees and their families, as well as Washtenaw County and the State of Michigan, as a whole; and
- (9) This Ordinance is adopted pursuant to the Township's spending and procurement powers as authorized under Article 7 of the 1963 Constitution and it provides for payment of living wages only to employees of covered employers; further, this Ordinance does not establish any generally applicable Township minimum wage, or affect the wages paid by any business or individual that chooses not to provide

services covered by this Ordinance to the Township, or does not accept Township tax abatements or grants falling within this Ordinance's terms.

Therefore, this ordinance is hereby Ordained by the Township of Superior to ensure that outside vendors/contractors and manufacturers who receive public monies through service contracts, tax abatements, and certain other grants of financial assistance pay their affected employees a “Living Wage” as defined herein.

**Section 160.02. Definitions.**

For the purposes of this Ordinance, the following definitions shall apply:

- A. "Contractor/vendor" is a person or entity that has a contract with the Township of Superior primarily for the furnishing of services (as opposed to the purchasing or leasing of goods or property) where the total amount of the contract or contracts exceeds \$10,000 for any 12-month period, including any subcontractors of such contractor;
- B. "Grantee" is a person or entity that is a recipient of any financial assistance from the Township of Superior in the form of any federal or state grant program administered by the Township, revenue bond financing, tax increment financing, tax abatement, tax credit, direct grant, or any other form of financial assistance, including any contractors, subcontractors, or leaseholders of the grantee at the subsidized site(s), that exceeds \$10,000 for any 12-month period.
- C. "Grant" means any form of covered financial assistance as set forth under the definition of "grantee" as defined in Section 2(B) of this Ordinance.
- D. "Covered Employer" means a contractor/vendor or a grantee of covered financial assistance that has not been granted an exemption from this Ordinance pursuant to Section 7 of this Ordinance.
- E. "Covered Employee" means a Person employed by a Covered Employer receiving Assistance; provided, however, that persons who are employed pursuant to federal, state or local laws relating to prevailing wages shall be exempt from this Ordinance.
- F. "Employee" means a person employed at a minimum of 37 ½ hours per week on an annual basis (full-time, full-year) within the meaning of Section 161 of the Worker's Disability Compensation Act of 1969, being Section 418.161 of the Compiled Laws of 1979.
- G. "Employee Health Benefits" or "Health Benefits" means providing health care benefits for employees (or employees and their dependents) at an hourly employer cost no less than the difference between the living wage established in Section 4(A)(i) for employees with health care and the living wage established in Section

4(A)(ii) for employees without health care, or making an employer contribution of no less than the same amount toward the purchase of such health care benefits for employees (or employees and their dependents).

- H. "Living Wage" has the meaning provided in Section 4.
- I. "Person" means one or more of the following or their agents, employees, servants, representatives, and legal representatives; individuals, corporations, partnerships, joint ventures, associations, labor organizations, educational institutions, mutual companies, joint stock companies, trusts, unincorporated associations, trustees, trustees in bankruptcy, receivers, fiduciaries, and all other entities recognized at law by this State.

**Section 160.03. Applicability.**

A. This ordinance shall apply to any person that is a Contractor/Vendor or Grantee as defined herein that employs or contracts with five (5) or more individuals; Provided, however, that a non-profit contractor/vendor or non-profit grantee shall have at least 10 or more employees and a contract or grant that exceeds \$10,000 in any 12-month period in order for this Ordinance to apply to it.

B. The Ordinance shall apply to any grant, service contract, or subcontract or other form of covered financial assistance as provided by this Ordinance that is awarded or entered into after the effective date of the Ordinance. After the effective date of the Ordinance, entering into an agreement for an extension or renewal of any grant, contract, or subcontract or other form of financial assistance as defined herein shall be conditioned upon compliance with this Ordinance.

**Section 160.04. Living Wages Required.**

A. Every covered employer, as defined in Section 160.02, shall pay its covered full-time employees a Living Wage as established in this ordinance.

(i) For a covered employer that provides employee health care to its employees, the Living Wage shall be \$8.70 an hour, or the adjusted wage established in paragraph C of this section.

(ii) For a covered employer that does not provide health care to its employees, the Living Wage shall be \$10.20 an hour, or the adjusted wage established in paragraph C of this section.

B. In order to qualify to pay the Living Wage rate for covered employers providing employee health care under subsection 160.04(a)(i), a covered employer shall furnish proof of payment for said coverage to the Township.

C. The amount of the living wage established in this Section shall be adjusted upward no later than April 30, 2004, and every year thereafter by a percentage equal to the percentage increase, if any, in the federal poverty guidelines as published by the United States Department of Health and Human Services for the years 2001 and 2002.

Subsequent annual adjustments shall be based upon the percentage increase, if any, in the United States Department of Health and Human Services poverty guidelines when comparing the prior calendar year's poverty guidelines to the present calendar year's guidelines. The applicable percentage amount will be converted to an amount in cents by multiplying the existing wage under Section 160.04(A)(ii) by said percentage, rounding upward to the next cent, and adding this amount of cents to the then existing living wage levels established under Sections 160.04(A)(i) and 160.04(A)(ii). Prior to April 30 of each calendar year, the Township Clerk will notify any covered employer of this adjustment by posting a written notice in a prominent place in Township Hall, and, in the case of a covered employer that has provided an address of record to the clerk, by a written letter to each such covered employer.

**Section 160.05. Employees Covered.**

A. Any contractor/vendor receiving a service contract or contracts covered by this Ordinance and any grantee receiving financial assistance for providing services to the public (or a portion thereof) shall pay any of its full-time employees performing work on each such contract or grant a Living Wage as defined herein.

B. Any covered employer receiving a grant of financial assistance from the Township as defined in Section 160.02, including revenue bond financing, tax increment financing, tax abatement, tax credit, direct grant, or any other form of financial assistance, shall pay all employees (or persons contracted for employment) working in (or whose base of employment is in) the workplace or location that is receiving or benefiting from such grant a Living Wage as defined herein.

**Section 160.06. Enforcement.**

A. The Township of Superior shall require, as a condition of any contract or grant covered by this Ordinance, that the affected covered employer agree to the payment of a Living Wage as a condition of entering into or renewal of said contract or grant. The affected covered employer shall agree to post a notice regarding the applicability of this Ordinance in any work place or other location in which employees or other persons contracted for employment are working. The affected covered employer shall agree to provide payroll records or other documentation, as deemed necessary by the Township to the Township Clerk within ten (10) business days from receipt of the Township's request.

B. The Township of Superior shall have the right to modify, terminate, and/or seek specific performance of any contract or grant with an affected covered employer from any court of competent jurisdiction, if it is determined after a public hearing, that based upon the preponderance of evidence, the affected covered employer has not complied with this Ordinance.

C. Any full-time employee or person contracted for employment by an affected covered employer who is denied payment of the applicable Living Wage shall have the right to file a claim for relief to enforce any rights granted under this ordinance in a court of law. The court shall award wage restitution, interest, and attorneys fees and costs, in the event the plaintiff prevails in the action.

**Section 160.07. Exemptions.**

The Township Board, after conducting a public hearing, may grant a partial or complete exemption from the requirements of this Ordinance, if it determines one of the following:

1. The application of the Ordinance would violate federal, state or local law(s);
2. The application of the Ordinance would cause economic harm to a non-profit contractor/vendor or grantee in a fashion that would result in the harm created by the application of the Ordinance clearly outweighing the benefits of applying the Ordinance, the affected non-profit entity has provided a plan to come into conformity with this living wage ordinance within 3 years, and to the extent necessary to avoid any such harm.

**Section 160.08. Other Provisions.**

A. No affected covered employer shall reduce the compensation, wages, fringe benefits, or leave available to any covered employee or person contracted for employment in order to pay the Living Wage required by this Ordinance. No covered employer or potentially covered employer shall reduce the hours of work, other established working conditions, or terms of employment as previously practiced for any employee in order to avoid coverage under this Ordinance. Any action in violation of this paragraph shall be deemed a violation of this Ordinance subject to the remedies in Section 160.06.

B. Nothing in this Ordinance shall be construed to conflict with, interfere with, and/or supersede any provision of a collective bargaining agreement with any union representing covered employees, including the provision of health care to Township employees covered by a collective bargaining agreement.

C. No employee covered by a federal, state, or local law requiring the payment of prevailing wages shall be covered by this Ordinance.

D. This Ordinance shall not be construed to apply to any person or entity that is not a beneficiary of financial assistance under this Ordinance solely because the person or entity is a tax-exempt religious or charitable organization under state or federal law.

E. This ordinance shall not be applicable to the establishment and/or continuation of the following if developed specifically for high school and/or college students:

1. A bona fide training program;
2. A summer or youth employment program;
3. A work study program, internship, fellowship, or other similar program

**Section 160.09. Severability.**

In the event any provision of this Ordinance shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

**Section 160.10. Effective Date.**

This Ordinance shall be effective upon publication in a newspaper of general circulation as required by law.

Kay Williams, Clerk  
Superior Charter Township

William A. McFarlane, Supervisor  
Superior Charter Township

**CERTIFICATE**

I, Kay Williams, Clerk of the Charter Township of Superior, Washtenaw County, Michigan, hereby certify that the foregoing constitutes a true and complete copy of Superior Charter Township Ordinance No. 160, which was duly adopted by the Township Board of Superior Charter Township at a Regular Meeting of said Board, held on May 3, 2004, after said Ordinance had previously been introduced at a Regular Meeting of the Board held April 19, 2004, and published in the form it was introduced in accordance with P.A. 359 of 1947, as amended.

Dated: May 3, 2004

Kay Williams, Clerk  
Charter Township of Superior