

**ARTICLE XII. LIVING WAGE\***

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**\*Editor's note:** Ord. No. 17-99, adopted Oct. 12, 1999, was intended to be included as a new art. XI, §§ 2-696--2-709; however, due to existing section numbers, said ordinance was included as a new art. XII, §§ 2-761--2-774 at the editor's discretion.

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**Sec. 2-761. Purpose.**

It is the purpose of this article to establish a living wage for all service workers employed for work performed in execution of service contracts and development projects with the city.

(Ord. No. 17-99, 10-12-99)

**Sec. 2-762. Definitions.**

As used in this article, the following terms have the meanings indicated unless the context clearly requires a different meaning:

*Affordable housing* means housing that houses families and individuals whose income does not exceed eighty (80) percent of area income as defined by the department of housing and urban development.

*City* means the government of the City of Hartford or any agency, board, commission, department, or other entity thereof, or any successor thereto.

*Development project* means a project that is:

(1) Subsidized or paid in whole or in part in an excess of one hundred thousand dollars (\$100,000.00) from: the city's general fund, capital project funds, city loans, tax abatement agreements, a tax increment financing agreements, state or federal money funneled through the city, pension fund money, municipal trust funds or the sale of municipal bonds. Projects dealing with single family residences, affordable housing or commercial real estate development with a total project cost fewer than five million dollars (\$5,000,000.00), shall not be considered a development projects for purposes of this article.

(2) A real estate development which cost is in excess of twenty-five thousand dollars (\$25,000.00) on city owned land and where the city is the landlord.

*Development project manager* means a person who owns a piece of real estate in fee simple on a location where a development project is located, or; a person who has a leasehold interest on a property where a development project is located that has a duration of twenty (20) or more years.

*Person* means any individual, corporation, partnership, joint venture, or other entity; however, person does not mean a private corporation organized under Section 501(c)(3) of the United States Internal Revenue Code of 1954, 26 U.S.C. Section 501(c)(3), who employs twenty-five (25) or less year-round employees in the city.

*Service contract* means a contract that is:

(1) Awarded by the city in excess of \$50,000.00 to a service contractor or provide one

or more of the following services on a weekly or more frequent basis, except a vendor who provides goods to the city, unless they also provide services as defined below:

- a. Food services on an ongoing basis on or to city property for programs of the city, except occasional meetings, receptions or similar functions;
- b. Security services on city property;
- c. Custodial, cleaning, and/or routine, nontechnical maintenance services;
- d. Clerical and other nonsupervisory office work;
- e. Transportation services; or
- f. Parking services.

All contracts satisfying the criteria specified hereinbefore in this definition shall be designated as service contracts by the city purchasing agent.

*Service contractor* means the person awarded a city service contract and includes all subcontractors of service contractors performed within the boundaries of the city or city-owned property.

*Service worker* means any employee of a service contractor or development project manager or their subcontractor who performs one or more of the services specified in the definition of "service contract" hereinbefore pursuant to a service contract or a development project, with the following exceptions:

- (1) An individual person whose wage rate is subject to a United States or State of Connecticut statute mandating a prevailing wage or other wage rate imposed by such statute or any regulation duly promulgated pursuant to such statute by the United States or State of Connecticut or any official, department, agency, or other entity thereof;
- (2) An individual person the majority of whose employment duties constitute work as a carpenter, electrician, glazier, painter, roofer, or any other trade as defined by the Department of Labor of the United States or of the State of Connecticut.
- (3) Any individual who is under eighteen (18) years of age or is in a youth employment program or student intern.

(Ord. No. 17-99, 10-12-99)

### **Sec. 2-763. Living wage required.**

All service contractors shall pay their service workers no less than the living wage as defined in this article. Additionally, all development project managers and its subcontractors shall pay no less than the living wage to the employees working on the premises of the development project. No service contractor or development project manager may use the living wage requirement of this article to reduce the compensation paid to any of its employees.

- (a) A living wage means an hourly wage rate which on an annual basis (based on forty (40) hours per week, fifty-two (52) weeks per year) is equivalent to either of the following:
  1. One hundred ten (110) percent of the federal poverty level for a family of four (4), if health benefits are provided to the employee. Health benefits, for purposes of this article, mean paid comprehensive family medical coverage which does not require the employee to contribute more than three (3) percent of their annual wages towards the payment of the health plan; or
  2. If health benefits are not provided to the employee, the employer must pay

wages in accordance to subsection (a)(1) above, and in addition make payments to its employee in lieu of health benefits, as determined by the director of human relations. The director of human relations shall calculate and set forth the amount of these payments in lieu of health benefits on a yearly basis, based on the average cost of comprehensive health insurance in the state.

(b) All development project managers are responsible for ensuring that all of their subcontractors who perform work at the site of the development project pay their employees living wages.

(c) The director of the office of human relations shall adjust the living wage as necessary to incorporate changes in the federal poverty level, at least six months prior to the beginning of the fiscal year. The director of human relations shall publish a bulletin announcing any change in the amount of the living wage, and shall inform each service contractor and development project manager in writing, prior to such adjustment becoming effective.

(Ord. No. 17-99, 10-12-99)

#### **Sec. 2-764. Implementation.**

All requests for bids and requests for proposals for service contracts or development projects, whether advertised or informally solicited, shall include appropriate information about the living wage requirements.

(Ord. No. 17-99, 10-12-99)

#### **Sec. 2-765. Labor peace/prevention of service disruptions.**

*Findings.* The court of common council finds and declares that the purpose of this living wage ordinance, as well as the welfare of the city and its residents, requires additional provisions to assure that the anticipated economic benefits of such ordinance inures to the benefit of the city and its people and that the city is protected from potential loss due to labor unrest and conflict.

(Ord. No. 17-99, 10-12-99)

#### **Sec. 2-766. No strike agreement required.**

All development project managers are required to sign a written agreement with and labor organization seeking to represent employees at the development project which agreement provides a procedure for determining employee preference on the subject of whether to be represented by a labor organization for collective bargaining and further provides that the labor organization will not strike the development project in relation to the organizing campaign.

(Ord. No. 17-99, 10-12-99)

#### **Sec. 2-767. Recording of covenant required.**

The city must include a clause in all, contracts, city loans, tax abatement agreements, tax increment financing agreements or other documents providing financing for development projects, requiring the development project manager to comply with the terms of the living wage and labor peace ordinances. In addition, said clause shall state that all sums owed to the city will be due and payable in event of a violation of these ordinances. Upon the granting of a development project, the city shall

record a covenant in the Hartford Land Records that provides that the development manager shall abide by the terms of the living wage and labor peace ordinance.

(Ord. No. 17-99, 10-12-99)

### **Sec. 2-768. Responsibility for effectuation and enforcement.**

The director of the office of human relations shall investigate violations of this article and make recommendations to the city manager for enforcement. The city manager shall consider these recommendations and take enforcement actions, if needed, as provided below.

(Ord. No. 17-99, 10-12-99)

### **Sec. 2-769. Enforcement.**

(a) Every service contractor and development project manager shall post copies of documents, provided by the director of the office of human relations, stating the living wage applicable to service workers. In addition, such posting shall include a form which may be used by service workers to file a complaint with the director of the office of human relations for noncompliance with the provisions of this article. Such postings shall be made at the work site in a prominent place where all documents posted pursuant to this article may easily be seen and read by service workers. A copy of such documents shall be given by the service contractor or development project manager to any service worker upon request of that service worker no later than (i) the last hour of the service worker's next shift or (ii) the last hour of the next business day.

(1) *Fine.* For each violation of subsection (a) of this section, the city manager shall levy upon and collect from the service contractor or development project manager a fine, due and payable to the city, of one hundred dollars (\$100.00) per day for such violation.

(b) In the event that the city manager shall determine that a service contractor or development project manager has paid a service worker a sum less than the living wage for service work, the city manager shall require the service contractor or development project manager to make full restitution to the service worker (i) in the service worker's next paycheck or (ii) within five (5) business days if the service worker is no longer employed by the service contractor or the development project manager.

(1) *Full restitution* means:

a. The difference between the sum paid by the service contractor or the development project manager to the service worker and the living wage.

(2) *Fine.* For each violation of subsection (b) of this section, the city manager shall levy upon and collect from the service contractor or the development project manager a fine, due and payable to the city within five (5) business days, of one hundred dollars (\$100.00) per day for such violation. A violation for the purpose of this paragraph means one (1) payroll, payday, or date of payment, regardless of the number of employees affected by each violation.

(c) *Additional fines.* The city manager shall levy upon and collect from a service contractor or the development project manager additional fines, due and payable to the city, as follows:

(1) For failure to rectify a violation of subsection (a) of this section before the end of the business day following the day such service contractor received notice of such violation from the city manager, one hundred dollars (\$100.00) per day for every business day subsequent to the last day of such violation so noticed.

(2) For failure to make restitution to a service worker pursuant to subsections (b) and (b)(1) of this section, one hundred dollars (\$100.00) per day for every calendar day subsequent to the last day upon which such service contractor or development project manager paid such service worker a sum less than the living wage for service work.

(3) For failure to make proper, timely payment in full of any fine levied pursuant to this section, one hundred dollars (\$100.00) per day from the day payment of such fine was due.

(4) For failure to submit payroll records within one (1) week of the payroll period, ten dollars (\$10.00) per day for each day after such week shall expire.

(Ord. No. 17-99, 10-12-99)

### **Sec. 2-770. Termination of contract.**

In addition to other provisions of law or contract which may constitute grounds for termination by the city of a service contract, tax abatement agreement, grant or tax increment financing agreement, such contracts or grants may be terminated following a determination that a service contractor or development project manager:

(a) Failed to fully rectify or correct any violation of any provision of this article within thirty (30) calendar days of receipt of the service contractor, the development project managers or their agents, of the city manager's notice of such violation.

(b) Failed to make full restitution to a service worker within thirty (30) days of receipt by the service contractor or the development project manager or their agents of the city manager notice of a violation of such subsections.

(c) Failed to pay part or all of any fine levied by the city manager pursuant to any provision of section 2-769 of this article within sixty (60) days of receipt by the service contractor, the development project manager or their agents, of the city manager's notice of such levy.

(d) Failed to provide to the director of office of human relations, in a timely manner and on a regular basis, verification of wages paid to service employees.

(e) Failed to cooperate in the city's audit of the service contractor's or development project manager's payroll records.

(Ord. No. 17-99, 10-12-99)

### **Sec. 2-771. Appeal process.**

The executive director of the human relations commission shall investigate violations of the living wage ordinance and make recommendations to the city manager. The city manager shall consider the recommendations and take enforcement actions, if needed. An enforcement action issued by the city manager shall be appealable by written notice by the service contractor or the development project manager to the contract enforcement committee of the council, a subcommittee of the health and human services committee of the council, within (5) days after receipt of the enforcement action by the director of human relations. The contract enforcement committee may reverse the city manager's determination by a majority vote.

(Ord. No. 17-99, 10-12-99)

**Sec. 2-772. Same--Ineligibility to contract or obtain city loans and other subsidies.**

(a) The purchasing agent is authorized to declare a service contractor ineligible to obtain service contracts as provided herein:

(1) The purchasing agent shall declare any service contractor whose service contract with the city was terminated pursuant to this article to be ineligible to contract with the city.

(2) The purchasing agent may declare any service contractor who has committed three (3) or more violations of the provisions of this article to be ineligible to contract with the city.

(3) Ineligible to contract with the city, means that such service contractor, and any parent or subsidiary or related entity of such service contractor, shall be ineligible to submit bids or proposals for any contract or other agreement with the city, and to be ineligible to enter into any contract or agreement (including a new contract or other agreement, or a renewal or extension or amendment of an existing contract or other agreement) with the city.

(4) Such period of ineligibility shall be for at least one (1) but not more than three (3) calendar years. At any time after the first year of ineligibility has been completed, the purchasing agent may declare that the period of such ineligibility is terminated.

(5) Declarations made pursuant to this section shall be issued in writing to the service contractor, and the city purchasing agent shall furnish copies of all such declarations promptly upon issuance to the director of the office of human relations and the heads of all city authorities, boards, bureaus, commissions, departments, and other entities.

(b) The city manager is authorized to declare a development project manager ineligible to do business with the city as provided herein:

(1) The city manager shall declare any development project manager whose assistance to the project was terminated pursuant to section 2-770 of this article to be ineligible to contract with the city.

(2) The city manager may declare any development project manager who has committed three (3) or more violations of the provisions of this article to be ineligible to contract with the city.

(3) Ineligible to contract with the city, means that such development project manager, and any parent or subsidiary or related entity of such development project manager shall be ineligible to obtain any loans, tax abatement agreements, grants or tax increment financing agreements from the city.

(4) Such period of ineligibility shall be for at least one (1) but not more than three (3) calendar years. At any time after the first year of ineligibility has been completed, the city manager may declare that the period of such ineligibility is terminated.

(5) Declarations made pursuant to this section shall be issued in writing to the development project manager, and the city manager shall furnish copies of all such declarations promptly upon issuance to the director of the office of human relations and the heads of all city authorities, boards, bureaus, commissions, departments, and other entities.

(Ord. No. 17-99, 10-12-99)

**Sec. 2-773. Annual report.**

Each January, the city director of the office of human relations shall submit to the city council an

annual report for the preceding fiscal year regarding implementation of this article, including fiscal impact and impact on hiring of Hartford residents.

(Ord. No. 17-99, 10-12-99)

**Sec. 2-774. Other requirements.**

(a) Service contractors and development project managers that have payroll information in the Greater Hartford Area shall have such information available for onsite audit by the office of human relations' director or agent.

(b) Service contractors and development project managers that do not have payroll information in a Greater Hartford area office, will be required to submit their payroll records to the office of human relations within one (1) week of the payroll period.

(Ord. No. 17-99, 10-12-99)