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Report on Current Implementation of City of Burlington's Livable Wage Ordinance

To: Mayor Miro Weinberger
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Summary of Findings

1. Of approximately 160 contractual arrangements meeting the threshold to spark the livable wage (LW) requirement (see attached Appendices), about 73 (46%) contain reference to the livable wage; of these, only 23 (14% of the total) include the contractor's oath of compliance that the ordinance requires (and all but four of these have been obtained since this review began, in 2013). However, BED engages many of its contractors via Purchase Orders, rather than full-blown contracts, so it has a practice of obtaining verbal confirmation of the payment of LW (or, in some cases, receives written verification of the actual wages paid pursuant to a federal contract). Another two of the 156 contracts received exemptions under the provisions of the ordinance—one in 2010 and the other just prior to this review. No other exemptions have apparently been requested. Including verbal assurances of compliance, the City has addressed livable wage in some way in about 67% of its contractual arrangements, many only recently.

2. Until this review began, except for BED, the City has done little monitoring of compliance, so the relationship between contract language and actual compliance with the requirements of the ordinance cannot be measured. BED has been verbally confirming compliance with its contractors, and its federal ARRA contract calls for actual wages to be verified by covered contractors. BED's process requires significant follow-through and monitoring. For most of the City, there is no mechanism or personnel to actually do the monitoring contemplated by the ordinance.

3. In early 2013, the City developed a LW webpage and placed the current livable wage calculation on it. Until then, it was not easy for anyone to find out what Burlington's current LW rate actually was. Even City staff claimed they did not know the current rate until

the website was created and publicized. The ordinance requires that the annual rate be provided individually to each covered employer; this has not been done.

4. Burlington's LW rate (\$13.94 with health insurance; \$17.71 without) is at the high end of LW rates around the country. The State of Vermont LW for 2012 is \$12.48 per hour, including health insurance. Other communities' rates range from about \$10 to \$14 an hour with health insurance, and \$1 to \$3 higher with health insurance. Burlington's calculations also include no credit for other benefits an employer may provide.

5. The existing contracts that mention the livable wage vary widely in the quality of their compliance. Some contracts just have general language requiring compliance with local ordinances. Some refer specifically to compliance with the livable wage. Others give more detail about the ordinance but do not specifically state that this contractor agrees to comply with the ordinance. Even within departments the language and degree of clarity may vary. In fact, the same contractor may have LW language in one contract and not in another.

6. Some vendors/contractors have contracts with more than one City department, yet their contracts are not combined to determine compliance, as contemplated by the ordinance. The City currently has no centralized contract review or site that would be able to catch such combinations.

7. The ordinance states no rationale for including all property under the jurisdiction of the airport commission, while not doing so in other areas of the City. As a result, the ordinance language dealing with the airport includes ground and space leases, while in the rest of the City, only contracts for services are included. Outside the airport, concessionaires that lease space from the City are not required to pay a livable wage, although they are physically operating on City property.

8. In only two instances has an exemption from the LW been requested under the ordinance's procedures. In both cases, the exemption was granted, but there are no standards for when an exemption should be allowed. Certain contracts for services such as computer software support may require some kind of exemption, as they tend to have standardized, non-negotiable terms.

9. The ordinance requires subcontractors to comply with the ordinance if the general contractor must, but few of the contracts specifically reference the requirement that the general contractor ensure that subs comply.

10. This study found no evidence to suggest that the \$15,000 threshold annual amount for contracts requires adjustment. Using general inflation rates, \$15,000 in 2001 would be equivalent to about \$19,500 today. Adjusting the floor for inflation would appear to affect only a few of the contracts identified above.

I. Summary of the City of Burlington's Livable Wage Ordinance

Burlington adopted a livable wage ordinance effective November 19, 2001. Portions of it were amended Feb. 17, 2004, May 2, 2011, and June 13, 2011.

Covered entities

The ordinance applies to

- any entity "that has a contract with the City of Burlington primarily for the furnishing of services" if the total contract (or contracts) exceeds \$15,000 in any twelve months;
- any entity contracting with the City "for use of property under the jurisdiction of the board of airport commissioners;"
- any entity "that is the recipient of financial assistance from the City of Burlington in the form of grants administered by the city" if the grant exceeds \$15,000 in any twelve months;
- subcontractors or subgrantees on any of the above contracts; and
- the City of Burlington

if the contract or grant was awarded or entered into after Dec. 19, 2001.

Covered employees

An employee of a covered entity, except those covered by a collective bargaining agreement, must be paid a livable wage during the time s/he furnishes services funded by the city.

Regular, non-seasonal employees (full- or part-time), except those covered by a collective bargaining agreement, also must be paid a livable wage for all time worked if they expend at least half of their time on activities funded by the city. This has been interpreted to mean that temporary employees are not covered. Volunteers, apprentices, and student interns are not included.

Covered employees must also receive at least twelve paid days off a year (or the proportionate amount of time for part-time employees) for sick, vacation, or personal leave.

Livable Wage

The ordinance requires that covered employees be paid at least the livable wage, except that tipped employees or those who receive other compensation must receive total compensation of at least the livable wage.

The livable wage rate is adjusted as of July 1 of each year by the City's CAO. It is based on a model of two adults living in a two bedroom living unit in an urban area with a moderate cost food plan, although that model is not effective until rates meet or exceed the 2010 posted livable wage rates. In other words, the rate cannot go below the 2010 rate.

The livable wage rates are to be published in a newspaper, posted in City Hall, sent in writing to the city council, and sent by written letter to each covered employer.

Enforcement

The ordinance contemplates that as a condition of any contract or grant, the covered entity must:

- submit a written certification under oath confirming payment of a livable wage;
- post a notice about the ordinance in the workplace;
- provide payroll records or other documentation to the CAO within 10 days of request.

If a covered entity does not comply, the City may modify or terminate the contract or ask a court for specific performance of it. A violator can be barred from any contract or grant for two years from the date of the finding of violation. A violation is a civil offense subject to a penalty of \$200-\$500.

Other Provisions

No employee's compensation, benefits, or leave can be reduced to pay livable wage. Employees must be informed of their possible right to the Earned Income Tax Credit under federal and state law.

The CAO may promulgate rules to administer this provision, on approval by the city council.

Exemptions

A partial or complete exemption may be given if compliance would cause "substantial economic hardship." A request is submitted to the CAO for consideration by the Board of Finance (with prior notice to the city council). If the BOF decision is not unanimous, the city council may review it at its next meeting.

II. Scope of Review

The City Attorney's Office contacted each department in the City to determine the current state of implementation of the livable wage ordinance. The first step was to identify all contracts and grants for services (or under the jurisdiction of the airport commissioners) with an annual value of \$15,000 or more. These contracts and grants were then reviewed to determine whether or not reference was made to the livable wage ordinance and if so, the nature of that reference. After the table of contracts was developed, it was circulated to all City departments for review, and the draft report was also reviewed by departments for comment.

Because the airport is identified separately in the ordinance, the review began with contracts for property under the jurisdiction of the board of airport commissioners. Two departments had no contracts subject to the LWO, the Assessor's Office and City Arts (BCA), although BCA does have several agreements below the threshold \$15,000 per year. The specific contracts included in this review are identified by department in the Appendices.

This review does not include the Burlington School Department.

III.

Existing Implementation by City Department

Airport

Approximately 30 contracts involving property under the jurisdiction of the airport commissioners and for more than \$15,000 (Appendix A) were reviewed. These can be summarized into five categories: 1) carriers 2) rental car companies, 3) concessions, 4) construction and related contracts, and 5) ground leases.

- 1) Carriers. All four major carriers have been subject to hold-over leases in recent years, a couple with original agreements prior to enactment of the LWO. None of these include any livable wage provisions. They do, however, contain the language, "Airline's right of access to the Airport shall be subject to all federal, state and local laws or regulations and all Airport rules, regulations, and ordinances, now in effect, or hereinafter adopted or promulgated." None has a certificate of compliance. The airport has had to actually provide financial incentives to keep many of the airlines providing service at an acceptable rate. These four major carriers affect as many as 200 jobs. Airline employees report to airport staff that they generally are not unionized and are not all paid a livable wage at Burlington's current rate.
- 2) Rental car companies. All five rental car companies have new lease agreements in 2011 and 2012 which state that the "Contractor shall comply with the livable wage ordinance to the extent that it is a covered employer under the ordinance." The agreement does not, however, state that the companies are covered employers. None has a certificate of compliance. It is believed that the companies do comply with the ordinance.
- 3) Concessions. The five concession agreements vary greatly. The agreement with Hudson News contains a long description of the concessionaire being "advised" about the requirements of the LWO, but it does not specifically state that the concessionaire agrees to abide by the ordinance. Hudson News states, however, that it does comply. In contrast, another concessionaire, One Flight Up, that operates the restaurant, had a lease agreement that pre-dated the ordinance, and thus it was treated as grandfathered and not subject to the ordinance until the renewal of the agreement (which is to occur this year). In response to a recent RFP, One Flight Up reported that it cannot comply with the LWO. A recent concessionaire, the Skinny Pancake, received from the Board of Finance a complete exemption under the ordinance. The final two concession agreements are split, one with LW language, one without. None has a certificate of compliance.
- 4) Contractors. These six contracts were entered into after an RFP process, some of which called for the contractor to comply with the LWO. Those contracts may reference the RFP but do not contain any separate provision in the contract concerning the LWO, nor is there any explicit agreement to comply or a certificate of compliance.
- 5) Ground leases. The airport has nine ground leases with commercial entities for space it owns in South Burlington. Six of these reference the LWO. One notable

agreement is with Heritage Air. Its parent company has a ground lease with BCDC, and Heritage has a fixed base operator service agreement with the airport. The operator service agreement has specific language in which Heritage "agrees to comply with the City of Burlington's Livable Wage Ordinance, ... as amended from time to time." The company also provided the City with a Certificate of Compliance that it developed to satisfy an internal audit. Its parent's ground lease, however, signed in 2006 for a twenty year term, also contains an agreement to comply with the LWO, but explicitly states that "[t]he Livable Wage amount shall remain the same for the term of this Contract."

The airport also has about 14 commercial contracts not covered by the LWO and four contracts with federal or state military entities.

Burlington Electric Department (BED)

BED has approximately 43 contractual arrangements subject to the LWO (Appendix B). Of these, BED has written contracts with only seven of them, and all of these contracts include references to the contractor's compliance with the livable wage and local law, although none has a certificate of compliance. One company, Apco, has provided a letter confirming payment of the livable wage. The remaining 36 contractors are paid through purchase orders which include no reference to the LWO. BED has been obtaining verbal verification that its contractors comply with the LWO. In addition, under its federal ARRA contract, some contractors verify actual wages paid. BED reports having to pay an additional amount (\$6000) for its janitorial contract to ensure compliance with the LWO.

Burlington Telecom

BT has over 500 contracts, including licenses and leases, as well as agreements for video content, professional services, and business services. Only six of these are subject to the Livable Wage Ordinance (Appendix C). The others either involve service agreements for less than \$15,000 per year or agreements that are not for services. BT has recently (in 2013) obtained certificates of compliance from all six of its contracts covered by the LWO.

Chief Administrative Officer's/Clerk/Treasurer's Office

The Clerk/Treasurer's Office has four contracts subject to the LWO (Appendix D). One of these, with TD Banknorth, received a partial exemption from the Board of Finance in June 2010. The RFP had referenced the LWO requirement, and TD Bank requested an exemption, which was granted by the Board. The final contract language stated, "[T]his RFP provision is modified to exempt TD BANK from having to comply with the ordinance for those staff members who may process a transaction or perform maintenance related to this contract but is not exempt from the requirements of the ordinance for management employees who are or become the primary contacts for this contract." The contract with Hickock & Boardman was recently (March 2013) renewed and a certificate of compliance obtained. The other two contracts have no reference to the LWO and no certificate of compliance.

Church Street Marketplace

The Marketplace has two contracts subject to the LWO—one for hanging Christmas lights and one for snow removal (Appendix E). Neither agreement references the LWO or has any certificate of compliance, but both contractors have recently verbally indicated their compliance, according to the Marketplace Director. The LWO has not historically been referenced in Marketplace agreements.

City Attorney's Office

The City Attorney's Office has contractual relationships with three outside law firms who are paid \$15,000 or more in a year (Appendix F). These firms have never been asked about compliance with the LWO until this review occurred. All have now confirmed they are in compliance and have provided certificates of compliance. The City Attorney's Office also contracts with other law firms or other consultants from time to time for amounts less than \$15,000.

Code Enforcement

Code Enforcement has only one contract subject to the LWO, with a non-profit, CVOEO (Appendix G). This agreement does not reference the LWO, and no certificate of compliance has been obtained.

CEDO

CEDO has four contracts subject to the LWO (Appendix H). One contains a long paragraph outlining the LWO and stating that the contractor "shall pay its employees not less per hour than the amount set as the Livable Wage." However, it goes on to say that the livable wage will only be adjusted at the renewal of the agreement and not during its term. It does require the contractor to post a notice to its employees. A second provides that "Grantee shall comply with the Burlington's Livable Wage Ordinance..." The two others have no compliance language, although the RFP's may have contained the requirement. None has a certificate of compliance.

Fire (BFD)

The Fire Department has one contract covered by the LWO for ambulance billing (Appendix I) and one other for less than the threshold \$15,000. A third contract is shared with BPD. The covered contract contains no reference to the LWO, but a certificate of compliance has recently (March 2013) been obtained.

Fletcher Free Library

The Library has one contract subject to the LWO (Appendix J), which contains the broad, general language that the contractor "shall comply with all ordinances of the City of Burlington."

It contains no specific reference to the LWO, however, and no certificate of compliance has been obtained.

Human Resources

Human Resources has seven general (Appendix K) and seven retirement-related (Appendix P) agreements. The general agreements include health, dental, and life insurance services, EAP, and medical reviews. The retirement agreements are consulting and investment services. Certifications have recently (March 2013) been obtained from five of the general and one of the retirement contractors. None of the rest has any reference to the LWO or certificate of compliance. One of the agreements has reference to complying with local law. Recently, Lincoln Financial, the provider of the City's life insurance policies for its employees, has reviewed the LWO and asserts that it is not covered by the ordinance. Several of the retirement agreements are for investment accounts, which also may not be covered by the LWO. The LWO has been specifically referenced in current, pending RFP's for employee insurance coverage.

Parks & Recreation

Parks has approximately 15 contracts from 10 vendors that are subject to the LWO (Appendix L). Some of the vendors have multiple contracts that add up to more than \$15,000 in a year. Of these contracts, six reference the livable wage. The compliant contracts contain various language on the issue, but three state, "The Contractor shall comply with all applicable Federal, state and local laws including, but not limited to, the Burlington Livable Wage Ordinance." Another contains much more detail about the amount of the livable wage and what is required. None has a certificate of compliance. The contracts that do not comply are generally smaller contracts (less than \$15,000) but involve vendors who have multiple contracts and thus are subject to the ordinance. Parks also has numerous concession agreements that are not covered by the LWO, as they do not involve the furnishing of services.

Planning and Zoning

Planning and Zoning has two consulting agreements subject to the LWO (Appendix M). Neither has any reference to the LWO, and no certificates of compliance have been obtained.

Police (BPD)

BPD has two contracts for services covered by the LWO (Appendix N). One is for towing services, and it includes language that the towing company "shall comply with all ordinances of the City of Burlington," but contains no specific reference to the LWO. A certificate of compliance has recently (March 2013) been obtained. The second, for communications equipment support, also contains no reference to the LWO, although a certificate of compliance has recently (March 2013) been obtained. Eight or nine other contracts for copier maintenance, computer support, CAD development, and other building and equipment support fall below the \$15,000 threshold.

Public Works (DPW)

At the time of this review, DPW has approximately 32 contracts with 19 different vendors subject to the LWO (Appendix O). Of those, only five contracts have no reference to compliance with local ordinance or livable wage of any kind. The remaining 27 vary in how they address the issue. Three have language about complying with the LW and also include signed affidavits certifying compliance by the contractor. Except for one from the Airport, these appear to be the only three fully compliant contracts signed prior to 2013. Other DPW contracts include the somewhat confusing statement, "All applicable federal, state and local rules and regulations require the compliance with but not limited to the following rules and regulations: ... 7. Burlington's Livable Wage Ordinance." Some go further and actually include the LWO text. Others incorporate by reference the original bid or RFP, which contains notice to the bidders of the LWO.

IV. Existing Contractual Language

Three contracts from DPW entered into prior to 2013 appear to be in full compliance with the LWO, containing language referencing the LWO and affidavits from the contractors certifying compliance.

The rest of the 73 contracts that include reference to the livable wage contain a variety of provisions. For example, several DPW and Parks contracts contained the following grammatically awkward language:

All applicable federal, state and local rules and regulations require the compliance with but not limited to the following rules and regulations...6) Burlington's Livable Wage Ordinance.

While it seems clear the intent is to require the contractor to comply with the LWO, the language does not contain a clear agreement by the contractor to do so, merely a statement of the law. The ordinance states that the City "shall require, as a condition of any contract or grant covered by this section, that the affected covered employer submit a written certification, under oath" of its compliance. So, an argument could be made that the City's failure to require the certification is a violation of the ordinance by the City and/or acts as a waiver of the ordinance. Thus, the language leaves the provision open to contest.

In contrast, other contracts use language such as:

The Contractor shall comply with all applicable federal, state and local laws, including but not limited to the City of Burlington's Livable Wage Ordinance.

This is stronger language that may avoid the concerns cited above. Other contracts contain a long paragraph outlining the requirements of the LWO, but some of these state they merely "advise" the contractor of the ordinance and do not contain any agreement by the contractor to comply.

The ordinance specifically states that the City must require as a condition of any contract that the employer submit a written certification under oath, confirming payment of a livable wage. It also requires that the employer agree to post a notice to employees about the ordinance and to provide payroll records on request. Thus, to be in full compliance, all contracts should include a sworn certification and the noted agreements.

One of the difficulties has been that the while there has been some attempt to develop standardized contract provisions for City contracts (dealing with other City-specific provisions, as well as LW), these have not been disseminated City-wide. Without a centralized contract administration system, the City has not had a method to ensure that appropriate provisions were included in all contracts. A centralized contract administration system would certainly aid the City's ability to monitor these issues.

All but a few of the certifications have been obtained in the months since this review was undertaken, as contracts came due or were re-negotiated. While a certification had been prepared by the City Attorney's Office in the past, it was not widely disseminated or used. Since this review began, a standardized certification form has been developed and a web page devoted to the LW. Suggested contract language is also in development.

The ordinance requires covered employers to post a notice to employees, but that notice must be updated, usually annually, as the LW changes. The ordinance contemplates having the City send that notice to covered employers annually, but that has not been done. Since the development of the website, the notice has been posted on the LW website, and contracts can now require the employer to download and post that notice without the cost of mailing.

V. Findings

1. Of approximately 160 contractual arrangements meeting the threshold to spark the livable wage (LW) requirement (see attached Appendices), about 73 (46%) contain reference to the livable wage; of these, only 23 (14% of the total) include the contractor's oath of compliance that the ordinance requires (and all but four of these have been obtained since this review began, in 2013). However, BED engages many of its contractors via Purchase Orders, rather than full-blown contracts, so it obtains verbal confirmation of compliance (or, in some cases, receives written verification of the actual wages paid pursuant to a federal contract). Another two of the 156 contracts received exemptions under the provisions of the ordinance—one in 2010 and the other just prior to this review. No other exemptions have apparently been requested. Including verbal assurances of compliance, the City has addressed livable wage in some way in about 67% of its contractual arrangements.

There appears to be no single explanation for this disappointing showing, but the majority of the compliant contracts involve construction-related contracts, particularly at DPW, Parks, BED, and the Airport. Construction-related service contracts were a primary focus of the ordinance, as they are in many LW jurisdictions. Thus, City staff members entering into construction-related contracts have been aware that the ordinance applied, while those handling other types of service contracts (or airport contracts) appear to have been unaware or confused about the application to other types of contracts. The City's ordinance language is not limited to the construction field. This review will provide departments with a list of their agreements that should include LW provisions.

Another reason that LW references have not been included in all contracts appears to be because some contracts are standardized form contracts, and changes to those forms may be difficult or impossible to negotiate. Some of the businesses offering those contracts are large, national companies whose pay scales are not negotiable by the City of Burlington. In addition, it may be difficult to monitor which employees of those companies actually work on Burlington projects. As currently written, the ordinance contemplates that exemptions would be sought for these agreements.

A third reason LW references have not been included appears to be because some of the agreements are fairly informal with either no or limited written agreements. In some situations the City has been working with a provider for many years; in others, there may be multiple small projects, each of which is fairly straightforward or occurring within a short timeframe, so only a brief agreement on general terms has been prepared.

The absence of a centralized contract administration system has meant that no department or person is clearly in charge of training or ensuring that City departments understand how to carry out the purposes of the ordinance. No training has been provided to City staff in how to address LW, and those departments that do comply have adopted their own procedures for doing so. In fact, the City has not had a uniform practice of having legal review of all contracts, especially those that the department considers simple or non-negotiable.

2. Until this review began, except for BED, the City has done little monitoring of compliance, so the relationship between contract language and actual compliance with the requirements of the ordinance cannot be measured. BED has been verbally confirming compliance with its contractors, and its federal ARRA contract calls for actual wages to be

verified by covered contractors. BED's process requires significant follow-through and monitoring. For most of the City, there is no mechanism or personnel to actually do the monitoring contemplated by the ordinance.

The absence of monitoring means that it is not known whether the firms whose contracts include livable wage language actually do pay the livable wage. It is also not known whether they pay higher wages than those firms whose contracts do not include the language. City-wide, confirming compliance is a fairly burdensome task, and obtaining certificates, particularly for those departments with large volumes of outside contractors, will take significant follow-through and monitoring. For most of the City, there is no mechanism or personnel to actually do the monitoring contemplated by the ordinance. While the ordinance allows the CAO to request payroll information, there is no protocol to suggest when or how that should be done. Even if the records were requested, the City has not established any system or hired personnel to review and evaluate those records to determine compliance.

In fact, until this review began, the City has not generally required covered employers to submit the written certification of compliance that is contemplated by the ordinance. Thus, it is unclear whether or not the firms whose contracts include livable wage language are aware of the provision or conduct any self-monitoring to ensure compliance. Written certification would at least require the employer to think about the issue (and hopefully do some self-analysis) before swearing to compliance.

3. In early 2013, the City developed a LW webpage and placed the current livable wage calculation on it. Until then, it was not easy for anyone to find out what Burlington's current LW rate actually was. A copy of the current rate was available at the Clerk's office, but it was not dated, and older versions were still being circulated. The ordinance calls for a copy of the annual calculation to be sent to covered employers, but that apparently has never been done. Instead, it has been left to employers (and apparently since 2007, to City staff) to contact the Clerk's office for a copy.

4. Burlington's LW rate (\$13.94 with health insurance; \$17.71 without) is at the high end of LW rates around the country. The State of Vermont LW for 2012 is \$12.48 per hour, including health insurance. Other communities' rates range from about \$10 to \$14 an hour with health insurance, and \$1 to \$3 higher with health insurance. Burlington's rate does reference the State's basic needs budget, but the ordinance states that the State's rate will not become effective until they meet or exceed Burlington's 2010 rates. As a result, even with the economic downturn, Burlington's basic livable wage rate has remained at \$13.94 from March 2009 to the present.

The National Employment Law Project reports a total of 123 LWO's across the country as of December 2010. At that time, Burlington's LW rate was reported as \$14.21 an hour with health insurance, \$15.35 without (Burlington's internal records show it as \$13.94/\$15.83). Of the 123 communities listed, only two communities' rates were higher than Burlington's: Sonoma and Richmond, both in California's Silicon Valley (two additional communities were higher in the without-health-insurance category). This list is a couple of years old now, but it appears that Burlington's calculation is still at the upper end of the range nationally.

Burlington's calculations also include no credit for other benefits an employer may provide. At a recent City Council meeting, a representative for City Market explained that City

Market meets the State's standard for LW (after a year of employment), even though it pays only \$10.31 an hour in wages, because of other benefits it offers, including a discount on food purchases. Other LW laws similarly allow credit to employers who provide in-kind or other benefits that meet some of an employee's basic needs, so that the actual cash wages paid may be lower. Burlington's ordinance provides no such flexibility to consider non-wage benefits.

5. The existing contracts that mention the livable wage vary widely in the quality of their compliance. Some contracts just have general language requiring compliance with local ordinances. Some refer specifically to compliance with the livable wage. Others give more detail about the ordinance but do not specifically state that this contractor agrees to comply with the ordinance. Even within departments the language and degree of clarity may vary. In fact, the same contractor may have LW language in one contract and not in another.

A centralized contract administration system would help address this concern, as will development of standardized contract language addressing the LWO and training for employees in how to ensure and monitor compliance.

6. Some vendors/contractors have contracts with more than one City department, yet their contracts are not combined to determine compliance. The ordinance contemplates that multiple contracts that add up to more than \$15,000 in any twelve months are covered, even if an individual contract is less than the threshold. The ordinance also does not address whether updated certifications are required each year during multi-year contracts, or just at the initial signing. The City currently has no centralized system that would be able to catch such combinations. In addition, it is not clear if multiple contracts are not contemplated, but occur over the course of the year, how the provision should operate.

7. The ordinance states no rationale for including all property under the jurisdiction of the airport commissioners, while not doing so in other areas of the City. As a result, the ordinance language dealing with the airport includes ground and space leases, while in the rest of the City, only contracts for services are included. Outside the airport, concessionaires that lease space from the City are not required to pay a livable wage, although they are physically operating on City property.

The airport has been struggling to meet its debt service obligations since 2009, and its finances are currently somewhat fragile, with poor bond ratings from the rating agencies. Currently, the airport has had to work hard to attract and maintain air carriers, often having to offer subsidies to encourage them. Only a few airports currently have a LW requirement that applies to airlines, and they are substantially larger than Burlington—Los Angeles and San Jose, for example. Thus, the impact of requiring airlines to comply with Burlington's LWO or requiring land-lease tenants to comply is not known.

The City also leases space at the airport to several concessionaires. One large company, Hudson News, is able to comply with the LWO, but the food service concessions seem to be more difficult. The entity operating the restaurant has indicated it cannot meet the current LW rates. The Skinny Pancake sought and received an exemption for its operations at the airport. However, that decision resulted in extensive negative publicity, even though reports indicate that the Skinny Pancake pays within what could be considered a prevailing range for the non-tipped food service industry. The airport's current RFP for its restaurant has received no bids. Potential

bidders have reported to airport personnel that they are not willing to go through what the Skinny Pancake did and that they cannot meet the City's LW rate. This suggests that the exemption process is not a particularly viable alternative for a business that cannot immediately agree to compliance with the ordinance.

8. In only two instances has an exemption from the LW been requested under the ordinance's procedures. In both cases, the exemption was granted, but there are no standards for when an exemption should be allowed. Currently, the process states only that an exemption may be granted if compliance "would cause substantial economic hardship." What substantial economic hardship means is not defined. To whom the hardship must occur—the business or the City—is also not defined. Further, seeking an exemption can incur negative publicity.

In addition to re-defining exemption standards, there may be other ways to address the underlying issue—that certain businesses may not be able to fully comply with the ordinance. These might include changes to the ordinance's definitions that allow employers credit for other benefits or for phased compliance.

Certain contracts for services may require some different treatment, if they tend to have standardized, non-negotiable terms. For example, computer support services that come with software or support contracts that come with certain goods may not be individually negotiable.

9. The ordinance requires subcontractors to comply with the ordinance if the general must, but few of the contracts specifically reference the requirement that the general contractor ensure that subs comply. The City has no information about whether subcontractors are even aware of the requirement.

10. This study found no evidence to suggest that the \$15,000 threshold annual amount for contracts requires adjustment. Using general inflation rates, \$15,000 in 2001 would be equivalent to about \$19,500 today. Adjusting the floor for inflation would appear to affect only a few of the contracts identified above. Thus, there does not seem to be an issue with the value of the services covered.

V. Comparison of Other Livable Wage Ordinances

At least 120, and perhaps as many as 150, local communities in the U.S. currently have some type of livable wage ordinance. These vary greatly in their coverage and the wage rates required. Many, like Burlington's, deal only with service contracts. Some, however, are broader.

For example, in Santa Fe, the ordinance covers not only service contractors and grantees, but also all businesses required to have a business license or registration from the city and nonprofits in the city. This requirement does not include anyone with an ownership interest or their relatives and also excludes interns and apprentices, but otherwise covers all full-time, part-time, and temporary workers. However, the minimum wage in Santa Fe starting March 1, 2013 is \$10.51. In addition, this rate can include health care and child care benefits provided by the employer—in other words, an employer who pays health insurance can pay lower wages. Thus, the \$10.51 is effectively \$7 an hour lower than Burlington's. A 2007 study following three years of implementation in Santa Fe found little negative to report, although the researchers were not able to conclusively separate the effect of the livable wage from other factors. The ordinance provides for administrative enforcement by the city manager, but it also makes failure to comply a misdemeanor and allows a civil action with double wage recovery.

The city of Eastpointe, Michigan's ordinance applies to service contracts and grants. Its enforcement and monitoring provisions are more robust than Burlington's. Contractors and grantees are required to submit a list of all employees and their rates of pay and benefit every six months. In addition, employees of the contractor or grantee can file a notice with the city manager of any noncompliance. The city manager then notifies the employer and, if proof of compliance is not submitted within 30 days, can terminate the contract. A non-retaliation clause protects the reporting employee. Eastpointe's livable wage is based on the federal poverty level for a family of four and translates to \$11.32 per hour with health insurance or \$14.15 without.

The city of Bellingham, Washington defines the types of services covered with a list of 14 activities from automotive repair to recreation to towing services. It exempts nonprofits and contractors in business for less than a year, as well as employers with fewer than 4 employees and contracts less than \$10,000. Bellingham's ordinance allows an exemption if compliance will cause economic hardship to the city or its citizens or if there are special circumstances such as a natural disaster. Its ordinance also permits employees to bring an action against the contractor (including attorney's fees).

Suffolk County, NY has a livable wage requirement that applies to service contracts and grants. It also includes a hardship exemption with hardship defined as documentation proving a direct increase in total annual budget in an amount greater than 10% of the prior year's. Suffolk's livable wage for 2013 is \$11.52 per hour with health benefits and \$13.12 without.

Several airports do require a livable wage of all contractors. The Los Angeles airport requires companies operating under public leases or licenses to pay wages of \$10.70 per hour with health insurance, \$15.37 without. The San Jose airport requires wages of \$ 14.73, (\$15.98 without health insurance) by all commercial entities at the airport except ground transportation providers, construction contractors, and government employees. These airports are not particularly comparable with Burlington's, though, as they serve, respectively, 64 million (LAX) and 8.3 million (SJC) passengers a year versus Burlington's 652,000. The Philadelphia city

council also recently voted to extend its living wage ordinance to its airport, but that act has not yet gone into effect.

The closest example found is that of Syracuse Hancock International Airport. Although passenger numbers were not easily obtainable, the population of the city itself is about three times that of Burlington's. In July 2012, Syracuse extended its livable wage ordinance to the food and beverage service at the airport. However, the current food service contract does not expire until 2014, so the change will not go into effect until the new bid is filled. Syracuse's current livable wage rates are \$12.19 with health insurance or \$14.40 without.

In 2005, the Political Economy Research Institute conducted a study of living wage laws, focusing particularly on Boston, New Haven, and Hartford, but including a review of such laws across the country. This report concluded that "[m]onitoring is critical to implementing a living wage law effectively."

VI. Recommendations

The findings of this review lead to the following recommendations:

1. Create standard compliance language for all City contracts and obtaining certifications from service providers by requiring departments to use the certification that has been developed.
2. Create a centralized contract administration function and investing in technology that allows monitoring and uniformity of contracts.
3. Promulgate rules for approval by the City Council to require payroll reporting on a quarterly or annual basis for certain large projects over a certain amount (say, \$250,000). This will focus the City's limited enforcement capabilities to have the largest impact.
4. Promulgate rules for approval by the City Council to outline an employee complaint process. This would allow employees a person and process through which to complain of violations. These rules could be posted on the website and included in the posted notice. An employee complaint process would allow employees to spark a compliance review by the City.
5. Conduct training for all City staff in how to administer the LWO in their department.
6. Ensure that changes to the LW rate are communicated to all City staff in a timely manner.
7. Amend the ordinance to eliminate the need for individual written letters to employers, especially now that the current rates are published on a website available to all.
8. Review the current LW rate and calculation and consider amending the ordinance to allow employers credit for developing a LW program. This might mean, for example, allowing an employer to pay a lower starting wage so that it phases in entry level positions to the livable wage over time; or crediting an employer for providing discounts, food, housing, wellness, or other benefits that go towards minimum living costs.
9. Consider amending the ordinance to treat the airport like other City departments.
10. Create a voluntary compliance process for contracts and grants that are not covered by the ordinance because of their size or nature. This could result in some official recognition by the mayor and city council and would encourage the development of livable programs.
11. Consider amending the ordinance to better define exemptions and develop a process for determining when an exemption is appropriate.

The following appendices cover contractual arrangements subject to the Livable Wage Ordinance as of the end of March 2013.

APPENDIX A

AIRPORT CONTRACTS COVERED BY LWO

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual Amount</u> | <u>Livable Wage</u> |
|--|--|--|--|---|
| M.B. Champlain Valley Auto Group, LLC. | Lease Agreement (building at 700 Airport Parkway) | October 15, 2012 to October 15, 2017 w 5 year renewal w 3% escalator | \$90,000 annually | No, but local law compliance language in contract * |
| RP & DP Properties, LLC | Commercial Lease Agreement | July 1, 2009 to December 31, 2016 W two 5 year renewals | \$6,450 per month during years 3 thru 8 with adjustment for renewals | Yes – “to the extent that lessee is a covered employer”*** -no certification |
| Aviatron, Inc. | Commercial Lease | Lease executed 11/27/08 w Amendment effective 5/1/12 extending term to 4/30/15 | By square foot = \$160,374 annually | Yes – “to the extent that lessee is a covered employer”*** |
| Heritage Aviation, Inc. d/b/a Heritage Aviation (wholly owned subsidiary of Elan Air, Inc.) | Fixed Base Operator and Lease Agreement | 1/29/08 to 4/30/26 w two 5 year renewals | \$0.34 per sq. foot with annual adjustment plus 1.5% gross in excess of \$1.5 million. | Yes – “Without limitation, during the term of this Lease Agreement, Lessee agrees to comply with [City’s LWO 21-80 through 21-87], as amended from time to time.” |

-certification on file

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual Amount</u> | <u>Livable Wage</u> |
|---|---|--|--|--|
| ElanAir, Inc., d/b/a Heritage Flight (sublease w BCDC) | Sublease w BCDC | 5/1/06 to 4/30/26 w two 5 year renewals | \$0.30 per sq. ft = \$19,615.50 annually w adjustments Plus building rent of \$358,000 annually) | Yes-LW was addressed at time of signing (\$13.49) but not set to adjust annually and base contract is for 20 years – will readjust similarly at each renewal – this is specifically set out in the contract |
| Robert P. Mahoney & Karen L. Mahoney | Commercial Lease Agreement (Airport Grocery on Airport Drive) | 10/15/10 to 10/14/15 | \$3000 per month with annual w annual increase provision | Yes to the extent that lessee is a covered employer** -no certification |
| Aerodyme Corporation | Lease Agreement | 8/1/12 to 7/31/15 | 17,024.94 annually | Yes, to the extent that lessee is a covered employer** -no certification |
| Shelburne Limestone Corporation | Lease Agreement (Pod #3 @ Alert Hanger Building & area surrounding Pod #3 | 2/1/12 – 1/31/15 | Not clear if over 15 K annually | Yes, to the extent that lessee is a covered employer #2 -no certification |
| Federal Express Corporation | Agreement and Lease | 1987 to 2007 now holdover | Over 15G | No – n/a under the original lease |

| | | | | |
|--|-----------------------|----------|-----------|----|
| Harris Miller Miller & Hanson, Inc. | Services Agreement | 7/20/12- | \$177,000 | No |
|--|-----------------------|----------|-----------|----|

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual Amount</u> | <u>Livable Wage</u> |
|--|---|--|---|---|
| A.C. Hathorne | Contractor Agreement (Roof Installation) | 10/17/12 Contract | \$615,903 | No, although Davis Bacon provisions are incorporated by reference to the RFP. - no certification |
| McFarland- Johnson, Inc. | Agreement for Professional Services | 10/12/12 | \$131,300 | No |
| Frasca & Assoc., LLC | Financial consultant and advisor | 2011-2012 | ~\$150,000 | No |
| O.R. Colan Associates of Florida, LLC | Agreement for Relocation Services | 42 month schedule— effective 10/15/12 | \$186,870.88 | No |
| All Cycle Waste, Inc. | Rubbish removal and Recycling Agreement | 9/1/09 to 6/30/12 Holdover | Fee rates determine — believed to exceed 15G | No, although RFP referenced LWO - no certification |
| Lake Champlain Regional Chamber of Commerce | Information Services Agreement | 9/1/07 to 8/31/10 holdover | \$146,500 w annual increases | Yes, to the extent that lessee is a covered employer** -no certification |
| The Skinny Pancake | Concession Agreement | 11/15/12 to 11/15/17 w 2 | 10 % gross | Full exemption granted by BOF |

5 year
renewals

| | | | | |
|--|----------------------------------|---|--|---|
| One Flight Up | Concession Agreement and Lease | 1/1/92 to 12/31/11 (presently month to month as holdover) | By formula w guaranteed minimum of \$40,000 | No |
| Hudson News Company | Concession Agreement w Amendment | 2003-2008 w amendment of term thru 9/30/13 | \$200,000 annually | Yes -No certification |
| In-ter-space Services, Inc., d/b/a Interspace Airport Advertising | Concession Agreement w Amendment | 8/1/98 to 7/31/08 w amendment to 7/31/13 | \$60,000 Annually | No not applicable originally, but then not included in amendment |
| Global Industrial Services | Janitorial Services | 1/1/2012 to 12/13/2014 | \$648,500 in 2013 | No |
| ELRAC, LLC d/b/a Alamo Rent a Car and National Car Rental | Concession Agreement | 7/1/12 to 6/30/15 | 10% gross w minimum guarantee: \$296,734 | Yes, to the extent that lessee is a covered employer** -no certification |
| Enterprise Car Rental | Concession Agreement | 7/1/12 to 6/30/15 | 10% gross w minimum guarantee: \$296,634 | Yes, to the extent that lessee is a covered employer** -no certification |
| Avis Budget Group, Inc. d/b/a Avis Car Rental and Budget Car Rental | Concession Agreement | 7/1/12 to 6/30/15 | 10% gross w minimum guarantee: \$495,000 w annual increase provision | Yes, to the extent that lessee is a covered employer** -no certification |

| | | | | |
|---|----------------------|-------------------|--|---|
| Hertz Corporation | Concession Agreement | 7/1/12 to 6/30/15 | 10% gross w minimum guarantee: \$444,000 w annual increase provision | Yes, to the extent that lessee is a covered employer** -no certification |
| DTC Corporation, Inc., d/b/a Dollar Rent A Car | Concession Agreement | 7/1/12 to 6/30/15 | 10% gross w minimum guarantee: \$110,005 | Yes, to the extent that lessee is a covered employer** -no certification |

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual Amount</u> | <u>Livable Wage</u> |
|--|---|--|--|---|
| Jet Blue Airways Corp. | Airport Agreement and Lease of Premises | September 1, 2000 to June 30, 2006 w holdover provisions | \$39.75 per sq. foot w adjustment provisions | No, but local law compliance language in contract.* |
| US Airways, Inc. | Airport Agreement and Lease of Premises | July 1, 1996 to June 30, 2006 w holdover provisions | \$35.00 per sq. foot w adjustment provisions | No, but local law compliance language in contract.* |
| United Airlines, Inc. | Airport Agreement and Lease of Premises | July 1, 1996 to June 30, 2006 w holdover provisions | \$35.00 per sq. foot w adjustment provisions | No, but local law compliance language in contract.* |
| DELTA (Atlantic Coast Airlines) | Airport Agreement and Lease of Premises | January 1, 2002 to June 30, 2006 w holdover provisions | \$39.75 per sq. foot w adjustment provisions | No, but local law compliance language in contract.* |

*Local law compliance means that the contract contains general language about compliance with City ordinances: “[Contractor] shall observe and comply with any and all present and future requirements of the constituted public authority and with all federal, state or local statutes, ordinances, regulations, standards, conditions and agreements applicable to Lessee for its use of the Leased Premises.”

**Livable wage language states, “CITY has in effect a livable wage ordinance. This livable wage ordinance is applicable to service contracts with CITY (as opposed to the purchasing of goods) where the total amount of the contract or contracts with the same person or entity exceeds \$15,000 for any twelve-month period. Airport property leases are considered contracts covered under the ordinance. [Contractor] shall comply with the livable wage ordinance to the extent that it is a covered employee under the ordinance.”

Contracts not covered by LWO

BCDC (Ground Lease and Agency Agreement – 11/26/97 to 11/27/17) \$1 per year
Independent Wireless One Leased Realty Corporation (Cellular Antenna License Agreement - 4/23/11 – 4/22/16)
NewYorkATM.dom (Automatic Teller Machine Services – 3/1/12 to 6/30/15)
Smarte Carte Inc. (License Agreement/Massage Chairs – 2/1/12 to 6/30/14)
Control Technologies, Inc. (Maintenance Service Agreement – 7/1/11 to 6/30/12)
NewZoom, Inc. (License for Automated Concession Kiosk – 9/1/12 to 8/31/15)
Uncommon Cents (License Agreement/Penny Press Machines – 5/1/12 to 6/30/15)
George Silver & Associates (Real Estate Appraisal Review Contract – 2012)
Navin Appraisal Services (Real Estate Appraisal Contract – 2012)
Da Capo Publishing, inc. d/b/a Seven Days Media (Publication and Distribution Agreement – 2012/13) \$12,000
URS Corporation-Nevada (21 month Letter Agreement for Professional Services – 6/1/12) \$10,000
Verizon Wireless (Purchase Order – 10/15/12 to 12/31/13) \$13,000
Greyhound Line, Inc. \$9,568.00 per year
ANA, Ltd. d/b/a Hangar Condominium Associates (Lease Agreement – 2/1/82 to 12/31/12)
Under 15 G

U.S. Government Contracts - not covered by LWO

Lease No. DACA51-5-74-480 (1973 -2048)
Lease No. DACA33-5-04-094 (2004 – 2054)
Lease No. DTFA12-02-L-40557 (2002 -2022)
Lease No. DTFA 12-87-L-R1808 (1987 – 2012)

APPENDIX B

BURLINGTON ELECTRIC DEPARTMENT CONTRACTS COVERED BY LWO

Most of the BED contractors listed below have no written contract and are hired via Purchase Orders that contain no reference to the LWO. BED has, however, obtained verbal confirmation of their compliance with the LWO.

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual Amount</u> | <u>Livable Wage</u> |
|------------------------------------|--|---------------------|-----------------------------|--|
| Alstom Power Inc. | Turbine Generator Maintenance | Ongoing | \$1,404,466 | Yes, LW and local law compliance referenced in documents |
| Siemens Energy | Meter Data Management Software and Service | 12/23/11- | \$635,586 | No written contract or certification, but verbal confirmation of compliance received |
| Itron, Inc. | Advanced Meter Infrastructure Software and Service | 2/24/11- | \$561,971 | No written contract or certification, but verbal confirmation of compliance received |
| Efficiency Vermont | Demand Side Management Program Coordination | Ongoing | \$284,780 | No written contract or certification, but verbal confirmation of compliance received |
| Precipitator Services Group | Goods and Services | Ongoing | \$262,403 | No written contract or certification, but verbal confirmation of compliance received |

| | | | | |
|-------------------------------------|------------------------------|---------|-----------|--|
| EvapTech | Goods and Services | Ongoing | \$182,060 | No written contract or certification, but verbal confirmation of compliance received |
| Engineers Construction, Inc. | Construction Contract | Ongoing | \$173,534 | Yes, LW and local law compliance referenced in documents |
| Caleidoscope | Telephone System and Service | Ongoing | \$166,083 | No written contract or certification, but verbal confirmation of compliance received |
| Sungard Public | Software and Service | Ongoing | \$115,246 | No written contract or certification, but verbal confirmation of compliance received |
| Barretts Tree Service, Inc. | Tree Trimming Services | Ongoing | \$84,757 | No written contract or certification, but verbal confirmation of compliance received |
| Progress Rail Services Corp. | Goods and Services | Ongoing | \$83,303 | No written contract or certification, but verbal confirmation of compliance received |

| | | | | |
|---------------------------------------|------------------------------------|---------|----------|---|
| DBS Solutions | Consulting Services | Ongoing | \$80,001 | No written contract or certification, but verbal confirmation of compliance received. |
| Weststaff | Temporary Staffing Services | Ongoing | \$78,459 | Yes. LW and local law compliance referenced in documents |
| KPMG Peat Marwick, LLC | Auditing Services | Ongoing | \$78,000 | No written contract or certification, but verbal confirmation of compliance received |
| Woods CRW Corp. | Heavy Equipment Supply Contract | Ongoing | \$77,980 | Yes, LW and local law compliance referenced in documents |
| Zampell Refractories | Goods and Services | Ongoing | \$73,551 | No written contract or certification, but verbal confirmation of compliance received |
| All Season Excavating and Land | Construction Services | Ongoing | \$71,541 | Yes, LW and local law compliance referenced in documents |
| Milton CAT | Heavy Equipment Supply and Service | Ongoing | \$71,004 | No written contract or certification, but verbal confirmation of compliance |

received

| | | | | |
|--|-----------------------|-----------|----------|--|
| Crocket Engineering, Inc. | Consultant Services | Ongoing | \$63,675 | No written contract or certification, but verbal confirmation of compliance received |
| Northline Utilities | Consulting Services | Ongoing | \$62,351 | No written contract or certification, but verbal confirmation of compliance received |
| Wright and Morrissey, Inc. | Construction Services | Ongoing | \$59,920 | No written contract or certification, but verbal confirmation of compliance received |
| Apco Building Maintenance, Inc. | Maintenance Contract | 10/21/08- | \$55,810 | Yes, LW and local law compliance referenced in contract. Letter confirming payment of LW in file |
| Lacapra Associates | Consulting Services | Ongoing | \$50,000 | No written contract or certification, but verbal confirmation of compliance received |

| | | | | |
|---|----------------------------------|---------|----------|--|
| Pizzagalli Construction Co. | Construction Services | Ongoing | \$43,998 | Yes, LW and local law compliance referenced in documents. |
| Telvent USA Inc. | Software and Support Services | Ongoing | \$43,995 | No written contract or certification, but verbal confirmation of compliance received |
| R & M Engineering | Consulting Services | Ongoing | \$37,157 | No written contract or certification, but verbal confirmation of compliance received |
| Engineering Ventures, Inc. | Consulting Services | Ongoing | \$32,065 | No written contract or certification, but verbal confirmation of compliance received |
| Resource Management, Inc. | Sampling Services | Ongoing | \$32,000 | No written contract or certification, but verbal confirmation of compliance received |
| Real Estate Appraisers and Consultants | Consulting Services | Ongoing | \$30,000 | No written contract or certification, but verbal confirmation of compliance received |

| | | | | |
|--|-----------------------|---------|----------|--|
| Yankee Energy | Consulting Services | Ongoing | \$30,000 | No written contract or certification, but verbal confirmation of compliance received |
| Radio North Group, Inc. | Consulting Services | Ongoing | \$27,867 | No written contract or certification, but verbal confirmation of compliance received |
| Denis L. Maher, LLC | Consulting Services | Ongoing | \$27,171 | No written contract or certification, but verbal confirmation of compliance received |
| Marshall Tire Group | Supplies and Services | Ongoing | \$25,231 | No written contract or certification, but verbal confirmation of compliance received |
| Demag Rigging and Crane Service | Construction Services | Ongoing | \$24,460 | No written contract or certification, but verbal confirmation of compliance received |
| Phoenix Communication, Inc. | Consulting Services | Ongoing | \$22,760 | No written contract or certification, but verbal confirmation of compliance received |

| | | | | |
|------------------------------------|------------------------|---------|----------|--|
| Rohmer Associates, Inc. | Goods and Services | Ongoing | \$21,173 | No written contract or certification, but verbal confirmation of compliance received |
| Utility Services, Inc. | Consulting Services | Ongoing | \$19,950 | No written contract or certification, but verbal confirmation of compliance received |
| Climate Systems, Inc. | Consulting Services | Ongoing | \$19,638 | No written contract or certification, but verbal confirmation of compliance received |
| TRC Companies, Inc. | Testing Services | Ongoing | \$19,450 | No written contract or certification, but verbal confirmation of compliance received |
| J. Roberts Excavation, Inc. | Construction Services | Ongoing | \$19,254 | No written contract or certification, but verbal confirmation of compliance received |
| Casella | Waste Hauling Services | Ongoing | \$18,299 | No written contract or certification |

| | | | | |
|--|-----------------------|---------|----------|--|
| D & M Fire and Safety Equipment | Construction Services | Ongoing | \$15,800 | No written contract or certification, but verbal confirmation of compliance received |
| Competitive Energy Services | Consulting Services | Ongoing | \$15,000 | No written contract or certification, but verbal confirmation of compliance received |

The amounts listed above reflect payments made since July 2012 to March 2013. Many, if not all, of the above amounts were made pursuant to multiple purchase orders, as opposed to one specific written contract or agreement (though there are few of those). BED is in the process of obtaining certifications from all vendors.

Many of the contracts involve both goods and services.

Some of these contracts are pursuant to the federal ARRA program, and the contractors provide actual wage rates by employee and a federal certificate that these are the wages.

APPENDIX C

BURLINGTON TELECOM CONTRACTS COVERED BY LWO

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual amount</u> | <u>Livable Wage</u> |
|-----------------------------|--------------------------------------|---------------------|-----------------------------|--|
| Dorman & Fawcett | Consulting agreement | 2013 | >\$15,000 | Yes, certification received*, although no language in contract . |
| Eustis Cable | Installation contractor | To 5/31/13 | >\$15,000 | Yes, certification received* |
| MACC | Data processing and billing services | 2013 | >\$15,000 | Yes, certification received* |
| Minerva | Software support | To 1/17/2014 | >\$15,000 | Yes, certification received* |
| Verimatrix | Software support | To 12/31/2013 | >\$15,000 | Yes, certification received* |
| Taqua | Software support | To 12/20/2013 | >\$15,000 | Yes, certification received* |

*All of these certifications have been obtained in 2013.

BT has a pending consulting agreement with Gary Evans that exceeds the \$15,000 threshold, but he has no employees, so the ordinance is not applicable.

BT also has a large number of contracts under the \$15,000 threshold.

APPENDIX D

CLERK/TREASURER'S CONTRACTS COVERED BY LWO

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual Amount</u> | <u>Livable Wage</u> |
|---------------------------------|-----------------------------------|------------------------------|--|---|
| Hickok & Boardman | Risk management & claims services | 2010 – 2013 | \$99,000 | Yes, certification received* |
| Melanson Heath & Co. | Auditing services | Yrs ended 6/30/11 – 2014 | 2011: \$240,000 2012: \$244,800 2013: \$249,700 2014: \$254,700 | No** |
| TD Bank | Banking services agreement | 2010- 6/30/13 | \$ not provided | Partial exemption granted by 6/14/10 action of BOF*** |
| Traveler's Insurance | Insurance services | 2012 Annualized Term FY 2013 | 10 policies >\$15,000 | No |

*This certification was received with the renewal in 2013.

** A 2011 draft agreement had LWO language in it, but the current contract was in the form provided by MH & Co. and does not.

***BOF agreed to partial exemption, which was inserted into the RFP as follows: "Specifically, this RFP provisions is modified to exempt TD BANK from having to comply with the ordinance for those staff members who may process a transaction or perform maintenance related to this contract but is not exempt from the requirements of the ordinance for management employees who are or become the primary contacts for this contract."

APPENDIX E

CHURCH STREET MARKETPLACE CONTRACTS COVERED BY LWO

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual Amount</u> | <u>Livable Wage</u> |
|-----------------------------------|---------------------------|---------------------|-----------------------------|---|
| Barrett's Tree Service | Hanging holiday lights | FY 2013 | \$17,000 | No, written contract has not been redone since 2010, but contractor has verbally confirmed payment of LW |
| A. Marcelino & Co. | Snowplowing | FY 2013 | \$45,000 | No, no written contract, but contractor has verbally confirmed payment of LW |

APPENDIX F

CITY ATTORNEY'S CONTRACTS COVERED BY LWO

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual Amount</u> | <u>Livable Wage</u> |
|---|----------------------|-----------------------|-----------------------------|--|
| McNeil Ledy | Legal services | Indefinite | >\$15,000 | Yes, certification received; no written contract |
| Dunkiel Saunders | Legal services | By project--- 2013 | >\$15,000 | Yes, certification received |
| Burak Anderson & Melloni | Legal services | Indefinite | >\$15,000 | Yes, certification received |

*All three certifications were obtained in 2013; prior agreements did not reference LW.

APPENDIX G

CODE ENFORCEMENT CONTRACTS COVERED BY LWO

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual Amount</u> | <u>Livable Wage</u> |
|----------------------|--|---------------------|-----------------------------|----------------------------|
| CVOEO | Professional Services (Tenant Resources) | FY2013 | \$20,370 | No |

APPENDIX H

CEDO CONTRACTS COVERED BY LWO

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual Amount</u> | <u>Livable Wage</u> |
|--|--|---------------------------|--|---|
| Schneider Laboratories Global, Inc. | Contract for Analytical Services | 1/20/2012 to 1/20/2013 | Rates set re per sample schedule – total exceeds 15G | Yes* -no certification |
| ("SLABINC") | | | | |
| Healthy Housing Solutions, Inc. | Contract for Professional Services | 8/3/11 to 1/31/12 | \$31,492 | No (but may have been shown as a requirement in the referenced RFP which solicited bid) |
| Champlain Housing Trust, Inc. | Operating Grant Agreement | 1/1/12 to 12/31/12 | \$23,994.45 | Yes** -no certification |
| VABIR | | | \$33,500 by fiscal year | No |

* "Livable Wage – SLABINC agrees to comply with the City of Burlington's Code of Ordinances, Chapter 21, Sections 21-80 through 21-85, known as the Livable Wage Ordinance and applies to person's [sic] servicing City of Burlington contracts. In particular SLABINC shall pay its employees not less per hour than the amount set as the Livable Wage (at the time of signing), during the time periods that the employee provides services to the City of Burlington and the Burlington Lead Program. The Livable Wage per hour is \$15.83 if SLABINC does not provide sufficient contributions to the employee's health care benefit and \$13.94 if SLABINC does provide sufficient contributions to the employee's health care benefits as described in the Ordinance (see Attachment). The Livable Wage amounts shall remain the same for the term of this Services Agreement but if it should be renewed as provided for above, the Livable Wage amounts shall be adjusted to reflect the then current amounts. SLABINC shall post a notice regarding the applicability of this ordinance in any workplace of location where its employees of others contracted for BLP employment are working. BLP shall have the right to modify, terminate, or seek performance of this Agreement if SLABINC does not comply with the Livable Wage Ordinance."

** "Grantee shall comply with Burlington's Livable Wage Ordinance (hereinafter "LWO") per the Burlington Code of Ordinances Section 21-50 through 21-54 for contracts that exceed \$15,000. LWO requirements apply to prime contractors and their subcontractors while performing services funded by this HOME Grant. LWO requirements (per Attachment D) shall be incorporated into all contractor bid documents and contracts."

CEDO also has approximately the following number of mortgage and loan agreements that are not covered by the Livable Wage per program:

| | |
|-------------------------------------|----|
| - Burlington Revolving Loan Program | 14 |
| - Housing Improvement Program | 21 |
| - HODAG | 1 |
| - HOME | 67 |
| - HOPWA | 6 |
| - HTF | 1 |
| - Current LEAD Program | 10 |
| - Prior LEAD | 50 |

APPENDIX I

FIRE DEPARTMENT CONTRACTS COVERED BY LWO

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual Amount</u> | <u>Livable Wage</u> |
|----------------------|-------------------------------|---------------------|--|---|
| VNA | Ambulance Billing Contract | 2010-2013 | \$106,760/yr + 15% above base of \$855,000 collected & deposited in City's account or \$106,760 – proportion collected below \$855,000 base + \$24,000 | Yes, signed certification received* |

*Certification was received in 2013.

Non-LWO-covered contracts: Copier maintenance (1), communications support (1) (note that the support entity Burlington Communications contract is with the PD and FD with the FD share being \$7,475.94 for FY 13 and the combined total being \$24,312.00)

APPENDIX J

FLETCHER FREE LIBRARY CONTRACTS COVERED BY LWO

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual Amount</u> | <u>Livable Wage</u> |
|----------------------|--|---|--|---|
| SirsiDynix | Master Software License & Services Agreement | 2009 & renewed annually & terminated on 60 days written notice | \$38,910 initial fees; second yr maintenance \$25,630.00; annual increases through 2013 shall not exceed 4% | No, but references local law compliance |

APPENDIX K

HUMAN RESOURCES CONTRACTS COVERED BY LWO

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual Amount</u> | <u>Livable Wage</u> |
|---|---|--|---|--|
| Blue Cross/ Blue Shield of Vermont | Insurance | FY 2012 | \$8.2M | Yes, certification received* |
| Delta Dental | Insurance | 7/1/12- 6/30/13 (for rate guarantee) | >\$33,256.08 (based PEPM plus claims) | Yes, certification received |
| IHMS | Injury & Health Consulting and Preventative Services | 1/1/09- | ≥\$46,980 (based PEPM plus requests) | Yes, certification received* |
| VLCT | Insurance (older claims) | FY 2012 | \$55,000 | No written contract; this is closing old workers comp claims from prior contract. |
| Lincoln National Life Insurance | Insurance | FY 2012 | \$95,000 | No, but Lincoln asserts it is not subject to LWO. |
| Concentra Health | Health Services | FY 2012 | \$19,000 | Yes, certification received* |
| Invest EAP | Consulting and Counseling Services | 4/1/10- | \$17,901 | Yes, certification received* |

*Certification was received in 2013.

APPENDIX L

PARKS AND RECREATION CONTRACTS COVERED BY LWO

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual Amount</u> | <u>Livable Wage</u> |
|---|---|-----------------------------|--|---|
| Dock Doctors, LLC | Boathouse Repairs | 1/8/13 | \$158,600 | Yes, LW and local law compliance referenced in contract* -no certification |
| Miracle Recreation Equipment Company | Appletree Park Playground Replacement | 10/12/12 | \$37,951 (Materials and installation combined) | No |
| Ormond Bushey and Sons, Inc. | Leddy Park Drainage | 11/14/12 | \$38,400 | Yes, LW and local law compliance referenced in contract -no certification |
| Professional Construction, Inc. | Miller Center Construction | 8/1/2011, amendment 3/20/12 | \$158,290 | Yes, LW and local law compliance referenced in contract -no certification |
| J. Hutchins | Miller Center Construction | 5/16/12 | \$69,475 | Yes, LW and local law compliance referenced in contract -no certification |
| Stantec Consulting Service, Inc. | Calahan Park Field Engineering and Design | 12/4/12 | \$6,000 | Yes, LW and local law compliance referenced in contract -no certification |

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|---------------------------------------|---|---------|----------|--|
| | | | | signed |
| Dubois and King, Inc. | Leddy Park Field Engineering and Design | 2/22/13 | \$11,818 | Yes, LW and local law compliance referenced in contract. -no certification signed |
| Dubois and King, Inc. | Appletree Park Survey | 2/14/12 | \$2,805 | No |
| Vermont Tennis Court Surfacing | Appletree Park Tennis Court Repair | 5/4/12 | \$11,918 | No |
| Vermont Tennis Court Surfacing | Smalley Park Basketball Court Repair | 8/24/12 | \$11,049 | No |
| Vermont Tennis Court Surfacing | Leddy Park Tennis Court Repair | 8/16/12 | \$12,022 | No |
| Vermont Tennis Court Surfacing | Apple Tree Park Surface Repair | 7/23/12 | \$1,664 | No |
| Vermont Tennis Court Surfacing | South Park Tennis Court Repair | 7/30/12 | \$11,925 | No |
| Hawk Creek Fencing, Inc. | Miller Center Fencing | 7/6/12 | \$4,627 | No |
| Lamoureux and Dickson | Miller Center Parking Lot Engineering | 1/24/12 | \$2,800 | No |

*The Contractor shall comply with all applicable Federal, State, and local laws including, but not limited to, the Burlington Livable Wage Ordinance.

The Flynn Regional Box Office does ticketing services for Memorial Auditorium; the contract is about \$15,000, but the Flynn staff is unionized so is not covered by the ordinance.

Note – This table does not include concession agreements (with Splash, Spirit of Ethan Alan, North Country Specialty Foods etc.), as the concessionaires are not furnishing services to the City and do not receive financial assistance from the City in the form of grants.

APPENDIX M

PLANNING AND ZONING CONTRACTS COVERED BY LWO

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual Amount</u> | <u>Livable Wage</u> |
|--|-------------------------|---------------------|-----------------------------|----------------------------|
| Landslide Natural Resource Planning | Consulting agreement | 9/26/12- 9/30/13 | \$18,300 MLA | No |
| TPUDC | Consulting agreement | 9/19/11- 4/30/13 | \$175,000 MLA | No |

APPENDIX N

POLICE DEPARTMENT CONTRACTS COVERED BY LWO

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual Amount</u> | <u>Livable Wage</u> |
|---|---|----------------------|---|--|
| Spillane's Towing and Recovery | Towing & impoundment of vehicles | 2011-2015 | Based on services provided: 2011- -\$71,000; 2012--\$43,000 | Yes, certification received; local law compliance language in contract* |
| Burlington Communications | Communications equipment support & maintenance | 7-1-12 – 6-30- 13 | \$16,836.06 | Yes, signed certification received** |

*Certification was received in 2013. Local law compliance language reads, "TOWING SERVICE shall comply with all ordinances of the City of Burlington, . . . in fulfillment of its obligations hereunder."

**Certification was received in 2013.

Non-LWO contracts: Copier maintenance (1), computer storage system support (1), telephone system (1), CADk/RMS VALCOUR development (1), HVAC (1), Parking enforcement hardware support (1), equipment support (2), cell phone service (1)

APPENDIX O

PUBLIC WORKS CONTRACTS COVERED BY THE LWO

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual Amount</u> | <u>Livable Wage</u> |
|-------------------------------|------------------------------------|---------------------|-----------------------------|---|
| Engineering Ventures | Base Design Contract | 3/8/12 | \$23,000 | Yes, LW and local law compliance referenced in the vendor's base on call contract with City.* -no certification |
| Engineering Ventures | Resident Engineering Contract | 10/3/12 | \$26,000 | Yes, LW and local law compliance referenced in the vendor's base on call contract with City.* -no certification |
| Engineers Construction | Construction Contract | 10/19/12 | \$159,950 | Yes, LW and local law compliance referenced in bid documents and incorporated by reference in the contract.* -no certification |
| Stantec | Base Resident Engineering Contract | 10/23/12 | \$30,615.30 | Yes, LW and local law compliance referenced in vendor's base on call contract with City.* -no certification |

| | | | | |
|----------------------------|--------------------------------------|----------|-----------|---|
| Krebs and Lansing | Design Contract – General Civil | 6/1/12 | \$18,000 | No |
| GeoDesign | Base Geotechnical Contract | 6/19/12 | \$30,000 | Yes, LW and local law compliance referenced in vendor's base on call contract with City.* -no certification |
| J. Hutchins | Construction Contract | 10/29/12 | \$347,510 | Yes, LW and local law compliance referenced in bid documents and incorporated by reference into contract.* -no certification |
| Extreme Contracting | Construction Contract | 9/13/12 | \$36,446 | Yes, LW and local law compliance referenced in contract.* -no certification |
| Fuss & O'Neil | Design Contract | 5/1/12 | \$39,000 | Yes, LW and local law compliance referenced in vendor's base on call contract with City.* -no certification |
| Fuss & O'Neil | Construction Administration Contract | 11/16/12 | \$20,000 | Yes, LW and local law compliance referenced in vendor's base on call contract with City.* -no certification |

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|-------------------------------|--|----------|--------------|---|
| Engineering Ventures | Base Resident Engineering Contract | 11/16/12 | \$33,930 | Yes, LW and local law compliance referenced in vendor's base on call contract with City.* -no certification |
| Weston Excavation | Construction Contract | 11/16/12 | \$277,700 | Yes, LW and local law compliance referenced in bid documents and incorporated by reference into contract.* -no certification |
| Clough Harbor | Design Contract (Amendment 3) | 11/30/12 | \$184,687 | No |
| Resource Systems Group | Base Design Contract and Design Modification Contract (2 phases) | 2/13/13 | \$618,767.97 | Yes, LW and local law compliance referenced in contract.* -no certification |
| Hoyle Tanner | Church St. Lighting Contract Amendment 3 | 4/11/11 | \$128,000 | Yes, LW and local law compliance referenced in vendor's base on call contract with City.* -no certification |
| Hoyle Tanner | Church Street Lighting Contract Amendment 4 | 8/1/11 | \$30,000 | Yes, LW and local law compliance referenced in |

| | | | | |
|-------------------------------|------------------------------------|----------|--------------|---|
| | | | | vendor's base on call contract with City.* -no certification |
| Wright & Morrissey | Construction Contract | 4/12/12 | \$1,717,887 | Yes, LW and local law compliance referenced in bid documents and incorporated by reference into contract.* -no certification |
| Stantec | Base Resident Engineering Contract | 11/21/12 | \$127,246.90 | Yes, LW and local law compliance referenced in vendor's base on call contract with City.* -no certification |
| J. Hutchins | Construction Contract | 3/28/12 | \$282,386 | Yes, LW and local law compliance referenced in bid documents and incorporated by reference into contract.* -no certification |
| Hoyle Tanner | Design Build Contract | 4/11/12 | \$65,000 | Yes, LW and local law compliance referenced in vendor's base on call contract with City.* -no certification |
| Stantec | Base Resident Engineering | 8/11/11 | \$46,612.50 | Yes, LW and local law |

| | | | | |
|---|------------------------|----------|-------------|--|
| | Contract | | | compliance referenced in vendor's base on call contract with City.* -no certification |
| Lamoreaux & Dickson | Design Contract | 10/24/12 | \$21,106.95 | Yes, LW and local law compliance referenced in contract. -no certification |
| Stantec | Design Contract | 11/26/12 | \$17,939 | Yes, LW and local law compliance referenced in contract. -no certification |
| Alrich & Elliot | Design Contract | 12/20/12 | \$28,6000 | Yes, LW and local law compliance referenced in contract. - no certification |
| Weston and Samplson | Consulting Contract | 7/25/12 | \$130,000 | Yes, LW and local law compliance referenced in contract. -no certification |
| Lakeside Environmental Group | Design Contract | 10/4/11 | \$27,352 | Yes, LW and local law compliance referenced in contract. -no certification |

| | | | | |
|---|------------------------|-----------|-----------|------------------------------------|
| Green Image Landscape (Water Div.) | Mowing and Clean Up | May-Nov. | \$19,375 | No |
| Green Mountain Pipeline | Pipe Relining | Oct. 2012 | \$226,270 | Yes, signed certification received |
| Engineers Construction, Inc. | Drilling of water main | Nov. 2012 | \$23,120 | Yes: signed certification received |
| Vermont Mechanical, Inc. | Maintenance agreement | 9/1/12- | ~\$15,000 | No |
| Hunter North | Security services | 6/11/09- | \$153,000 | Yes*** |
| Ultimate Systems Solutions | Preventive maintenance | | >\$15,000 | No |

*²⁷ All applicable federal, state, and local rules and regulations require the compliance with but not limited to the following rules and regulations: 1) Equal Employment Opportunity Laws 2) Affirmative Action requirements 3) Title VI of the Civil Rights Act of 1964 4) Copeland Anti-Kickback Act 5) NEPA 6) Burlington's Livable Wage Ordinance."

** "The term 'CONTRACT DOCUMENTS' means and includes....livable wage (BCO §§ 27-80-21-85)."

***LW mentioned in original RFP, and renewal letter includes the following language, "Additionally, your signature of this letter indicates your continued compliance with the City of Burlington's livable wage ordinance as outlined in our Request for Quotations."

APPENDIX P

RETIREMENT CONTRACTS COVERED BY LWO

| <u>Entity</u> | <u>Nature</u> | <u>Dates</u> | <u>Annual Amount</u> | <u>Livable Wage</u> |
|--------------------------------------|----------------------|----------------|----------------------|--|
| DAHAB | Consulting Agreement | 12/15/06-- | ≥ \$25,000 | Yes, certification received. |
| Buck | Consulting Agreement | 12/1/05-- | ≥ \$23,600 | No, but local law compliance referenced -no certification signed* |
| VPIC | Investment Services | 11/1/07-- | ≥ \$47,300 | No** |
| Sustainable Woodlands | Investment Fund | | ?>\$15,000 | No*** |
| Hamilton Lane Secondary II | Investment Fund | 6/5/08-7/31/13 | ?>\$15,000 | No*** |
| Hamilton Lane Pvt. Equity VII | Investment Fund | 12/08- | ?>\$15,000 | No*** |
| Martin Currie | Investment Fund | | ?>\$15,000 | No*** |

*“The parties agree to comply with all provisions of law applicable to this Agreement and the Services to be performed hereunder and with all applicable rules, regulations, orders and directives of all governmental bodies having jurisdiction.”

**VPIC is an entity controlled by state law and asserts that it does not provide services to the City, so it will not provide a certificate.

***These investment funds are arguably not service contracts, as they do not provide an individualized service to the City. All have standardized documents and returns, and it is unclear how the LWO would be applied to them.