


FROM	NAME & TITLE	Sheldon Shugarman, Executive Director <i>SS</i>	CITY of BALTIMORE MEMO	
	AGENCY NAME & ADDRESS	Wage Commission 10 North Calvert Street, Room 915		
	SUBJECT	City Council Bill No. 11-0693 Living Wages-Limited Exemption		

TO The Honorable President and Member
of the Baltimore City Council
City Hall, Room 409
100 N. Holiday Street

DATE: June 6, 2011

City Council Bill 11-0693 would modify the Living Wage Ordinance to allow an overtime exemption for certain workers receiving commission. This exemption follows the Federal Fair Labor Standards Act overtime exemption 7(i) for commissioned retail workers.

The Living Wage Law was established in 1994 enacting a wage rate for City service contract workers and setting a goal to achieve a rate that exceeds the federal poverty level. This model legislation was written in a manner that does not have reference to State or Federal rules or regulations regarding wage laws, nor does it follow rules, regulations or exemptions enumerated in the City's Minimum Wage Law. The covered employees who are service workers are simply "any non-professional employee of a service contract, as defined by the Board of Estimates". Regarding overtime, overtime "shall not be less than 1 1/2 times the regular hourly rate of pay, for all hours worked in excess of 8 hours in any work day, or 40 hours in any work week.

Who would be immediately affected? In Federal Minimum Wage Law, court cases have resulted in hotel banquet workers being exempted from receiving overtime pay. Should this exemption be enacted, it follows that the Hilton Convention Center Hotel, under contract requiring its workers to be paid the City's Living wage rate would have the ability to exempt banquet workers.

Although this is a narrow exemption of the Living Wage Law, it sets a precedent and opens the door for other exemptions to be pursued by interested parties. For this primary reason and since the Living Wage Law does not follow Minimum Wage rules and regulations, the Wage Commission is opposed to Council Bill 11-0693.

Cc: Alvin Gillard
Angela Gibson

