



City of Racine

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Legislative Report

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Alderman Tate

Ordinance 0008-18 - Racine Works

An ordinance to amend Chapter 46, Articles II, of the Municipal Code of the City of Racine, Wisconsin.

Part 1: Repeal and Recreate Section 46-41 of the Municipal Code of the City of Racine, Wisconsin, as follows:

Sec. 46-41. - Racine Works Program.

(a) Purpose. U.S. Department of Labor statistics show that the unemployment rate in the City of Racine is one of the highest in the state and is consistently higher than other parts of the State of Wisconsin. The City of Racine Common Council finds that the high unemployment rate, especially among low and moderate income groups, has a substantial adverse impact on the social and economic fiber of the entire community. The Racine Works Program is designed and intended to reduce unemployment by creating work opportunities for Racine residents and by retaining current jobs of residents through imposition of a requirement that, for certain public works contracts, a designated percent of hours worked under the contract be performed by qualified low-income Racine residents

(b) Definitions. The following words and phrases have the meaning indicated for this section:

Direct financial assistance means the value of below-market land sales, any direct subsidies to developers, and city expenditures for private improvements, with a combined value of \$1 million or more, as determined by the director of city development, targeted specifically to a project. It includes the value of tax increment financing and below-market-rate loans provided by the city.

Eligible resident means an individual who resides in the City of Racine, Wisconsin, for contracts awarded by the city, or an individual who resides in a municipality served by the water utility for water utility contracts and whose income does not exceed the area Housing and Urban Development (HUD) income limits set forth for low- or very

low-income households, as of the date of hire, which is 80 percent of the county median income, as determined annually by HUD. Such residents shall have completed at a minimum a pre-apprentice program geared toward a specific trade. Residents who possess an apprenticeship or journeyman status shall also be eligible provided their current income status make them eligible.

Racine Works Program (RWP) means the residents' preference program created and implemented in this section.

Qualified low income resident a person who has completed a pre-apprentice, apprentice, or journeyman program or status in a particular trade such as carpentry, cement finishing, iron worker, plumbing, electrical, and similar trades. Qualifying contract means (1) a public works contract, as defined in Wis. Stats. § 66.0901(1)(c), awarded by the city or its water utility in an amount greater than \$200,000.00 and is paid by city source funds for city public works contracts or by water utility funds for water utility contracts, (2) a contract for site preparation, including, but not limited to, razing of buildings, filling, grading, and other similar work, or (3) a construction contract or contract for site preparation awarded by a developer for a development that received direct financial assistance from the city or from the redevelopment authority. A contract shall constitute a qualifying contract irrespective of the funding source to the fullest extent possible considering the requirements of state and federal law.

Qualifying work means all labor, including skilled and non-skilled labor, and including but not limited to, general laborer, labor performed in journeyman, sub-journey, pre-apprenticeship, apprenticeship, and on-the-job training programs.

Worker hours means the total hours qualifying work performed pursuant to a qualifying contract, whether those workers are employed by the contractor or any subcontractor. In determining the total worker hours to be furnished at a construction site, the number of hours devoted to all tasks customarily performed on a construction site shall be included, whether or not such tasks are performed on the construction site. Worker hours includes work performed by persons filling apprenticeships and participating in on-the-job training programs and work performed by supervisors and superintendents on job sites who are not hourly wage workers.

(c) Applicability; exceptions. RWP applies to all qualifying contracts, excepting that in exceptional circumstances where the commissioner of public works for department of public works contracts, or the general manager of the water utility for water utility contracts, determines that substantial grounds exist to exempt a contract from RWP, such as where a contract requires special skill or experience, then the commissioner of public works for department of public works contracts or the general manager of the water utility for water utility contracts, may exempt such contracts from RWP.

(d) Worker hours requirement. Contractors performing work under a non-exempt qualifying contract shall employ or ensure employment of eligible residents in the work under such contract and subcontracts to the extent that eligible residents perform qualifying work in the amount of 20 percent of the total worker hours.

(e) Verification; documentation. The contractor shall, upon completion of each non-exempt qualifying contract, and before final payment under the contract is requested, certify by affidavit whether it has complied with RWP. Such affidavit shall include the name, street address, municipality of residence, race, gender, and total hours worked of each employee used for the contract, including such records of subcontractors for work under subcontracts. Such certification shall submit such affidavit to the city affirmative action/human rights officer. Contractors shall maintain personnel records listing the name, address, race, and gender of each employee used for the contract as well as payroll records that provide information from which compliance with RWP requirements can be determined, including such records of subcontractors for work of eligible residents under the subcontract. The contractor shall provide such documents to city upon reasonable notice during the pendency of the contract and shall maintain such payroll records for a period of at least three years after city's final payment under the contract. Contractors and subcontractors shall permit a city representative to engage in on-the-job interviews with employees to assist in determining compliance with RWP.

(f) Administration. RWP shall be administered by the city affirmative action/human rights officer, who shall provide prospective contractors with information regarding RWP, with forms required for compliance certification, who shall also determine compliance with RWP requirements. The affirmative action/human rights officer shall, on a semi-annual basis, provide the common council with information regarding RWP and the common council shall review the program and determine whether to enact revisions to RWP.

(g) Prohibition and penalty. No contractor or agent thereof shall fail to employ and use on non-exempt qualifying contracts eligible residents for at least the percent of qualifying work specified in this section. Upon failure of a contractor or agent to timely submit the affidavit required under paragraph (e), above, such contractor or agent shall be prohibited from bidding on any qualifying contract until such affidavit is submitted. Upon failure of a contractor or agent thereof to fail to employ and use on non-exempt contracts eligible residents for at least the percent of qualifying work specified in this section, such contractor or agent thereof may be cited for such failure. Upon conviction, such person shall forfeit \$10,000, or two and one-half percent of the total cost of the qualifying contract as awarded, whichever is greater, plus statutory court costs.

(h) Debarment. If after recommendation of the public works and services committee, the due process board determines that a contractor or agent thereof has failed to employ eligible residents under a non-exempt qualifying contract in the percentage required in this section, or if upon recommendation of the general manager of the water utility, the due process board finds that a contractor or agent thereof has failed to employ eligible residents under a non-exempt qualifying contract in the percentage specified in this section, the common council, for department of public works contracts, and the water works commission, for water utility contracts, may not award any contract to such person unless otherwise recommended by the public works and services committee and approved by the common council or recommended by such general manager and approved by the water works commission, respectively, or unless three years have elapsed from the date the due process board made its determination, or three years have

elapsed from the date of final determination by a court of competent jurisdiction that is adverse to the contractor, whichever is later.

Part 2: This ordinance shall take effect upon passage by a majority vote of the members-elect of the City Common Council and publication or posting as required by law.

Fiscal Note: N/A