



Legislation Text

File #: 13-0649, **Version:** 1

Resolution to Grant Living Wage Exemption to and Approve a Sobriety Court Grant Program Contract with Dawn Inc. dba Dawn Farm to Provide In-patient and Out-patient Drug Abuse Counseling and Rehabilitation Services to 15th Judicial District Court Defendants (\$65,000.00)

This resolution seeks an exemption of the Living Wage compliance requirement of Section 1:815 of Chapter 23 of the Ann Arbor Code of Ordinances for Dawn Farm.

Dawn Farm is a nonprofit corporation that has provided in-patient and out-patient addiction rehabilitation and recovery services to area residents since 1971. Dawn Farm's operating funds are generated from charitable donations, grants, bequests and, to a lesser degree, patient fees. It is important to note that no person seeking treatment at Dawn Farm is turned away because of inability to pay.

Dawn Farm employs 70 persons, of which 15 persons are compensated at rates less than \$12.52 per hour with health care coverage and 18 persons are compensated at rates less than \$13.96 per hour without health care coverage.

Dawn Farm's IRS Forms 990 relate the following revenue (less expenses) for the following recent years:

1. 2008: \$56,895 (including \$97,428 in restricted capital improvement funds);
2. 2009: -\$180,251
3. 2010: -\$254,998
4. 2011: \$324,438 (including a one-time liquidation of real estate to reduce debt)
5. 2012: -\$321,410

At present, Dawn Farm does not have the financial ability to compensate employees at rates required by Section 1:815 of Chapter 23.

Section 1:817(2) of Chapter 23 authorizes City Council to grant a partial or complete exemption from the requirements of Chapter 23 if City Council finds that 1) the application of Chapter 23 requirements would cause demonstrated economic harm to an otherwise covered employer that is a non-profit organization, and 2) that the harm outweighs the benefits of Chapter 23. An exempted entity is required by Chapter 23 to provide a written compliance plan. Attached for Council's consideration is Dawn Farms proposed plan should City Council grant its exemption request.

This resolution also seeks Council approval for a service grant contract with Dawn Inc. dba Dawn Farm for in-patient and out-patient drug abuse counseling and rehabilitation services to 15th Judicial District Court defendants who are participants in the Court's Sobriety Court program, funded by the Michigan Supreme Court State Court Administrative Office (SCAO).

Prepared by: Keith Zeisloft, Court Administrator, 15th Judicial District Court

Reviewed by: Keith Zeisloft, Court Administrator, 15th Judicial District Court

Approved by: Steven D. Powers, City Administrator

Whereas, Dawn, Inc, d/b/a Dawn Farm, is a nonprofit entity that has provided in-patient and out-patient addiction rehabilitation and recovery services to area residents since 1971;

Whereas, Dawn, Inc. is financially unable at present to comply with Section 1:815 of Chapter 23 of the Ann Arbor Code of Ordinances (Chapter 23);

Whereas, Dawn, Inc. has requested City Council grant it a complete exemption from the requirements of Chapter 23 on the grounds that application of the Chapter would cause demonstrated economic harm to the organization and its ability to deliver services;

Whereas, Dawn, Inc. has prepared and provided to City Council a written plan for compliance as required under Section 1:817(2)(b) of Chapter 23 should it be granted an exemption by City Council;

Whereas, The Michigan Supreme Court State Court Administrative Office (SCAO) has awarded \$65,000.00 to the 15th Judicial District Court for in-patient and out-patient drug abuse counseling and rehabilitation services to 15th Judicial District Court defendants who are participants in the Court's Sobriety Court program for Grant Year 2012-2013;

Whereas, The 15th Judicial District Court has determined that Dawn Inc. dba Dawn Farm is an appropriate and skilled provider of such services; and

Whereas, It is in the best interests of the City of Ann Arbor and in the best interests of justice to enter into a service contract with Dawn Inc. dba Dawn Farm;

RESOLVED, That City Council being fully apprised in this matter makes the following findings:

1. That Dawn Inc., a Michigan non-profit organization, is a covered employer under Chapter 23 of the Ann Arbor Code of Ordinances.
2. That Dawn Inc. has requested a complete exemption from living wage requirements of Chapter 23.
3. That Dawn Inc. has satisfactorily demonstrated that compliance with the living wage requirements of Chapter 23 would cause economic harm to it and its delivery of services to the community.
4. That such economic harm to the organization and the individuals served by it outweighs the benefit of compliance with Chapter 23 and that the granting of a complete exemption is necessary ameliorate the harm and provide Dawn, Inc. with time to comply with Chapter 23.
5. That Dawn, Inc. has provided City Council with a written plan to fully comply with Chapter 23 within 3 years if granted the exemption as required by Section 1:817 of Chapter 23.

RESOLVED, That City Council, having adopted the above findings, under the authority reserved to it under Section 1:817 of Chapter 23, grants a complete exemption to Dawn Inc. dba Dawn Farm from the living wage requirements of Chapter 23 for a period of 3 years from the effective date of this Resolution;

RESOLVED, That City Council approve a service contract with Dawn Inc. dba Dawn Farm for in-patient and out-patient drug abuse counseling and rehabilitation services to 15th Judicial District Court defendants;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the contract on behalf of the Court and the City following approval as to form by the City Attorney and as to substance by the City Administrator without regard to City Fiscal Year; and

RESOLVED, That City Council authorize the City Administrator to take all necessary administrative actions to implement this resolution.