

RESOLUTION NO.

WHEREAS, President Obama signed an Executive Order on February 12, 2014 to raise the minimum wage for federal contractors to \$10.10 an hour, and stated that, “Raising the pay of low-wage workers increases their morale and the productivity and quality of their work, lowers turnover and its accompanying costs, and reduces supervisory costs;” and

WHEREAS, the City of Austin requires that contractors be paid prevailing wages, and regular full-time City employees be paid a living wage of \$11.00 an hour; and

WHEREAS, Section 62.051 of the Texas Labor Code requires employers to pay employees the federal minimum wage under the Fair Labor Standards Act (with a minor exception regarding patients and clients of the Texas Department of Mental Health and Mental Retardation); and

WHEREAS, Article IV of the City Charter states that, “the people of the city reserve the power of direct legislation by initiative, but that proposed changes may not be in conflict with the state constitution or state laws;” and

WHEREAS, Section 62.0515 of the Texas Labor Code provides that state law supersedes a wage established in an ordinance, order, or charter provision governing wages in private employment, other than wages under a public contract; and

WHEREAS, the Massachusetts Institute of Technology’s living wage calculation for the City of Austin within Travis County is \$8.60 for a single adult, \$19.56 for a household with an adult with one child, and \$19.85 for a household with two adults and two children; and

WHEREAS, the current federal minimum wage is \$7.25 an hour; and

WHEREAS, as of January 1, 2014, twenty-one states and the District of Columbia have minimum wages above the federal minimum wage, ranging from \$7.40 an hour to \$9.32 an hour; and

WHEREAS, some states including New Mexico, Maryland, and California have laws that give cities the power to enact minimum wage rates, and many other states are silent on the issue; and

WHEREAS, several cities have enacted minimum wages higher than the federal minimum including, but not limited to San Francisco, Albuquerque, Seattle, Santa Fe, and SeaTac, with rates ranging from \$8.50 an hour to \$15 an hour; and

WHEREAS, according to the U.S. Census, 19.4% of Austin residents lived below the poverty level between 2008-2012; and

WHEREAS, affordability has been an ongoing concern for the City Council and the residents of Austin; and

WHEREAS, a higher minimum wage would have a direct and positive impact for the hardworking individuals and families struggling to make ends meet; and

WHEREAS, some businesses are voluntarily providing entry level wages above the federal minimum wage; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City of Austin's Legislative Program for the 84th Texas Legislature is hereby amended to support legislation that increases the statewide

minimum wages or authorizes municipal governments to enact higher local minimum wages.

ADOPTED: _____, 2014 **ATTEST:** _____

Jannette S. Goodall
City Clerk

DRAFT