

RESOLUTION NO.

WHEREAS, a living wage is defined as the minimum income required for workers to meet their basic needs including shelter, clothes, and food; and

WHEREAS, the City of Austin pays regular employees a living wage of \$11.00 an hour, which is also required of City contractors and companies that enter into Chapter 380 economic development agreements with the City for both construction workers and full-time employees; and

WHEREAS, the City Council initially set the living wage rate at \$11.00 an hour on September 14, 2008 for regular city employees, which has not been increased in almost six years; and

WHEREAS, over the past six years, the cumulative rate of inflation in the United States is estimated at 10.1%; and

WHEREAS, according to House the Homeless, the universal living wage should index the federal minimum wage to the local cost of housing to ensure anyone working 40 hours a week will be able to afford basic food, clothing, shelter, utilities, and medical care; and

WHEREAS, the Bureau of Labor Statistics (BLS) produces two inflation measures used to adjust parameters for federal benefit programs including the Consumer Price Index for Urban Wage Earners and Clerical

Workers (CPI-W) and the Consumer Price Index for All Urban Consumers (CPI-U); and

WHEREAS, several major federal benefit programs are indexed for inflation including the cost of living adjustments for Social Security, income eligibility for Medicaid, income and asset benefits for Medicare, and most benefit programs serving retired and disabled veterans; and

WHEREAS, the intent of providing a living wage is to ensure that workers are able to meet their basic needs, which may be increasingly difficult if their wages are stagnant as the cost of living continues to increase; and

WHEREAS, tying the City's living wage to an inflation index or cost of living index could make a significant difference in workers' abilities to provide for themselves and their families, and could be another tool that Council can use to address affordability issues; **NOW, THEREFORE,**

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

The City Manager is directed to conduct a living wage study and provide recommendations to Council regarding any potential changes to the current living wage rate of \$11.00 an hour. The City Manager shall also provide options for tying the City's living wage rate, which shall apply to any

existing City policies and procedures regarding living wage to an inflation index, cost of living index, or the local cost of housing, and provide a report back to Council with recommendations within 60 days including indexing options, how many employees in the City workforce are currently making the City's living wage of \$11.00 an hour, and the potential budgetary impact for any initial or ongoing increases in the City's living wage rate.

ADOPTED: _____, 2014

ATTEST: _____

Jannette S. Goodall
City Clerk