

RESOLUTION NO.

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, the established living wage for the City has been \$11.00 an hour since 2008; and

WHEREAS, Council passed Resolution No. 20140612-067 which called for a determination about the available options to tie the living wage to an index to keep up with the rising cost of living in Austin; and

WHEREAS, as part of the Fiscal Year 2014-15 budget process, City budget staff released a memo that stated there would be no fiscal impact for raising the living wage from \$11.00 to \$11.39 an hour for city employees, consistent with the 3.5% cost of living increase for non-sworn personnel; and

WHEREAS, during the Fiscal Year 2014-15 budget readings, Council set the new living wage rate at \$11.39 an hour for city employees; and

WHEREAS, amending the City's living wage policy to automatically increase each fiscal year by a percentage consistent with the cost of living increase for non-sworn personnel provides a reliable and incremental increase in the City's living wage, while having a minimal impact on the City budget; and

WHEREAS, the City has applied the living wage requirement to regular employees, Purchasing Office contracts eligible for living wage provisions, and companies that enter into Chapter 380 economic development agreements with the City for both construction workers and full-time employees; and

WHEREAS, any increases to the City's living wage rate will automatically apply to future Chapter 380 agreements because the scoring matrix states, "The Firm will ensure that all workers are paid at least the City of Austin's living wage, including full-time employees, contract employees, and construction workers hired for construction work funded by the Firm;" and

WHEREAS, the living wage provision of the City's Purchasing Office Supplemental Purchase Provisions (Purchase Provisions) states that, "The City requires Contractors submitting Offers on this Contract to provide a signed certification with their Offer certifying that all employees directly assigned to this City Contract will be paid a minimum living wage equal to or greater than \$11.00 per hour;" and

WHEREAS, the living wage provision of the Purchase Provisions should be amended to reflect the City's current living wage rate of \$11.39 an hour, and will need to be amended annually to reflect the new living wage rate that results from applying the cost of living index; and

WHEREAS, Resolution No. 20140612-067 called for a living wage study, and the staff response to that resolution provided feedback about what other public entities provide as a living wage, but did not include an in depth analysis of the cost of living in Austin or whether our current living wage rate is sufficient to enable workers to meet their basic needs; and

WHEREAS, several community groups and labor organizations have expressed concern about whether our living wage rate is sufficient, and have expressed interest in participating in a comprehensive process that will analyze the current cost of living in Austin and the impact to the City budget if the rate is increased; and

WHEREAS, Dr. Paul Osterman is an economist and professor of Human Resources and Management at the M.I.T. Sloan School of Management, has authored several books on the importance of quality jobs, is considered a national expert on living wage policies in the United States, and has expressed interest in providing feedback during a stakeholder process as recommendations regarding the City's living wage rate are formulated; and

WHEREAS, staff resources would help a stakeholder group determine any fiscal impact of a change to this policy, how many City employees are under certain wage rates, and potential impacts to City contracts; **NOW, THEREFORE**

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

A City living wage policy is established that ties the living wage to an index consistent with the cost of living adjustment for non-sworn personnel on an annual basis during the budget process, and directs the City Manager to ensure that the City's Purchasing Office Purchase Provisions are amended to reflect the City's current living wage rate of \$11.39 an hour for solicitations issued after the effective date of this Resolution, and shall be amended annually to reflect the new living wage rate that results from applying the cost of living index.

BE IT FURTHER RESOLVED:

The City Manager is directed to provide staff support for a stakeholder process to develop recommendations regarding the City's living wage rate and policy that should include representation from AFSCME Local 624, Austin Interfaith, Workers Defense Project, Laborers' International Union of North America, IBEW Local Union 520, the Austin Chapter of the Associated General Contractors, Plumbers & Pipefitters Local 286, the Greater Austin Chamber of Commerce, the Greater Austin Hispanic Chamber of Commerce, the Greater Austin Black Chamber of Commerce, the Greater Austin Asian Chamber of Commerce, the Austin Gay and Lesbian Chamber of Commerce, and other interested stakeholders, and should seek input from Dr. Paul Osterman during the process. The stakeholder group shall provide an update regarding the process to Council by December 11, 2014, and provide formal recommendations to City Council no later than March 1, 2015.

ADOPTED: _____, 2014

ATTEST: _____

Jannette S. Goodall
City Clerk