



## MEMORANDUM

**TO:** Mayor and City Council

**FROM:** Sara L. Hensley, CPRP, Director  
Austin Parks and Recreation Department

**DATE:** May 11, 2016

**SUBJECT:** Living Wage Impacts

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The purpose of this memo is to provide information regarding the impacts of the living wage eligibility criteria decision on the operations of the Parks and Recreation Department. As you know, during the FY 2016 budget adoption, City Council approved a new living wage standard of \$13.03 per hour for all City employees with the exception of summer youth (e.g. lifeguards).

The Parks and Recreation Department is currently hiring staff at a rate lower than living wage pay rate if the employee is expected to work 6 months or less. A considerable number of our staff members working 6 months or less are required to obtain the same level of certification, participate in the same level of training and perform the exact same job duties and responsibilities as a peer who works year round; yet are paid significantly less. While challenges with compensating, recruiting and retaining seasonal employees exist throughout the Parks and Recreation Department, it is most evident within the Aquatics Division. The pay issues for lifeguards are affecting recruitment efforts as well as morale.

The Parks and Recreation department wants to compensate people equitably and fair, and has determined the pay issue among lifeguards must be addressed. As such the Department will bring forward a budget amendment for an additional \$418,000, which includes FICA and Medicare, to pay lifeguards, both temporary and seasonal, the living wage for the summer. It is expected that this modification will positively impact the recruitment and operations for the Aquatics Division and, avoid unintended but nonetheless undesirable consequences. City budget staff have identified General Fund reserves as the only source of funding for this additional expense but calculate that this action will drop the City slightly below its 12% reserve policy.

While this request does not resolve all of the Parks and Recreation Department's concerns, regarding pay for seasonal/temporary employees, I believe any remaining concerns can be addressed as part of the FY2017 budget development process.

Should you have any questions, please contact my office at (512) 974-6717.

**Cc:** Marc A. Ott, City Manager  
Bert Lumbreras, Assistant City Manager  
Mark Washington, Interim Assistant City Manager  
Ed Van Eenoo, Deputy Chief Financial Officer  
Joya Hayes, Acting Director, Human Resources Department