

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 Council initially set the living wage rate at \$11.00 an hour on September 14, 2008; 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, Council passed Resolution 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, 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; 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 our living wage, while having a minimal impact on the City budget;

WHEREAS, the City's living wage policy applies to regular employees, City contractors retained through the Purchasing Office, 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 Purchasing Office has an Economic Price Adjustment clause in purchasing contracts that adjusts contracts at the time of renewal to reflect fluctuation of the Contractor's cost, and should be amended to include the annual change in the living wage rate; 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 shall 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; **NOW, THEREFORE**,

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

A City of Austin 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 and applied in accordance with the Economic Price Adjustment Clause in the Contract to reflect the new living wage rate that results from applying the cost of living index.

ADOPTED: _____, 2014

ATTEST: _____

Jannette S. Goodall
City Clerk