



## MEMORANDUM

**TO:** Mayor and City Council

**FROM:** Mark Washington, *MW* Director, Human Resources and Civil Service

**DATE:** December 11, 2014

**SUBJECT:** Resolution No. 20141016-035 – Living Wage Stakeholder Group

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This memorandum is provided in fulfillment of the requirement to report to City Council by December 11, 2014, on the progress of the stakeholder group formed to develop recommendations regarding the City's living wage rate and policy as directed by Resolution No. 20141016-035. This memorandum is written on behalf of the stakeholder group and presents the progress to date.

The first stakeholder group meeting was held in City Hall on November 19, 2014. The Resolution directed that the stakeholder process should include representation from 12 specific community groups and labor organizations as well as other interested stakeholders. City staff contacted all of the identified groups and two additional stakeholder groups to schedule the first meeting. Representatives from 11 stakeholder groups attended the meeting (notes describing the November 19<sup>th</sup> meeting are attached to this memo, as is a list of the stakeholders who attended or were invited to that meeting). In addition, the Resolution directed the stakeholder process to seek input from Dr. Paul Osterman, professor of Human Resources and Management at the M.I.T. Sloan School of Management. Dr. Osterman's schedule will not allow him to attend until early in 2015.

During the November 19<sup>th</sup> meeting, the stakeholders reviewed the direction provided in the Resolution; expressed concerns, issues, and interests; introduced potential ideas; and defined next steps. In particular, the meeting offered the first opportunity for the group members to identify the information and data needed to conduct a comprehensive analysis of the current cost of living in Austin and whether the City's current living wage rate is sufficient to enable workers to meet their basic needs. City staff compiled a list of information needs and is working to gather the responsive information.

Staff is currently working on dates for Dr. Osterman to meet with the stakeholder group. The stakeholder group intends to meet again in early January 2015 prior to Dr. Osterman's visit. The Resolution requires the stakeholder group to provide formal recommendations including the associated fiscal impacts to City Council no later than March 1, 2015.

Please let me know if you have further questions.

cc: Marc A. Ott, City Manager  
Anthony Snipes, Assistant City Manager  
Stakeholder Group Members  
Judy Wallace, Assistant Director, Human Resources

**Living Wage Stakeholder  
Meeting Notes - 11/19/14**

Stakeholder Meeting Attendees

AFSCME	Todd Kiluk, Carol Guthrie
Austin Interfaith	Robert Batlan
Workers Defense Project	Brett Merfish
Laborers' International Union	Jeremy Hendricks
IBEW Local 520	Mike Murphy
Austin Chapter of Gen. Contractors	Phil Thoden
Plumbers Local 286	Chap Thornton
Greater Austin Chamber	Robert Watts
Greater Austin Asian Chamber	Marina Bhargava
Austin Gay and Lesbian Chamber	Richard Segal
Equal Justice Center	Chris Willett
City Staff	Judy Wallace, Holly Moyer, Mike Hockmuller, Ann Eaton, Brad Sinclair, Urcha Dunbar-Crespo, Betsy Spencer, Yolanda Miller

Other Stakeholders invited, but not in attendance:

Greater Austin Hispanic Chamber of Commerce	Mark Madrid
Greater Black Chamber of Commerce	Natalie Cofield
NAACP Austin	Nelson Linder

Stakeholders who have expressed interest in participation since the 11/19 meeting:

Austin Music People (AMP)	Jennifer Houlihan
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The following is a list of issues and/or topics of concern that were discussed during the Stakeholder meeting:

1. Chapter 380 Economic Development Agreements
2. The definition of a seasonal employee and current wages
3. The City's definition of a living wage
4. City of Austin Temporary Employee practices
5. Private sector living wage comparisons
6. Topic of compression
7. Living wage policies in other Cities/Governments in current practice
8. City policy for increasing annual salaries
9. Measuring the fiscal impact of increasing the Living Wage and its effect on new hiring
10. Lower level employee vacancies
11. Amount of employee total compensation package with benefits
12. Status of City's communication with ACC, the County, and AISD regarding the Living Wage Policy
13. Amount of lower paid employees who reside within City limits
14. City Council's position on city employees residential location
15. Lower paid employees turnover rate and frequency of mobility to higher paid positions
16. Living wage relationship to real cost of living
17. Report to address correlation between living wage and actual cost of living
18. Defining the wage floor and comparing to living wage
19. History of the process of formulating a living wage for the City of Austin
20. Comparison of the City of Austin to other Cities that implement different economic indices
21. City practices in "competitive" hiring and retention of employees



Suggestions from Stakeholders that require further evaluation:

1. Use of HHSD poverty index as the low end
2. Determine real cost of living in the City of Austin
3. Evaluation of factors that determine housing cost
4. Define wage floor for the City of Austin; comparison to current City of Austin Living Wage

#### **Information Requested of Staff by the Stakeholders**

1. A list of people/organizations in the current Stakeholder Group
2. A breakdown of employees in various pay scales
3. Percentages of employees (by pay group) living in Austin versus other cities
4. Copy of the City's August 2014 response to Council Resolution No. 20140612-067 and any other data related to questions asked

#### **Next Steps**

- HRD will start gathering and sending responses to above questions
- Meet one time in early January before Dr. Osterman comes to Austin to ensure everyone is on the same page
- Meet week of Dr. Osterman's visit
- Possibly invite other groups and the public later (after Dr. Osterman's visit) to give results and get input.