



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 8, 2016

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Introduction and First Reading. Consideration. Passage on First Reading of an Ordinance to Repeal Ordinance Number 4625, Suspend the Formula Set Forth in City Code Section 3-3-31.1, and Increase the Hourly Wage Rate For Service Contracts (Living Wage) From \$13.13 Per Hour to \$14.13 Per Hour Beginning in FY 2017.

ISSUE: Consideration of an ordinance to increase the hourly wage rate for service contracts (living wage) from \$13.13 per hour to \$14.13 per hour beginning in FY 2017.

RECOMMENDATION: That City Council consider the ordinance on first reading and set it for public hearing and final passage on Saturday, June 18, 2016.

BACKGROUND: In 2000, Council adopted a living wage policy for employees of companies awarded competitively bid service contracts performed on City property. Prior to FY 2010, to determine the dollar level of the living wage to be paid, a formula was established that used Bureau of Labor statistics and Health and Human Services indices. As these indices were recalculated annually, they impacted the City's living wage dollar levels. In 2001, the living wage was \$8.70 per hour and by FY 2009 it had increased to \$13.13 per hour. Because of the need to limit budget growth due to the tax revenue impact of the recession, City Council adopted Ordinance Number 4625 in FY 2010 to freeze the living wage rate at FY 2009 levels (\$13.13 per hour) due to overall City fiscal constraints. The living wage has remained at that level through FY 2016.

DISCUSSION: The FY 2017 Approved Budget included funding sufficient to increase the living wage by \$1.00 per hour, increasing the City's living wage from \$13.13 to \$14.13 per hour. The proposed ordinance would repeal Ordinance Number 4625, which froze the living wage at \$13.13; suspend the use of the living wage formula described in City Code Section 3-3-31.1; and increase the effective living wage to \$14.13 per hour for service contracts.

FISCAL IMPACT: Based on the current number of contracts that would be impacted by the living wage rate,

it is estimated that there will be an increase in expenditures by the City for service contracts of approximately \$100,000 annually.

ATTACHMENTS:

Attachment 1 - Living Wage Ordinance Cover Sheet

Attachment 2 - Living Wage Ordinance

STAFF:

Laura Triggs, Deputy City Manager

Morgan Routt, Director, Office of Management and Budget

Christina Zechman-Brown, Assistant City Attorney

Michael Stewart, Deputy Director, Finance Department