

X   SIMPLE AMENDMENT

       SUBSTITUTE AMENDMENT

       PROCEDURAL MOTION

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**AMENDMENT BY ALD. KOVAC**

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FILE NO.131627

VERSION: SUBSTITUTE 1

TITLE: A substitute ordinance relating to city wage requirements.

ITEM: 2

SPECIAL FINANCE & PERSONNEL COMMITTEE

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**TEXT OF MOTION**

I move to amend Part 1 of Substitute 1 by establishing that "living wage" means, prior to March 1, 2015, an hourly wage rate of \$10.10 per hour; and that effective March 1, 2015, it shall mean an hourly wage rate based on the average of the poverty guidelines for a family of 3 and a family of 4 ("family of 3.5").

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**TEXT OF AMENDMENT**

Upon amendment, s. 310-13-2-a of the code in Part 1 of the proposed ordinance shall read:

**310-13. Service Contract Wage Requirements.**

**2. DEFINITIONS.** In this section:

a. "Living wage" means >>, prior to March 1, 2015, an hourly wage rate of \$10.10 per hour. Effective March 1, 2015, it shall mean the average of<< the amount required to produce, for 2,080 hours worked, an annual income equal to the U.S. department of health and human services' most recent poverty guideline for a family of 3 >>and family of 4<< in the 48 contiguous states, as determined by the city clerk on March 1 of each year.

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**ANALYSIS OF AMENDMENT**

The current definition of "living wage" as specified under s. 310-13-2-a of the code is established equal to the hourly wage rate based on the poverty guideline for a family of 3, which is currently \$9.51 per hour.

Under this amendment, the living wage is established at \$10.10 per hour. On and after March 1, 2015, the living wage is established equal to the hourly wage rate based on the average of the poverty guidelines for a family of 3 and a family of 4.

The living wage is projected to be \$10.80 per hour on March 1, 2015 (see Column C in the table below), based on projections that assume a 2.94% annual increase based on the 5-year average growth for family of 4 poverty guideline.

Living wage calculations for table below: (Column B + Column D)/2 = Column C

A	B		C		D	
Year	Family of 3  Annual Poverty Guideline Projection		("Family of 3.5 ")  Projected Average of Family of 3 and 4 Poverty Guideline		Family of 4  Annual Poverty Guideline Projection	
	Annual	Hourly	Annual	Hourly	Annual	Hourly
2014	\$19,790	\$9.51	\$21,820	\$10.49	\$23,850	\$11.47
2015	\$20,372	\$9.79	\$22,462	<b>\$10.80</b>	\$24,551	\$11.80
2016	\$20,971	\$10.08	\$23,122	\$11.12	\$25,273	\$12.15
2017	\$21,587	\$10.38	\$23,802	\$11.44	\$26,016	\$12.51
2018	\$22,222	\$10.68	\$24,501	\$11.78	\$26,781	\$12.88
2019	\$22,875	\$11.00	\$25,222	\$12.13	\$27,568	\$13.25
2020	\$23,548	\$11.32	\$25,963	\$12.48	\$28,379	\$13.64

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RGP  
7/21/14

**Living Wage Proposal Comparison  
(Option 4 - Amended to reflect family of 3.5.)**

	Original CC 131627	Amended CC 131627	Original Less Amended
<b>Wage per Hour</b>			
2014 \$	10.10 \$	10.10 \$	-
2015 \$	11.47 \$	10.80 \$	0.67
2016 \$	11.81 \$	11.12 \$	0.69
2017 \$	12.16 \$	11.44 \$	0.72
2018 \$	12.51 \$	11.78 \$	0.73
2019 \$	12.88 \$	12.13 \$	0.75
2020 \$	13.26 \$	12.48 \$	0.78

**Cost Impact - Comparison #1**

2014 \$	64,890 \$	64,890 \$	-
2015 \$	248,796 \$	149,050 \$	99,747
2016 \$	328,231 \$	200,019 \$	128,212
2017 \$	422,180 \$	264,770 \$	157,410
2018 \$	527,555 \$	343,156 \$	184,398
2019 \$	643,869 \$	435,779 \$	208,090
2020 \$	768,030 \$	540,707 \$	227,323

**Cost Impact - Comparison #2**

2014 \$	64,890 \$	64,890 \$	-
2015 \$	211,701 \$	141,465 \$	70,237
2016 \$	248,136 \$	176,498 \$	71,638
2017 \$	285,643 \$	211,532 \$	74,111
2018 \$	323,149 \$	248,755 \$	74,394
2019 \$	362,799 \$	287,073 \$	75,726
2020 \$	403,520 \$	325,391 \$	78,129

