

# MEMO

**TO:** Burlington City Council

**FROM:** Richard W. Haesler, Jr., Esq. (staff)  
for the City Council Ordinance Committee

**Re:** Livable Wage Ordinance

**DATE:** April 26, 2011

Two years ago, the Livable Wage Ordinance was referred to the Ordinance Committee for review and update. The committee held a number of hearings to consider the matter. City employees receiving a livable wage as well as various members of the public spoke to the issues. Doug Hoffer, who works annually as a consultant to the City for purposes of helping to determine our Livable Wage, and who appears regularly before the Joint Fiscal Office of the State of Vermont for the legislature on these matters, generously provided time to the committee and staff in a review of the ordinance.

Only a few areas of concern ultimately needed to be addressed.

Firstly, the calculations used by the City (which are based on reports from the Joint Fiscal Office) referenced only that the budgetary needs for a single person were to be considered. Historically the City sought to use a budget which contemplated the budgetary needs of a single person living in a one bedroom apartment. It has, however, become clear that the rental market for single bedroom apartments in Burlington has become so expensive that paying a wage based on a budget which allows for occupancy of a single bedroom apartment has also risen to unrealistically high levels. As a result, the committee recommends insertion of language which would establish that the formula used will now be modeled on a single person living in and sharing expenses in a two bedroom apartment. The underlying theory is that a wage which allows for basic needs can be satisfied under a scenario where the wage earner is not necessarily able to rent a single bedroom apartment but is able to enter into a lease with another. The State model used by the JFO has also gone to a two person model with the individuals sharing an apartment and although slightly different, it served as the template for the City recommending this change.

Secondly, the fine for livable wage violations was increased to reflect changes over time, keeping it in line with other recent fine increases and is consistent with the committee's desire to give the ordinance a little more teeth.

Thirdly, the implementation date has been changed to coincide with our fiscal year. The new livable wage will be posted in May to be implemented (go into effect) July 1<sup>st</sup>.

Finally, much attention and consideration was given to the fact that implementation of the livable wage requirement at the airport has presented some challenges. To be specific, some national carriers providing service at Burlington International simply do not and, no doubt, will not pay Burlington's livable wage to some workers. The evidence appears to be that in many cases these workers and their contracts originate in other States. There was no consideration given to exempting the airport in its entirety, as concessions and many other services there are local in nature. Consideration was given to amending the language of Section 21-81 to allow for an exception for national carriers but ultimately the decision was made to simply allow the existing exemption provision (see Section 21-87) to be the mechanism employed for accommodating contracts with national carriers when necessary.

The Ordinance Committee thanks the Clerk Treasurer's Office and the Board of Finance for their consideration of these changes and their implementation. The committee believes that these changes are overdue and asks that the Council suspend the rules and place the proposed ordinance in all stages of adoption and adopt same.