

## MOTION

In 1997, the City of Los Angeles became one of the first cities in the nation and the first in California to pass a Living Wage Ordinance (LWO) requiring certain City Contractors doing business with the City to pay employees a living wage. The establishment of the LWO was intended to improve the level of services to and for the City by requiring City contractors to provide employees a wage higher than the California Minimum Wage, including health benefits, and 12 compensated and 10 uncompensated days off.

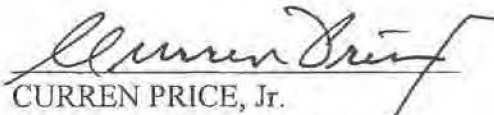
As of July 1, 2018, the LWO requires certain City contractors doing business with the City to pay a wage of \$11.82 per hour with a health benefit subsidy of \$1.25 per hour, and no less than \$13.05 per hour without health benefits. LWO wage rates increase annually, but the health benefit is frozen at \$1.25.

In 2016, the City adopted a minimum wage ordinance (MWO) that requires employers within the geographic boundaries of the City of Los Angeles to pay employees a Citywide minimum wage. On July 1, 2018, the minimum wage rate in the City will rise to \$13.25 an hour, higher than the living wage rate. This will result in a discrepancy between the wage rates of employees being paid the minimum wage rate and employees being paid the living wage rate. This discrepancy will only grow larger over the coming years.

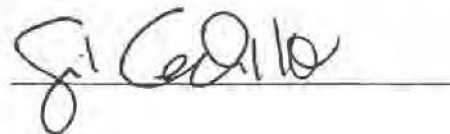
To maintain the integrity of the LWO, the City should increase the living wage rate to ensure that it is equal to the minimum wage rate. This will ensure that employees in any company contracted by the City are earning a fair wage and have access to health care. This increase in the living wage to align with the City minimum wage will result in a wage rate that is higher than the current living wage plus the health benefit, which is no longer needed.

I THEREFORE MOVE that the City Council request the City Attorney to prepare and present, with the assistance of the Bureau of Contract Administration and the Chief Legislative Analyst, an ordinance amending Section 10.37 of the Los Angeles Administrative Code (LAAC) relating to the non-airport living wage rates to align hourly rates with the City Minimum Wage and to repeal the living wage health benefit.

Presented by:

  
CURREN PRICE, Jr.  
Councilmember, 9th District

Seconded by:



ORIGINAL

JUN 08 2018

