

**PRESENTATION ON  
ESTABLISHING A LOCAL  
MINIMUM WAGE**

Chamber Luncheon  
September 15, 2015

**STRATEGIC PLAN UPDATE**

In March 2015, the City Council included establishing a local “living wage” as a strategy towards achieving the goal of

*“Ensuring the public’s health and safety”*

The

**Ensuring Opportunity Campaign to Cut Poverty in Contra Costa**

is currently aiming to achieve a

\$15.00/hour minimum wage

by 2020 throughout the County.

**COUNCIL STUDY SESSION**

On August 18, 2015, the Council held a study session including:

- Panel of guest speakers
- Public comments
- Direction to staff to draft an ordinance creating a local minimum wage of \$15/hr by either 2018 or 2020 to support low-wage earners in our community.

**CALIFORNIA MINIMUM WAGE RATE**

- Current State Rate: **\$9.00 per hour**
- Will increase Jan 1, 2016 to \$10.00 per hour

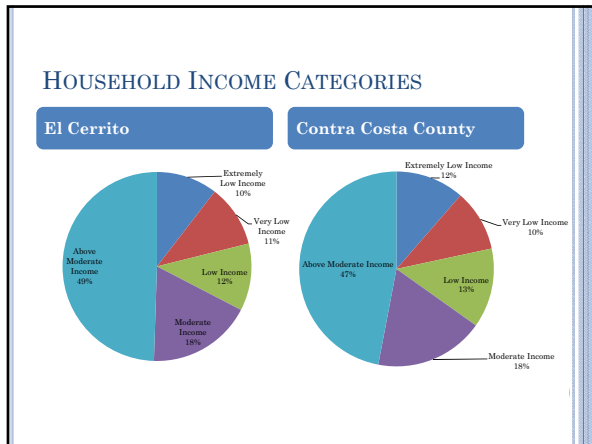
**CONTRA COSTA FAMILY OF FOUR**

**\$23,850** = 2014 Federal Poverty Level  
(12.5% of CCCo. residents –131,800 men, women, children)

**\$37,440** = Two full-time jobs at current minimum wage  
**\$41,600** = “ “ at minimum wage in 2016

**\$71,711** = Contra Costa Self-Sufficiency Standard  
\$ needed to avoid relying on public assistance

**\$74,353** = Contra Costa Median Family Income (2012)



### SNAPSHOT OF MEDIAN EARNINGS BY INDUSTRY IN CONTRA COSTA COUNTY

ORIGINAL SOURCE: 2009-2013 AMERICAN COMMUNITY SURVEY 5-YEAR ESTIMATES

	Workers	Median earnings
<b>Civilian employed pop. 16 years &amp; over</b>	<b>491,161</b>	<b>\$45,310</b>
Accommodation & food services	30,099	\$16,874
Ag, forestry, fishing & hunting	2,458	\$17,957
Arts, entertainment & recreation	10,097	\$22,397
Other services, except public administration	24,654	\$25,767
Retail trade	52,245	\$26,489
Administrative and support and waste management services	26,669	\$27,725

- ### LOCAL MINIMUM WAGES
- 26 Cities/Counties have local minimum wages:
- In California:
- o Berkeley
  - o Emeryville
  - o Los Angeles (City of)
  - o Los Angeles County
  - o Mountain View
  - o Oakland
  - o Richmond
  - o San Diego
  - o San Francisco
  - o San Jose
  - o Sunnyvale
  - o Palo Alto \*
  - o Santa Clara \*

- ### STUDY OF ANTICIPATED IMPACTS OF LOCAL MINIMUM WAGE INCREASE IN OAKLAND
- UC Berkeley Labor Center General Findings:**
- o Increasing the minimum wage increases financial stability for families and stimulates the local/regional economy by increasing consumer purchasing power
  - o Local minimum wage increases do not have a discernible impact on the overall employment rate of low-wage earners
  - o Most employers are likely to see reduced employee turnover costs, improved work performance

- ### STUDY OF ANTICIPATED IMPACTS OF LOCAL MINIMUM WAGE INCREASE IN OAKLAND, CONT.
- Increasing the minimum wage would have a modest impact on business operating costs and consumer prices**
- o Operating costs would increase slightly for most retail businesses (easier for large corporations to absorb)
  - o Restaurant prices may increase by about 2.5%

- ### PROPOSED WAGE LEVEL
- o Council is considering \$15.00/hr in either 2018 or 2020
  - o Thereafter, increases based on CPI
  - o Same phase-in schedule for all employers (including small businesses & non-profits)
  - o Cover all people working within the city limits of El Cerrito -- Includes employees doing work inside the city for businesses based outside of El Cerrito

### POSSIBLE PHASE –IN SCHEDULES

\$15/hr by 2018		\$15/hr by 2020	
2016:	\$11.00	2016:	\$11.00
2017:	\$13.00	2017:	\$12.00
<b>2018:</b>	<b>\$15.00</b>	2018:	\$13.00
		2019:	\$14.00
		<b>2020:</b>	<b>\$15.00</b>

### ANNUAL WAGE INCREASES

*Note: month of annual increase varies by city.*

Rate Increased to (by Year)	2015	2016	2017	2018	2019	2020
Berkeley	\$ 11.00	\$ 12.53				
Richmond (CPI inc. 2019<)	\$ 9.60	\$ 11.52	\$ 12.30	\$ 13.00	CPI inc.	CPI inc.
<b>\$15 by 2020 (Example)</b>	\$ 9.00	\$ 11.00	\$ 12.00	\$ 13.00	\$ 14.00	\$ 15.00
San Jose	\$10.30	CPI inc.	CPI inc.	CPI inc.	CPI inc.	CPI inc.
Emeryville- Small Employer	\$ 12.25	\$ 13.00	\$ 14.00	\$ 15.00	\$ 16.00	\$ 16.42
San Francisco (CPI inc. 2019<)	\$ 12.25	\$ 13.00	\$ 14.00	\$ 15.00	CPI inc.	CPI inc.
<b>\$15 by 2018 (Example)</b>	\$ 9.00	\$ 11.00	\$ 13.00	\$ 15.00	CPI inc.	CPI inc.
Emeryville -Large Employer (est.)	\$ 14.44	\$ 14.82	\$ 15.20	\$ 15.60	\$ 16.00	\$ 16.42

### PROPOSED NOTICE POSTING AND RECORD KEEPING PROVISIONS

- o Covered employers will be required to post notices in the workplace provided by the City regarding the wage rates and employee rights, and they will be required to maintain payroll records for a certain number of years.
- o City will provide wage bulletin to employers in multiple languages.

### PROPOSED ENFORCEMENT ACTIVITIES


**Enforcement would be handled on a complaint-basis.**

- o Staff is researching the staffing needs to investigate and evaluate complaints for the program and research how other small cities are handling their programs
- o Ordinance would also allow for proactive investigations that target industries with high rates of violations
- o City would be interested in considering joining a County-wide effort if one is established

### PROPOSED EDUCATION ACTIVITIES

The City will need to educate and inform the both local employers and workers:

- o Outreach to all local businesses
- o Use media to educate the public broadly
- o Identify possible community groups and legal services providers to conduct worker outreach and education



How might the proposed ordinance affect businesses, especially small locally-owned businesses?

IDEAS TO SUPPORT "HOMEGROWN" BIZ

- o What are the needs of locally-owned businesses?
- o What are possible ways the City could support locally-owned businesses?

ADDITIONAL PAID SICK LEAVE



- o Staff is researching Paid Sick Leave in other local wage ordinances
- o May be considered in the future (separate ordinance)

PROCESS

- o Outreach to Gather Community Input
- o Draft Proposed Ordinance
- o City Council Consideration – likely on November 3rd



Community Input Meeting:  
Monday, September 21<sup>st</sup> at City Hall

Online:

[www.el-cerrito.org/wages](http://www.el-cerrito.org/wages)

Webpage includes background information, meeting dates & link to online forum for comments

ADDITIONAL QUESTIONS?

COMMENTS OR FEEDBACK?

THANK YOU

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