



ORDINANCE TO ESTABLISH CITY MINIMUM WAGE STANDARDS

El Cerrito City Council Meeting
November 3, 2015

CALIFORNIA MINIMUM WAGE RATE

- Current: **\$9.00 per hour**
- Jan 1, 2016: **\$10.00 per hour**



PROPOSED WAGE RATE

Achieve \$15.00/hr rate in 2020

- Thereafter, increases based on CPI
- Same phase-in schedule for all employers (including small businesses & non-profits)
- 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



PROPOSED PHASE –IN SCHEDULES

\$15/hr by 2020

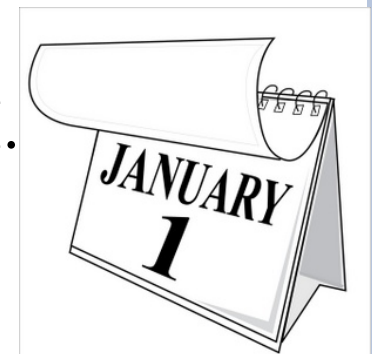
July 2016: \$11.00

January 2018: \$13.00

January 2019: \$14.00

January 2020: \$15.00

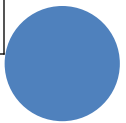
Thereafter, annual increases based on CPI.



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.
\$15 by 2020	\$ 9.00	\$ 11.00	\$ 11.00	\$ 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.
Emeryville -Large Employer (est.)	\$ 14.44	\$ 14.82	\$ 15.20	\$ 15.60	\$ 16.00	\$ 16.42



PROPOSED NOTICE POSTING AND RECORD KEEPING PROVISIONS

- City will provide wage bulletin to employers in multiple languages 60 days prior to each increase
- Employers will be required to post notices in the workplace regarding the wage rates and employee rights
- Employers will be required to maintain payroll records for 3 years.



PROPOSED ENFORCEMENT ACTIVITIES

City will develop administrative procedure to receive & investigate complaints

- additional staffing to be considered during budget process
- City may contract with consultant or other agency to handle preliminary investigation
- Goal = informal resolution
- Enforcement = standard admin citation per municipal code, plus
 - Up to \$1,000 fine per retaliation
 - Up to \$500 fine for other violations
 - Collected money to be distributed to wronged employee(s)



PROPOSED EDUCATION ACTIVITIES

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

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



ADDITIONAL CONSIDERATIONS

Ordinance does not include:



- **Paid Sick Leave benefit**



- **Hospitality service charge regulations**

These may be considered in the future
(separate ordinance)



STUDY OF ANTICIPATED IMPACTS OF COUNTYWIDE MINIMUM WAGE INCREASE

UC Berkeley Labor Center General Findings for Countywide \$15/hr local wage in Contra Costa County:

- Increasing the minimum wage increases financial stability for families and stimulates the local/regional economy by increasing consumer purchasing power
- Local minimum wage increases do not have a discernible impact on the overall employment rate of low-wage earners
- Most employers are likely to see reduced employee turnover costs, improved work performance



STUDY OF ANTICIPATED IMPACTS OF COUNTYWIDE MINIMUM WAGE INCREASE

Increasing the minimum wage would have a modest impact on business operating costs and consumer prices

- Operating costs would increase slightly for most retail businesses (easier for large corporations to absorb)
- Restaurant prices may increase by about 2.5%



PUBLIC COMMENTS

Staff made presentations, held a community meeting and conducted two surveys between August-October.

- Overall, a majority of people who provided feedback were in support of the City establishing a local minimum wage of \$15.00 per hour by 2020
- A number of local businesses expressed concern
- Many business owners said it would not negatively impact or have no effect on their business
- Some people preferred a faster phase-in of 2018



SUPPORT

- **Ensuring Opportunity Campaign to Cut Poverty in Contra Costa** urged the City to establish a minimum wage to reach \$15 per hour by 2020
- **El Cerrito Democratic Club** urged the City Council to enact a minimum wage ordinance with amounts and annual adjustments no lower than the than those set forth in the City of Richmond's minimum wage ordinance by January 1, 2016



COMMUNITY FEEDBACK

- **Chamber Presentation 9/15/15**
 - About 20 attendees, mixed feedback
- **Rotary Presentation 9/10/15**
 - About 30 attendees, mixed feedback
- **Community Input Meeting on 9/21/15**
 - About 50 people attended: 16 spoke in favor, 7 spoke against
- **42 responses to the Business Owner Survey**
 - Most in support, some against/concerned
- **16 comments posted on Open El Cerrito**
 - All 16 in support
 - 65 viewers

Advisory Bodies In Support

- Committee on Aging
- Crime Prevention Committee
- Economic Development Committee
- Human Relations Commission



Council Action Requested

Questions of Staff?

Receive Public Comments

Questions & Council
deliberation

Consider vote to approve the
ordinance