

Alameda's Minimum Wage

City Council
October 2, 2018

City Council Meeting—Sept. 18, 2018

- City Council Questions:
 - Academic Studies and Empirical Data
 - Local Preference Policies and Shop Local Activities
 - Emeryville's and State's Small Business Definition
 - City's Revenues and Actual Budget

Academic Studies

- Pro

- Princeton University (1994)
- Cornell University (2007)
- CWED / UCB (2016)—Cities Association for Santa Clara County
- CWED / UCB (2017)—Seattle
- CWED / UCB (2018)—Six Cities

Academic Studies (Continued)

- Con
 - Texas A&M (2013)
 - UC San Diego (2014)
 - University of Washington (2017)—Seattle

Local Preference

- Alameda's Charter, Article III
 - A preference not to exceed 5% of the lowest bid
- Alameda Municipal Code, 2-62 Local Preference Policy
 - Contracts for Materials and Supplies
 - Contracts for Labor
 - Personal Service Contracts

Shop Local Activities

- Advertisements
 - Calendar of Events published each spring and summer in the East Bay Times
 - Coordinating with WABA and DABA 6-week holiday promotion
- Shopping Bags
- Restaurant and Tourism Brochures
- Restaurant Week

Small Business Definition

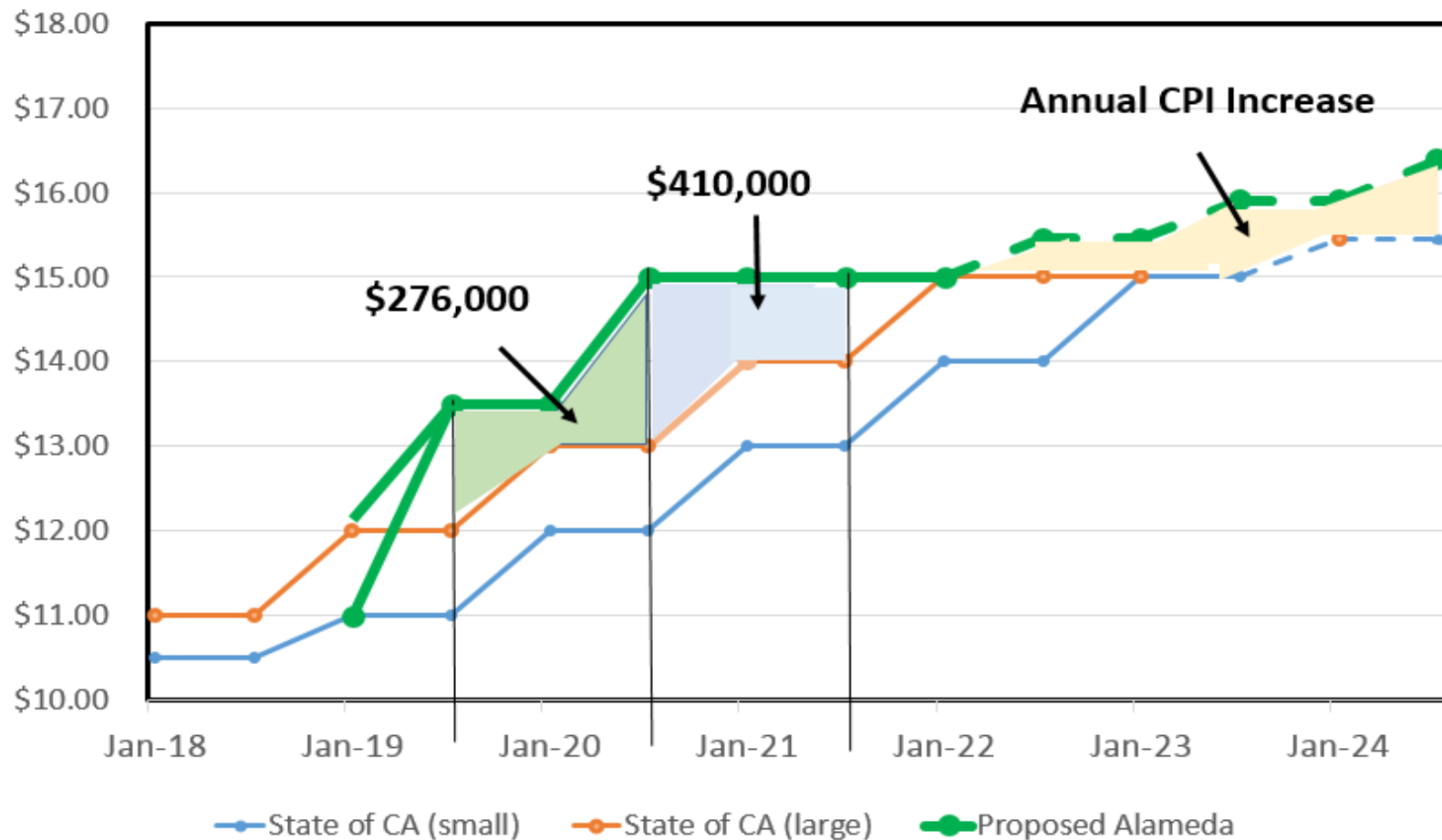
- Emeryville
 - Business concerns raised during public engagement process
 - Time and resources necessary for compliance
 - Increased costs (including payroll taxes & workers compensation)
 - Reduced staffing levels, eventual layoffs
 - Considered different definitions for Small Business
 - Decided on 55 employees or less

Financial Impact: Summary

Fiscal Year	Amount
FY 2018-19 <ul style="list-style-type: none">• Public education• Enforcement	\$57,000
FY 2019-20 <ul style="list-style-type: none">• Wage increases• Contracted services• Enforcement• Public Education• Buy Local Campaign	\$276,000
FY 2020-21 <ul style="list-style-type: none">• Wage increases• Contracted services• Enforcement• Public Education• Buy Local Campaign	\$410,000
Total =	\$743,000

Financial Impact: Summary (Continued)

Proposed Minimum Wage Schedule

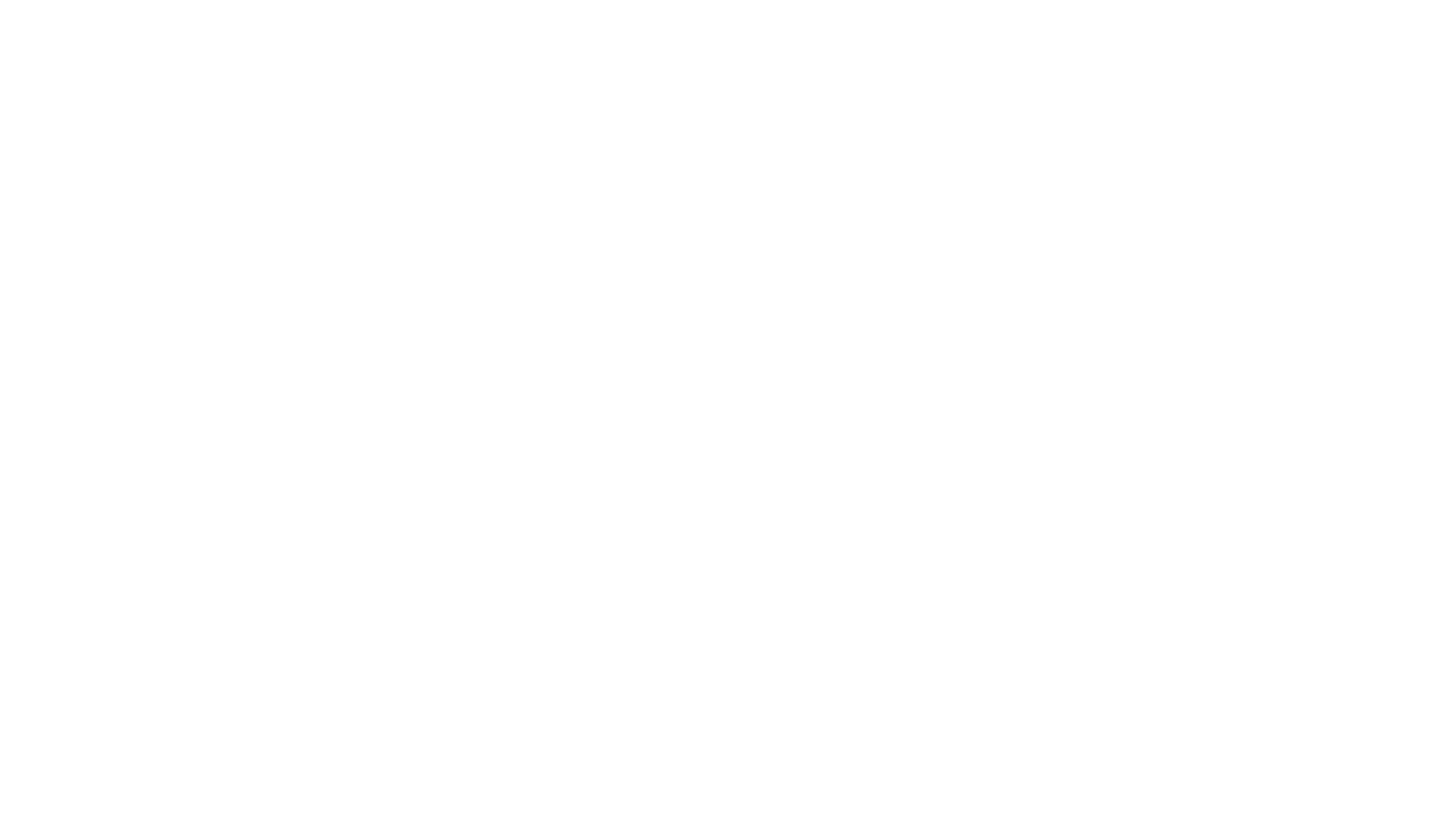


General Fund Budget v. Actual Comparison

- Revenues
 - In each of the last five years, actual revenues were greater than budget estimates
- Expenditures
 - In each of the last five years, actual expenditures less were than budget estimates
- Over the last five years, the actual budget variance in revenues and expenditures were between \$1.8 million and \$12.3 million, better than the projected budget

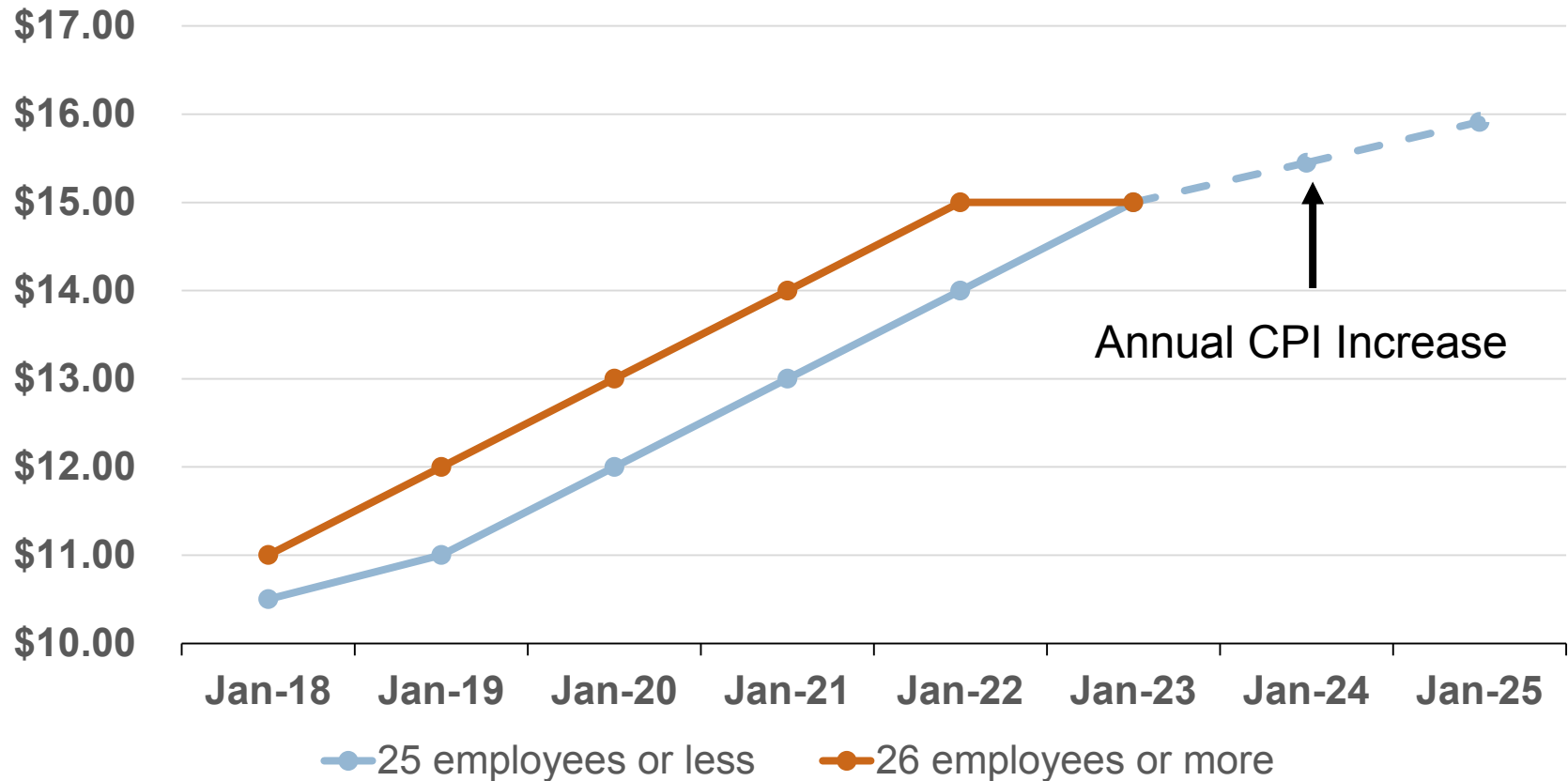
Recommendation

- Introduce an ordinance to raise the minimum wage to \$15 per hour by July 1, 2020
- Adopt a resolution amending the General Fund operating budget to add \$57,000 for personnel and expenses associated with raising the minimum wage



California's Minimum Wage

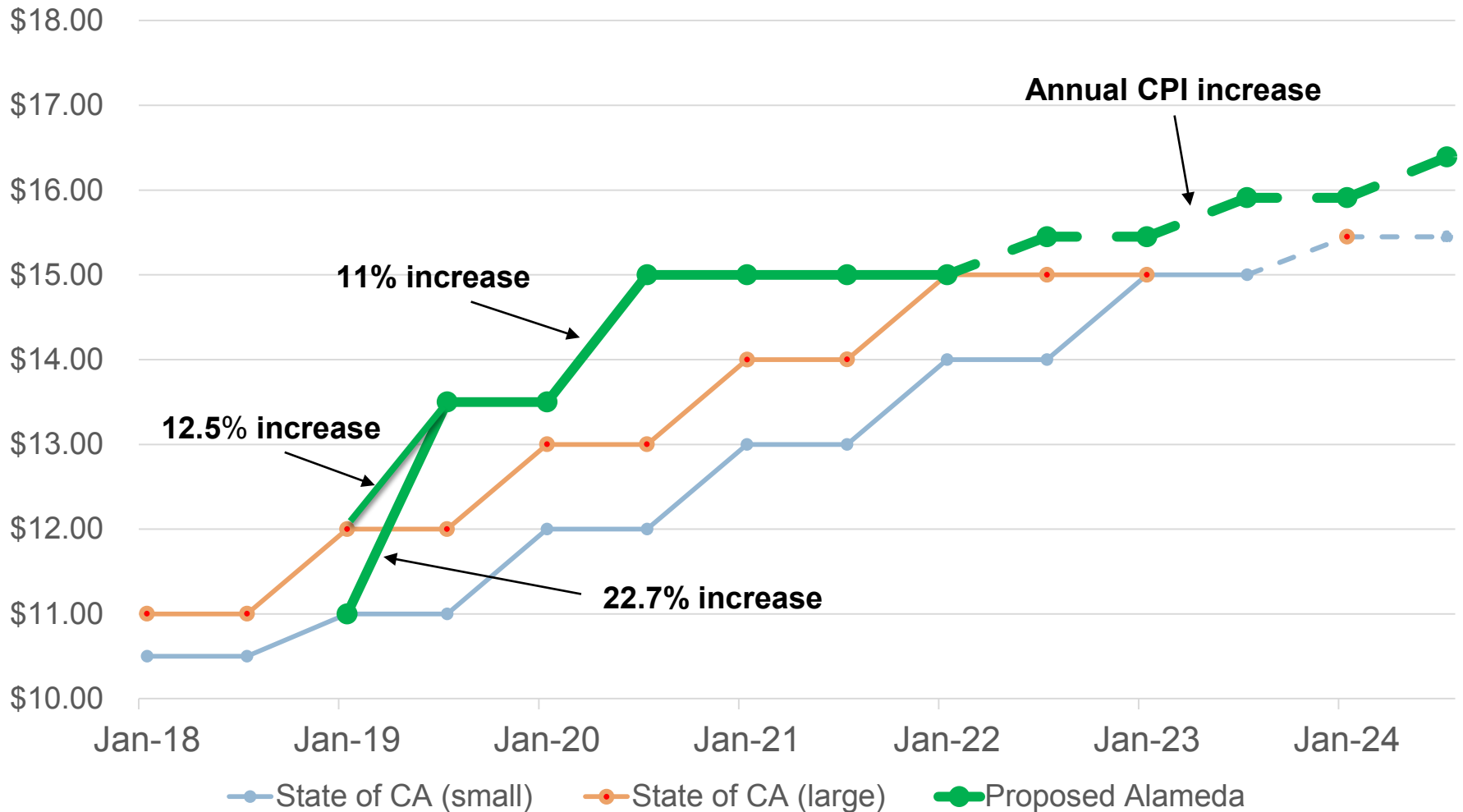
California's Minimum Wage



***After 2023, state minimum wage annually increases at rate of CPI; the dash lines show a hypothetical 3 percent increase.**

Proposed Minimum Wage Ordinance

Proposed Minimum Wage Schedule



	Balmon	Berkeley	Cupertino	El Cerrito	Emeryville	Los Altos	Milpitas	Mountain View	Oakland	Palo Alto	Redwood City	Richmond	San Francisco	San Jose	San Leandro	San Mateo	Santa Clara	Sunnyvale	State of California
Learners/job training programs	●	●		●						●	●		●	●	●			●	
Non-profit (1-year deferral)															●				
Health, housing, or meal benefit			●		●	●					●		●			●		●	
Small v. Large Employer				●														●	
Sales commissions to be deducted			●	●	●	●							●			●	●		
Collective Bargaining Agreement	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●	●	●
Exempts government agencies			●		●	●	●		●	●			●			●	●		
Capped	3.50%		5%			5%	5%			5%				5%					3.50%
Off-ramp			●		●	●							●			●		●	
Current Minimum Wage	\$ 12.50	\$ 15.00	\$ 13.50	\$ 13.60	\$15.00 (sm bus/ \$15.60 (lg bus)	\$ 13.50	\$12.00 on 1/1/18, \$13.50 on 7/1/18	\$ 15.00	\$ 13.23	\$ 13.50	\$ 11.00	\$ 13.41	\$ 15.00	\$ 13.50	\$ 13.00	\$ 13.50	\$ 13.00	\$ 15.00	\$ 11.00
● = included in the ordinance for indicated city																			