



Alameda's Minimum Wage

City Council
September 18, 2018



City Council Direction

November 1, 2016

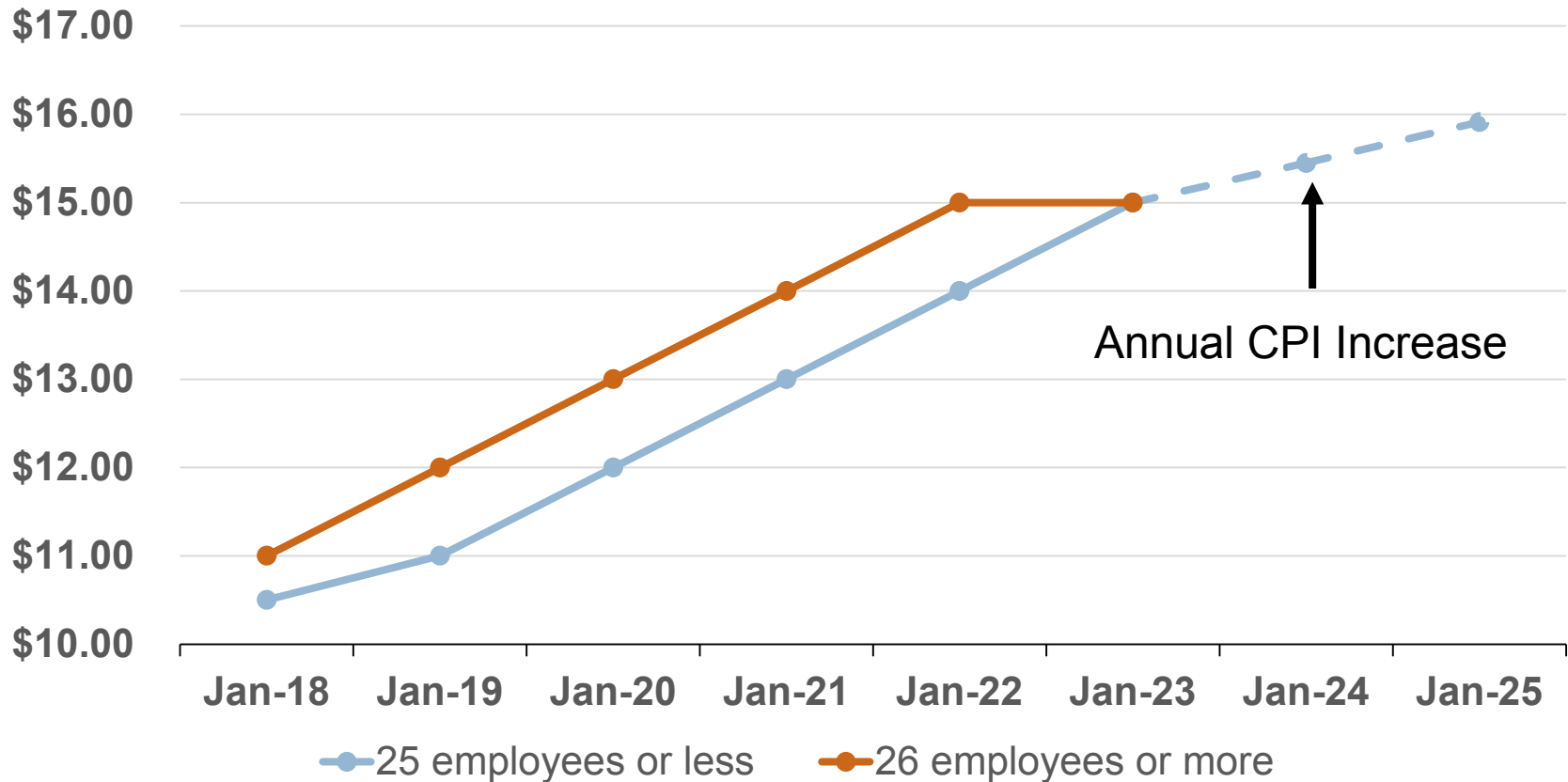
- Approved referral, directing staff to review enacting a minimum wage increase

April 17, 2018

- Prepare an ordinance, based on similar cities, for September 18, 2018 meeting
- Conduct public outreach

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.**

Bay Area Cities with more aggressive timetables to reach \$15/hour

Alameda County

Berkeley
Emeryville
Oakland
San Leandro

Contra Costa County

Richmond
El Cerrito

San Mateo County

Belmont
Redwood City
San Mateo

San Francisco City and County

San Francisco

Santa Clara County

Cupertino
Los Altos
Milpitas
Mountain View
Palo Alto
San Jose
Santa Clara
Sunnyvale

Comparison of East Bay Cities with Minimum Wage Ordinances

City	Effective Date	Current Minimum Wage
Alameda (25 or less employees)		\$10.50
Alameda (more than 25 employees)		\$11.00
San Leandro	2017	\$13.00
Oakland	2015	\$13.23
Richmond	2016	\$13.41
El Cerrito	2016	\$13.60
Berkeley	2014	\$13.75
Emeryville (55 or less employees)	2015	\$15.00
Emeryville (more than 55 employees)	2015	\$15.69

Wage Labor In Alameda (2017 Data)

Industry Category	Total Employment	Percent of Citywide	Number of Firms
Retail Trade	2,376	9%	178
Nursing & Residential Care	510	2%	13
Child Day Care	279	1%	31
Accommodations & Food Services	3,533	13%	216
Personal Care Services	268	1%	49
Industry Totals	6,966	26%	487
Citywide Totals	27,704	--	2,555

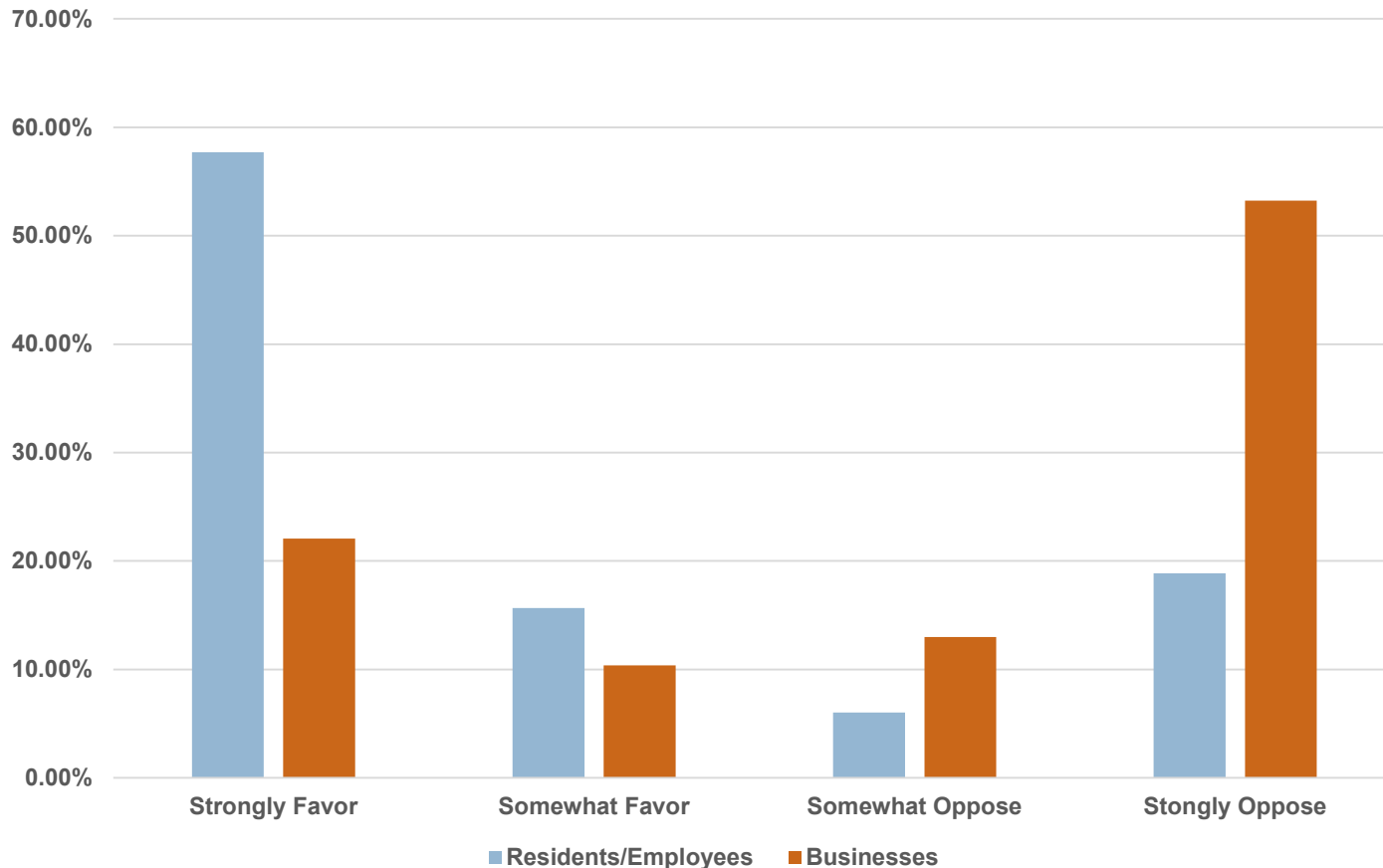


Community Engagement

- Business associations
- Community groups, labor organizations, AUSD, College of Alameda, Alameda Hospital, and non-profit organizations
- SSHRB and EDAP
- Community workshops
- Visits to nail salons and small restaurants
- Online surveys for local businesses, residents and employees

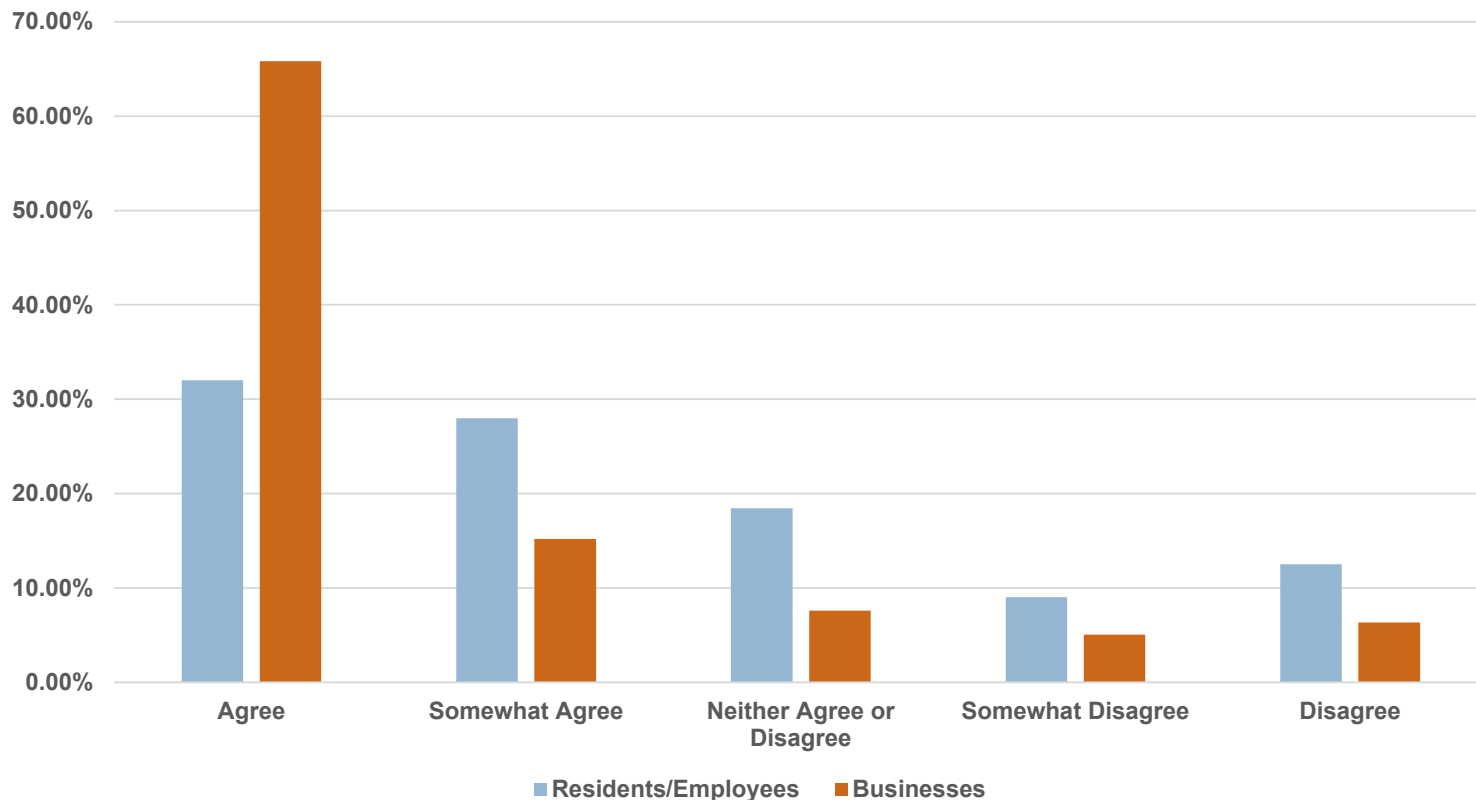
Community Engagement: Survey Results

How do you feel about the City of Alameda gradually increasing the minimum wage to \$15 per hour by 2020?



Community Engagement: Survey Results (continued)

An increase in the minimum wage will result in higher prices



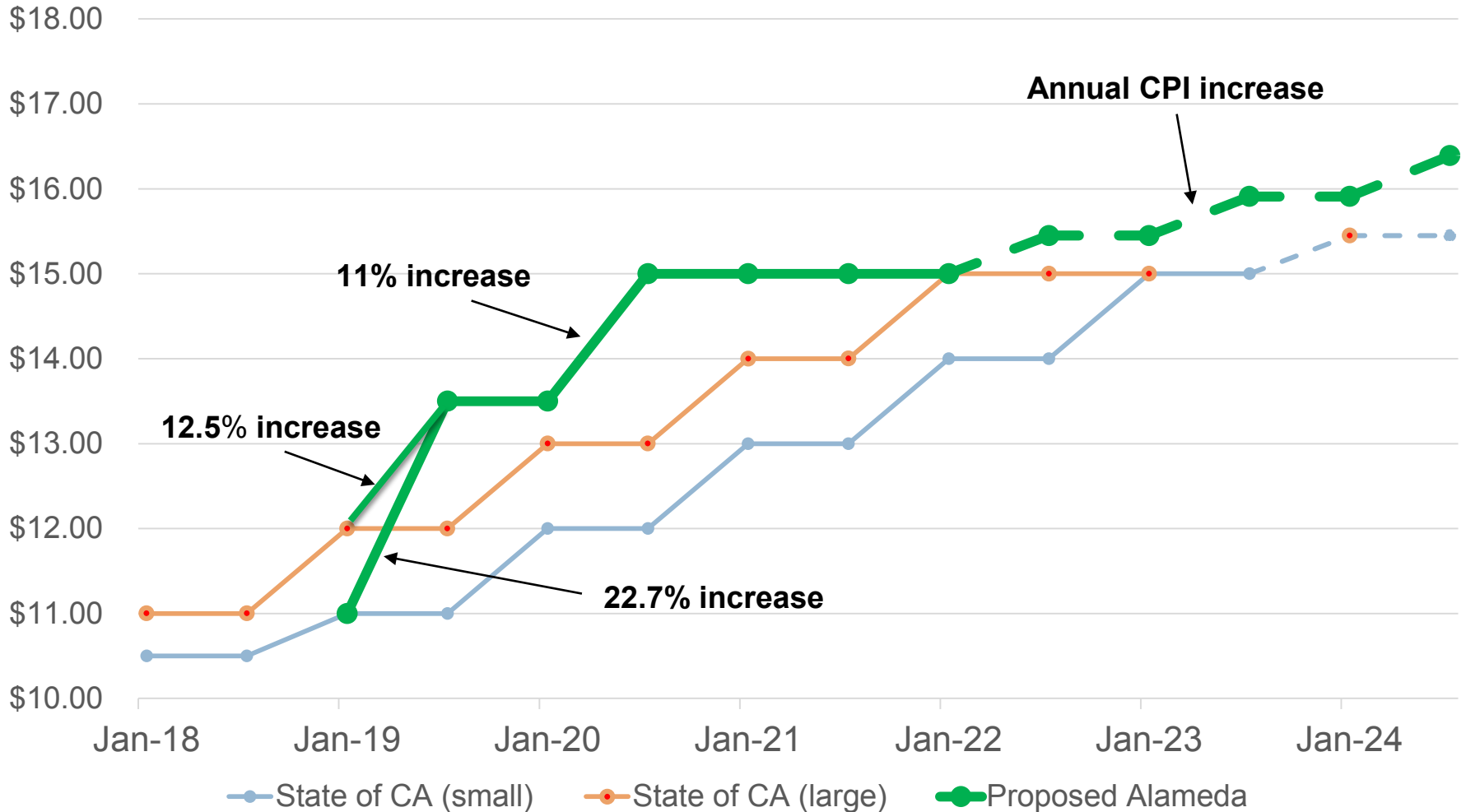


Community Engagement: Common Concerns

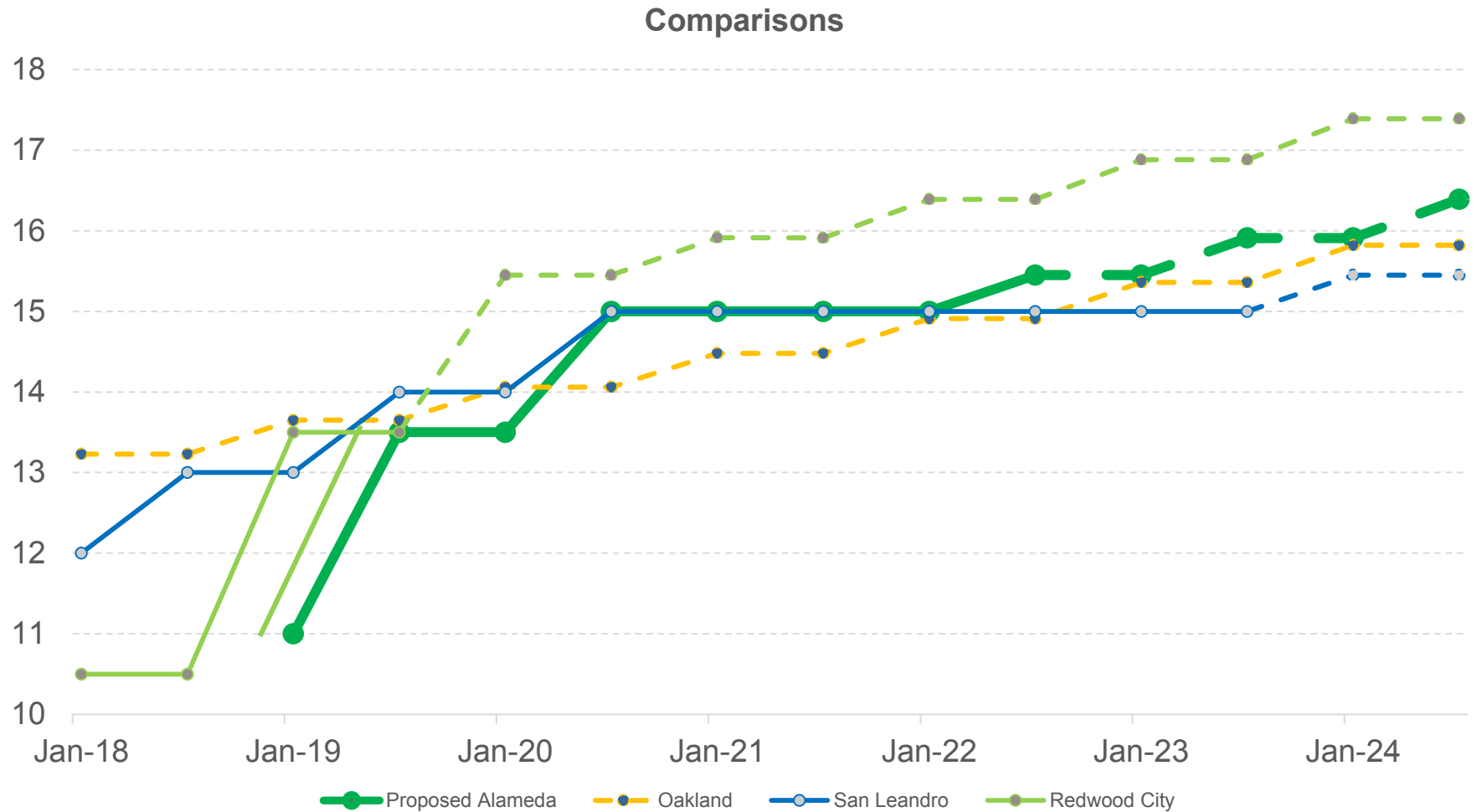
- Youth employment
- Small versus large businesses
- Tipped employees
- Ceiling on annual CPI increase
- When to implement

Proposed Minimum Wage Ordinance

Proposed Minimum Wage Schedule



Comparison to Oakland, Redwood City, and San Leandro



Enforcement

- Public noticing in the workplace
- Maintain payroll records for four years
- Complaint-driven
- If employer out of compliance:
 - subject to administrative or criminal citation
 - may be required to pay back wages and be subject to \$50/day in civil penalties to both affected employees and the City

Public Education & “Buy Local” Campaign

- Small business workshops on cost saving measures and proper noticing
- Create FAQs, wage notification posters, and fact sheets
- Mailings to all Alameda businesses
- “Buy Local” campaign to support local businesses
- Expanded Restaurant Week promotion

Financial Impact: City Employees

- Significant number of part-time, non-permanent employees who make less than the proposed minimum wage
- Will cause compaction to other classifications; these wages will need to be adjusted as well
- City would be incurring incrementally higher salaries 18 months earlier than originally anticipated.

Financial Impact: City Employees (continued)

- The proposed 5% cap on annual CPI adjustment:
 - No cap creates potential for higher annual increases during high inflation periods
 - Translates into increasing the City's portion impacted by compaction
 - Increasing PARS, workers compensation, and unemployment insurance

Financial Impact: Recreation and Parks Department

- Employs over 90% of the City's part-time labor force
- Current costs are recovered through program fees and General Fund transfer
- The General Fund transfer will need to offset the wage increases

Financial Impact: Contracted Services

- Alameda Municipal Power (AMP), the Police Department, and Public Works have service contracts:
 - Janitorial, landscaping, and crossing guard services

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

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



