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

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount</th>
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<tbody>
<tr>
<td><strong>FY 2018-19</strong></td>
<td>$57,000</td>
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<tr>
<td>• Public education</td>
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<td>• Enforcement</td>
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<td><strong>FY 2019-20</strong></td>
<td>$276,000</td>
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<td>• Wage increases</td>
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<td>• Contracted services</td>
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<td>• Enforcement</td>
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<td>• Public Education</td>
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<td>• Buy Local Campaign</td>
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<td><strong>FY 2020-21</strong></td>
<td>$410,000</td>
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<td>• Wage increases</td>
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<td>• Contracted services</td>
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<td>• Buy Local Campaign</td>
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<td><strong>Total =</strong></td>
<td>$743,000</td>
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Financial Impact: Summary (Continued)

Proposed Minimum Wage Schedule

- **$410,000**
- **$276,000**

Annual CPI Increase

- **State of CA (small)**
- **State of CA (large)**
- **Proposed Alameda**
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

$10.00
$11.00
$12.00
$13.00
$14.00
$15.00
$16.00
$17.00

25 employees or less
26 employees or more

Annual CPI Increase

Jan-18 Jan-19 Jan-20 Jan-21 Jan-22 Jan-23 Jan-24 Jan-25

*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

- $10.00
- $11.00
- $12.00
- $13.00
- $14.00
- $15.00
- $16.00
- $17.00
- $18.00

Jan-18 to Jan-24

22.7% increase

11% increase

12.5% increase

Annual CPI increase

State of CA (small)
State of CA (large)
Proposed Alameda
<table>
<thead>
<tr>
<th>City</th>
<th>Spinnin'</th>
<th>Beavercle</th>
<th>Graceville</th>
<th>El Cecco</th>
<th>Roosevelt</th>
<th>Los Alcos</th>
<th>Miwoks</th>
<th>Mountain View</th>
<th>Oakland</th>
<th>Palo Alto</th>
<th>Redwood City</th>
<th>Richmond</th>
<th>San Francisco</th>
<th>San Jose</th>
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<td>Current Minimum Wage</td>
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* = Included in the ordinance for indicated city