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.*

<table>
<thead>
<tr>
<th>Rate Increased to (by Year)</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berkeley</td>
<td>$11.00</td>
<td>$12.53</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Richmond (CPI inc. 2019&lt; )</td>
<td>$9.60</td>
<td>$11.52</td>
<td>$12.30</td>
<td>$13.00</td>
<td>CPI inc.</td>
<td>CPI inc.</td>
</tr>
<tr>
<td>$15 by 2020</td>
<td>$9.00</td>
<td>$11.00</td>
<td>$11.00</td>
<td>$13.00</td>
<td>$14.00</td>
<td>$15.00</td>
</tr>
<tr>
<td>San Jose</td>
<td>$10.30</td>
<td>CPI inc.</td>
<td>CPI inc.</td>
<td>CPI inc.</td>
<td>CPI inc.</td>
<td>CPI inc.</td>
</tr>
<tr>
<td>Emeryville- Small Employer</td>
<td>$12.25</td>
<td>$13.00</td>
<td>$14.00</td>
<td>$15.00</td>
<td>$16.00</td>
<td>$16.42</td>
</tr>
<tr>
<td>San Francisco (CPI inc. 2019&lt; )</td>
<td>$12.25</td>
<td>$13.00</td>
<td>$14.00</td>
<td>$15.00</td>
<td>CPI inc.</td>
<td>CPI inc.</td>
</tr>
<tr>
<td>Emeryville -Large Employer (est.)</td>
<td>$14.44</td>
<td>$14.82</td>
<td>$15.20</td>
<td>$15.60</td>
<td>$16.00</td>
<td>$16.42</td>
</tr>
</tbody>
</table>
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
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 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