



Minimum Wage Implementation

ORD-2019-014 Timing Considerations

CITY COUNCIL | MAY 19, 2020

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Planning & Economic Development Department

BACKGROUND

Implementation Date	State Law		City of Santa Rosa (ORD-2019-014)		City of Petaluma		City of Sonoma	
	Large Business	Small Business	Large Business (26+ employees)	Small Business (<25 employees)	Large Business (26+ employees)	Small Business (<25 employees)	Large Business (26+ employees)	Small Business (<25 employees)
January 1, 2019	\$12.00	\$11.00	\$12.00	\$11.00	\$12.00	\$11.00	\$12.00	\$11.00
January 1, 2020	\$13.00	\$12.00	\$13.00	\$12.00	\$15.00	\$14.00	\$13.50	\$12.50
July 1, 2020	---	---	\$15.00	\$14.00	---	---	---	---
January 1, 2021	\$14.00	\$13.00	\$15.00 + CPI	\$15.00 + CPI	\$15.00 + CPI	\$15.00 + CPI	\$15.00	\$14.00
January 1, 2022	\$15.00	\$14.00	CPI	CPI	CPI	CPI	\$16.00	\$15.00
January 1, 2023	CPI	\$15.00	CPI	CPI	CPI	CPI	\$17.00	\$16.00
January 1, 2024			CPI	CPI	CPI	CPI	TBD	TBD
CPI Adjustment	US CPI-W (no more than 3.5%)	US CPI-W (no more than 3.5%)	San Francisco-Oakland-Hayward CPI-W	San Francisco-Oakland-Hayward CPI-W	San Francisco-Oakland-Hayward CPI-W	San Francisco-Oakland-Hayward CPI-W	TBD	TBD



BACKGROUND

UC BERKELEY
**LABOR
CENTER**

*Analysis on effect of \$15
min wage in Sonoma,
Marin, Napa, Solano*

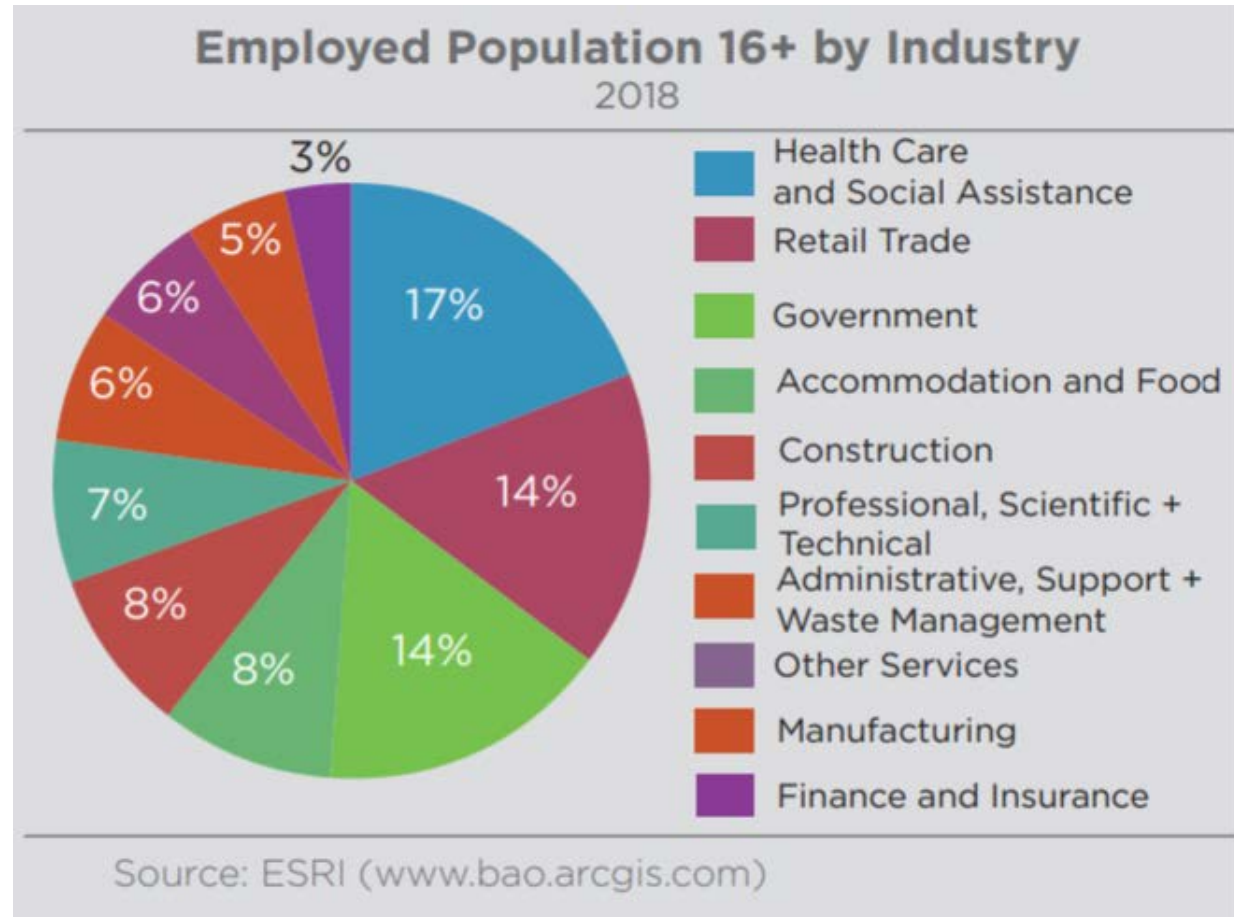
HOW MUCH

- Average 15.8% increase in earnings

WHO AFFECTED

- 36% of NB workforce; +/- 13% in Santa Rosa (est. 25,000 employees)
- 94% age 20 or older
45% are between ages 30-54
- 50% have some college experience
15% hold a bachelor's degree or higher
- Most affected workers by industry:
Retail | Food Services | Health Services

EMPLOYMENT BY INDUSTRY



BACKGROUND

SONOMA COUNTY HEALTH ORDERS

March 17, 2020 – Sonoma County Health Orders C19-03

- Intent is to ensure maximum number of people self-isolate to the max extent feasible while enabling essential services to continue

March 31, 2020 – Sonoma County Health Orders C19-05

- Extends the shelter-in-place order through 5/3
- Clarifies, strengthens, and extends certain terms of the prior Order to increase social distancing and further reduce person-to-person contact

April 13, 2020 – Sonoma County Health Orders C19-07

- Requires facial covering before entering any indoor facility besides their residence, any enclosed open space, or while outdoors when unable to maintain a 6-foot distance

May 1, 2020 – Sonoma County Health Orders C19-09

- Extends the shelter-in-place beyond 5/3
- Reduces restrictions in a number of employment areas
- Allows certain retail businesses to open for curbside pickup and deliveries only



ACTIONS TO CONSIDER

1. Take no action

- Implementation date remains July 1, 2020

2. Adopt an urgency ordinance

- Delays the implementation date to a new set date
- Action requires five votes to pass



SAMPLE MODIFIED TIMELINE

Implementation Date	State Law		City of Santa Rosa (SAMPLE DELAY)		City of Santa Rosa (ORIGINAL)	
	Large Business	Small Business	Large Business (26+ employees)	Small Business (<25 employees)	Large Business (26+ employees)	Small Business (<25 employees)
January 1, 2019	\$12.00	\$11.00	\$12.00	\$11.00	\$12.00	\$11.00
January 1, 2020	\$13.00	\$12.00	\$13.00	\$12.00	\$13.00	\$12.00
July 1, 2020	---	---	---	---	\$15.00	\$14.00
January 1, 2021	\$14.00	\$13.00	\$15.00 + CPI	14 + CPI	\$15.00 + CPI	\$15.00 + CPI
July 1, 2021			---	= to lrg biz		
January 1, 2022	\$15.00	\$14.00	CPI	CPI	CPI	CPI
January 1, 2023	CPI	\$15.00	CPI	CPI	CPI	CPI
January 1, 2024			CPI	CPI	CPI	CPI
CPI Adjustment	US CPI-W (no more than 3.5%)	US CPI-W (no more than 3.5%)	SF-Oak-Hay CPI-W	SF-Oak-Hay CPI-W	SF-Oak-Hay CPI-W	SF-Oak-Hay CPI-W



STATE-LOCAL CONSISTENCIES

EXEMPTIONS

Trainees/Learners

Up to 160 hours @ 85% of minimum wage

Disabled Workers

Employer required to have a special state license

Apprentices

May be eligible under the State Division of Apprenticeship Standards

Other Exceptions

e.g. parents, spouse or child of employer

OTHER CONSISTENCIES

Tip Credits

No reduced rate for tipped employees

Student Workers & Non-Trainee Learners

No exception; standard minimum wage rates apply

Minimum Hours Worked in City

2 hours/week or more in city regardless of where employer may be based



RECOMMENDATION

It is recommended that the Council consider whether to (a) maintain the current implementation date of the minimum wage requirements of City Code Chapter 10-45 (currently set for July 1, 2020); or (b) by urgency ordinance, delay the implementation date of Minimum Wage requirements by six months.

