



**CITY COUNCIL
JULY 16, 2019**

Minimum Wage Study Session

Raissa de la Rosa, Economic Development Manager
Planning & Economic Development Department

Background

April 2016 – SENATE BILL 3 (Leno) – signed into law

	Employers with 25 Employees or Less	Employers with 26 Employees or More
Jan. 1, 2017	\$10.00/hour	\$10.50/hour
Jan. 1, 2018	\$10.50/hour	\$11.00/hour
Jan. 1, 2019	\$11.00/hour	\$12.00/hour
Jan. 1, 2020	\$12.00/hour	\$13.00/hour
Jan. 1, 2021	\$13.00/hour	\$14.00/hour
Jan. 1, 2022	\$14.00/hour	\$15.00/hour
Jan. 1, 2023	\$15.00/hour	

- *Upon reaching \$15/hr threshold minimum wage to increase annually based on CPI up to 3.5%*
- *Governor may suspend increase schedule during economic downturns*



Background, cont.

North Bay Jobs With Justice Proposal:

- \$15/hr minimum wage by January 1, 2020, Applicable for all employers regardless of size
- Proposal allows for possible extra year for phase-in for small employers with 25 or less employees as follows:
 - January 1, 2020 - \$14.00/hour
 - January 1, 2021 - \$15.00/hour



	Employers with 25 Employees or Less	Employers with 26 Employees or More
Jan. 1, 2020	\$14.00/hour	\$15.00/hour
Oct. 1, 2021	\$15.00/hour	*

**Upon reaching \$15/hr threshold minimum wage to increase annually based on CPI*



Background, cont.



- % increase of proposed policy:
 - 2018 - \$10.50 - State minimum wage
 - 2019 - \$12.75 - 21.4% increase
 - 2020 - \$15.00 - 17.6% increase
- 36% of North Bay workforce would receive a pay raise by 2020 under the proposal
- 6.4% of affected workers are teenagers; more than half are 30 or older; 15% hold a bachelor's degree or higher
- Most affected workers by industry:
 - Retail – 17.1%
 - Food Services – 12.9%
 - Health Services – 8.4%



Comparator
Cities
with Policies

Comp Cities	Local Minimum Wage Policy
Fremont	26 + employees: <ul style="list-style-type: none"> July 1, 2019, \$13.50/hour July 1, 2020, \$15.00/hour. July 1, 2021, adjusted annually using local consumer price index. Exempts employees of non-profit corporations.
Berkeley	<ul style="list-style-type: none"> July 1, 2019, \$15.59/hour July 1, 2020, \$15.59 per hour plus CPI
Richmond	<ul style="list-style-type: none"> January 1, 2019, \$15.00/hour
Daly City	<ul style="list-style-type: none"> January 14, 2019, adopted Minimum Wage Ordinance that will increase the local minimum wage to \$15.00 by 2021. Applies to all businesses and employees that work 2 or more hours/week
San Mateo	<ul style="list-style-type: none"> January 1, 2019, most employers required to pay \$15 per hour Non-profit 501(c)(3) organizations have an extended time frame to reach January 1, 2020, and annually thereafter, the City will adjust the minimum wage based on the Regional Consumer Price Index



**Comparator
Cities
Consistent
with State**

Comp Cities	Local Minimum Wage Policy
Hayward	Consistent with State
Concord	Consistent with State
Vallejo	Consistent with State
Fairfield	Consistent with State
Antioch	Consistent with State
Vacaville	Consistent with State
Livermore	Consistent with State



Sonoma
County
City Actions

Petaluma	<ul style="list-style-type: none"> • Council Workshop: April 8, 2019 • Proposed Ordinance, 1st Reading: July 15, 2019
Rohnert Park	Consistent with State
Windsor	Consistent with State
Healdsburg	Consistent with State
Sonoma	<p>On June 10, 2019, passed an ordinance setting minimum wage as follows:</p> <ul style="list-style-type: none"> • January 1, 2020: large - \$13.50 / small - \$12.50 • January 1, 2021: large - \$15 / small - \$14 • January 1, 2022: large - \$16 / small - \$15 • January 1, 2023: large - \$17 / small - \$16 • January 1, 2024: large and small to be determined
Cloverdale	Consistent with State
Sebastopol	Consistent with State



Impact on Santa Rosa Human Resources

- No compaction issues
- Part-time seasonal workers (Recreation & Parks):
 - March 14, 2019, Council approved an updated Salary Schedule that meets the state minimum wage requirements between 2017-2022
 - An accelerated schedule will have a negligible impact in FY 19-20
 - Impacts at \$15/hr in FY20-21 will exceed \$200,000 if accelerated
- Language may need to be added to agreements to ensure compliance



Discussion Points

Timing

Exceptions and
special considerations

Enforcement

Cost of Living Adjustments

