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

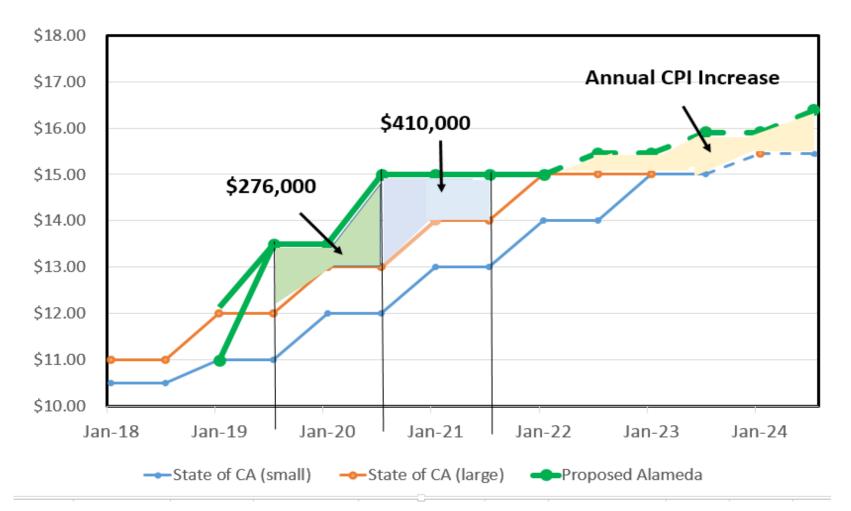
- Business concerns raised during public engagement process
 - Time and resources necessary for compliance
 - Increased costs (including payroll taxes & workers compensation)
 - Reduced staffing levels, eventual layoffs
- Considered different definitions for Small Business
- Decided on 55 employees or less

Financial Impact: Summary

Fiscal Year		Amount
FY 2018-19 Public education Enforcement 		\$57,000
FY 2019-20 Wage increases Contracted services Enforcement Public Education Buy Local Campaign 		\$276,000
FY 2020-21 Wage increases Contracted services Enforcement Public Education Buy Local Campaign 		\$410,000
	Total =	\$743,000

Financial Impact: Summary (Continued)

Proposed Minimum Wage Schedule



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

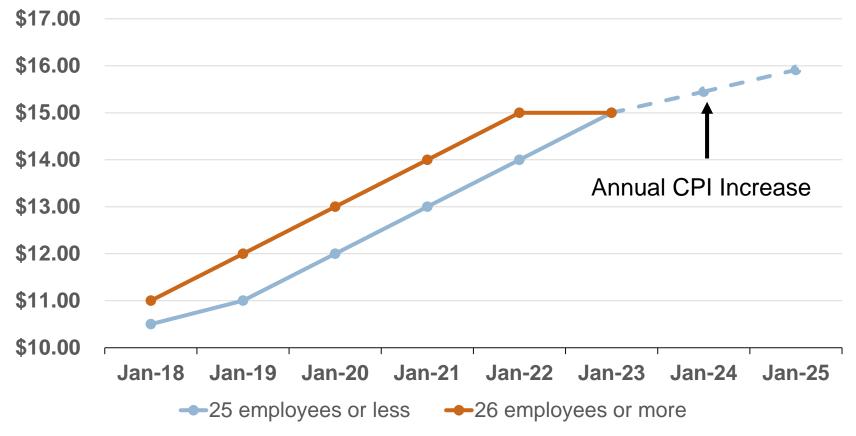
Recommendation

- 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

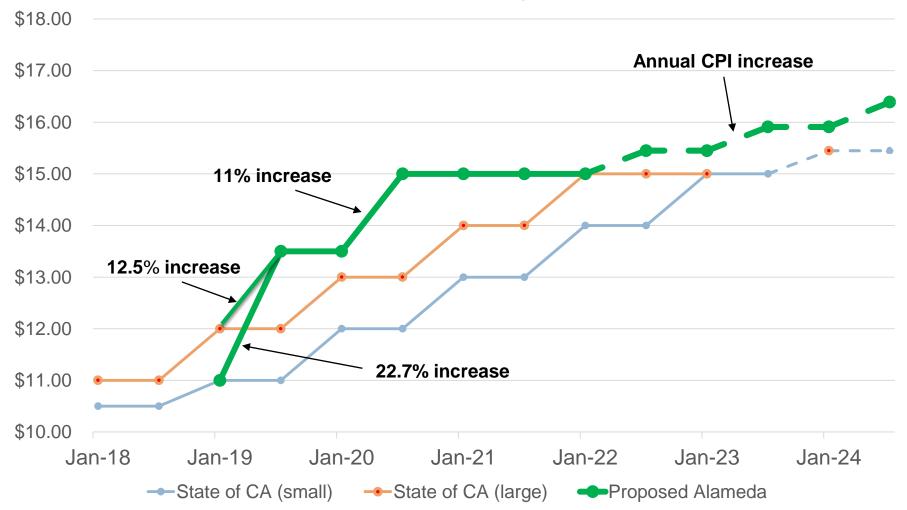
California's Minimum Wage



*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



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Learners/job training programs	٠	•			•						•	٠		٠	•	•			٠	
Non-profit (1-year deferral)				i			-									•				
Health, housing, or meal benefit	-		•			•	•					•		•		-	•		٠	
Small v. Large Employer		÷			•														•	
Sales commissions to be deducted		-	•	•		•	٠							•			٠	•		
Collective Bargaining Agreement	٠	•	•	•	•	•		٠		٠	•	•	•	٠	٠	٠	•	•	•	
Exempts government agencies			•			٠	٠	•		•	٠			٠			•	•		
Сарраd	3.50%		5%			5%	5%			5%				.5%					3.50%	
Off-ramp			•			٠	٠				-			•			•		•	
Current Minimum Wage	\$ 12.50	\$ 15.00	\$ 13.50	\$ 13.60	\$15.00 (sm bus(/ \$15.60 (lg bus)		\$12.00 on 1/1/18, \$13.50 on 7/1/18	\$ 15.00	\$ 13.23	\$ 13.50	\$ 11.00	\$ 13.41	\$ 15.0D	\$ 13.50	\$ 13.00	\$ 13.50	\$ 13.00	\$ 15.00	\$ 11.00	
= included in th	ne ordinaco	e for indica	ted city		ndor		1) 1/ 10	-										-		