

# 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

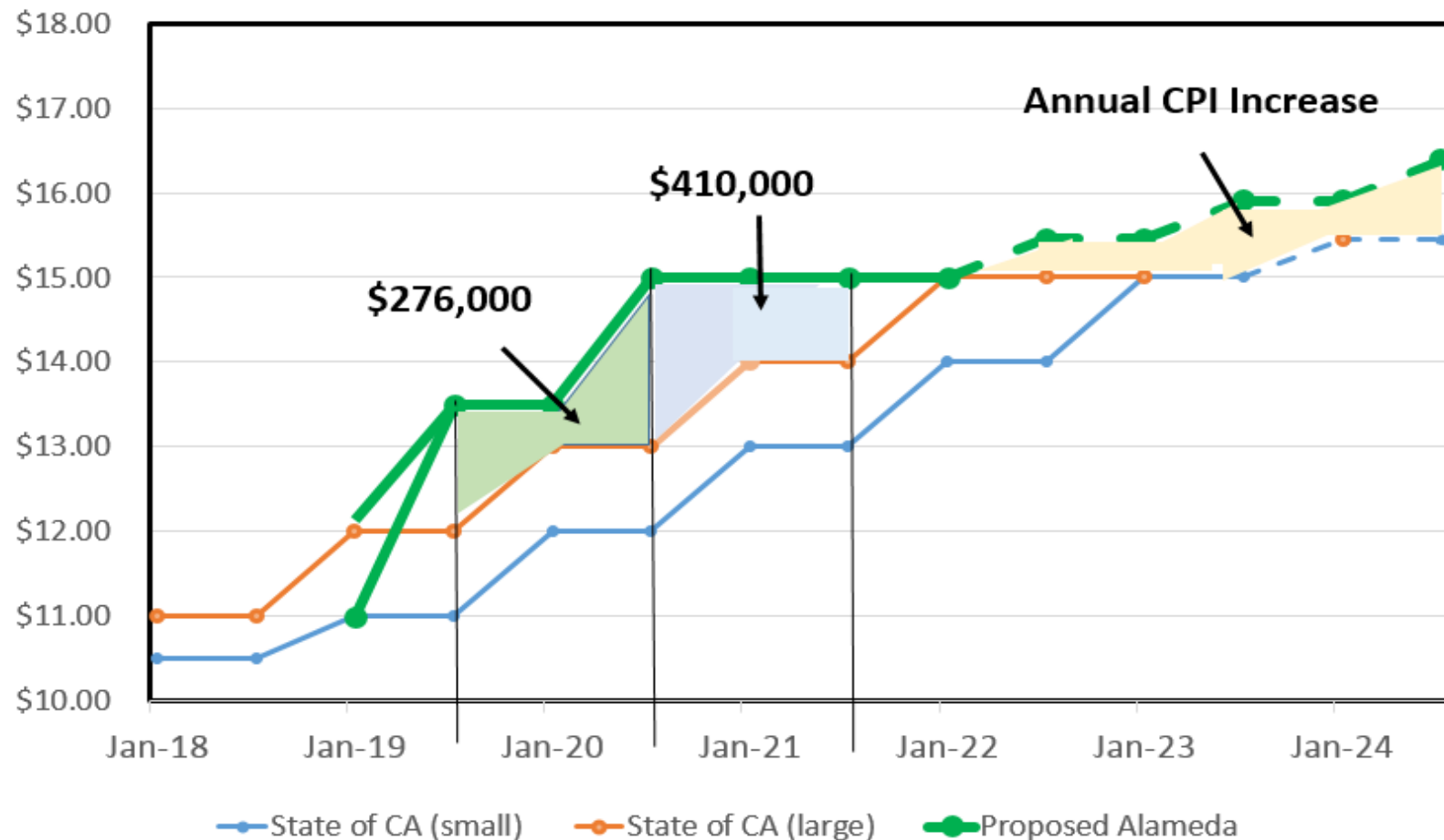
# Financial Impact: Summary

Fiscal Year	Amount
FY 2018-19 <ul style="list-style-type: none"><li>• Public education</li><li>• Enforcement</li></ul>	\$57,000
FY 2019-20 <ul style="list-style-type: none"><li>• Wage increases</li><li>• Contracted services</li><li>• Enforcement</li><li>• Public Education</li><li>• Buy Local Campaign</li></ul>	\$276,000
FY 2020-21 <ul style="list-style-type: none"><li>• Wage increases</li><li>• Contracted services</li><li>• Enforcement</li><li>• Public Education</li><li>• Buy Local Campaign</li></ul>	\$410,000
<b>Total =</b>	<b>\$743,000</b>



# 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

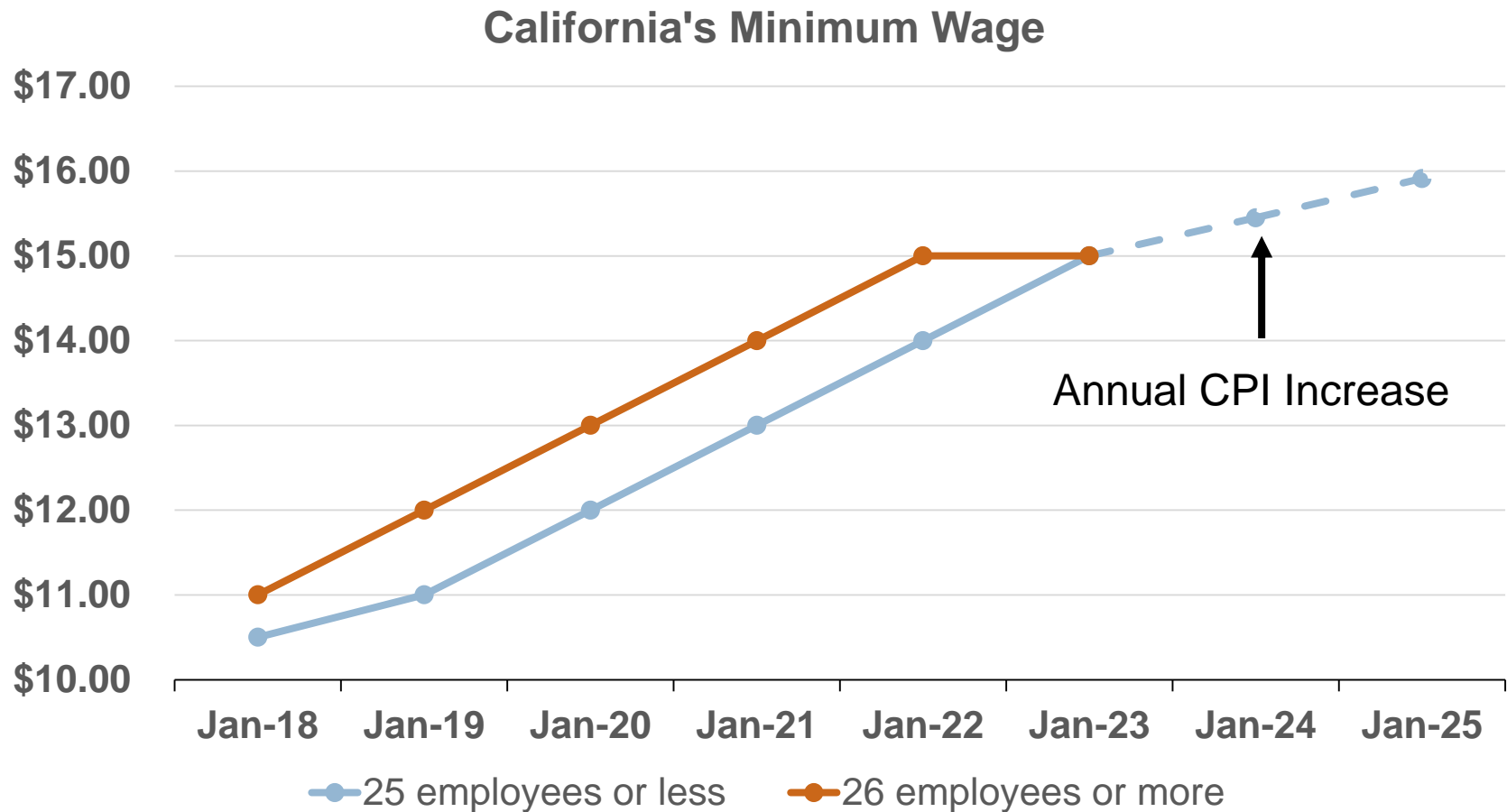
- Over the last five years, the actual budget variance in revenues and expenditures were between \$1.8 million and \$12.3 million, better than the projected budget

# 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



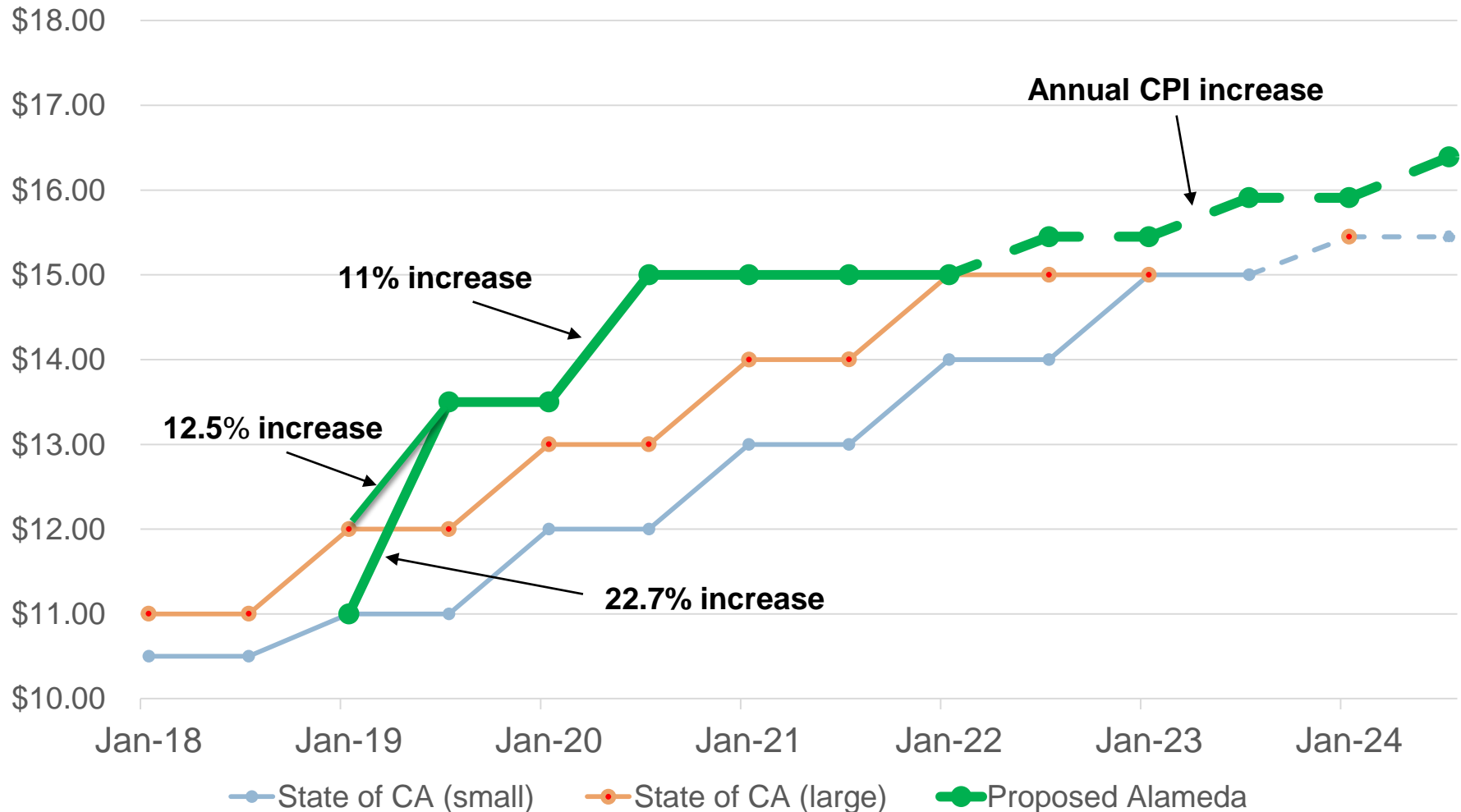
# California's Minimum Wage



**\*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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