



City Council Adoption of Local Minimum Wage Ordinance

September 6, 2016

Background

The topic of minimum wage underwent extensive discussion by the City Council Finance Committee:

- October 20, 2015
 - November 17, 2015
 - December 15, 2015
 - January 25, 2016
 - March 15, 2016
 - April 5, 2016*
 - May 3, 2016
-
- April 4, 2016: Governor announced statewide minimum wage law
 - June 13, 2016: Council Hosts Work Session on Minimum Wage, directs staff to return with Draft Ordinance

Governor Brown Signs New Statewide Law on April 4th

Overview

	<u>26 Employees or More</u>	<u>25 Employees or Less</u>
\$10.50/hour	January 1, 2017	January 1, 2018
\$11/hour	January 1, 2018	January 1, 2019
\$12/hour	January 1, 2019	January 1, 2020
\$13/hour	January 1, 2020	January 1, 2021
\$14/hour	January 1, 2021	January 1, 2022
\$15/hour	January 1, 2022	January 1, 2023

- Off-Ramps: Governor can pause scheduled increase for 1 year if either economy or budget conditions are met. Off ramps may only be used twice.
- Indexing: Annually indexed for inflation (nat'l CPI) each Jan.1 after small businesses achieve \$15/hour. Off-ramps do not apply past \$15/hour.
- Extends paid sick leave to IHSS workers

Proposed Local San Leandro Minimum Wage

Overview

(applies to all businesses regardless of size)

<u>Minimum Wage</u>	<u>Effective Date</u>
\$12/hour	July 1, 2017
\$13/hour	July 1, 2018
\$14/hour	July 1, 2019
\$15/hour	July 1, 2020

Estimated Personnel Costs*

<u>Implementation Year:</u>	<u>Est. General Fund Cost:</u>
Year 1 (FY 2017-18)	\$100,000
Year 2 (FY 2018-19)	\$120,000
Year 3 (FY 2019-20)	\$120,000
Year 4 (FY 2020-21)	\$120,000

*reflect estimated part-time worker wage increases & compaction

Implementation & Administration Costs

Implementation Year:

Year 1 (FY 2017-18)

Year 2 (FY 2018-19)

Year 3 (FY 2019-20)

Year 4 (FY 2020-21)

Est. General Fund Cost:

\$100,000

<\$100,000

<\$100,000

<\$100,000

Next Steps/ Future Considerations

- Outreach to businesses following policy approval
- Placement of advertisements, public announcements
- Analysis of costs for outreach, monitoring, enforcement
- Analysis of staffing impacts



Questions?