

CITY OF SUNNYVALE

The Heart of Silicon Valleysm

456 WEST OLIVE AVENUE SUNNYVALE, CALIFORNIA 94086 (408) 730-7473

Glenn Hendricks
Mayor

January 15, 2015

Gustav Larsson
Vice Mayor

The Honorable Pat Showalter
Mayor, City of Mountain View
500 Castro Street
Mountain View, CA 94039

David Whittum
Councilmember

Jim Griffith
Councilmember

Pat
Dear Mayor Showalter:

Pat Meyering
Councilmember

Congratulations on your recent mayoral appointment and action to adopt a minimum wage of \$15 by 2018. On December 1, 2015, Sunnyvale City Council directed staff to return with a similar ordinance to raise Sunnyvale's minimum wage to \$11 on July 1, 2016; \$13 on January 1, 2017, and \$18 on January 1, 2018. Also, similar to Mountain View, beginning January 1, 2019, Sunnyvale's minimum wage may adjust annually based upon the Bay Area Consumer Price Index (CPI).

Tara Martin-Milius
Councilmember

Jim Davis
Councilmember

During the same meeting, Sunnyvale Council approved a motion to ask Mountain View's Council to consider amending its recently adopted minimum wage ordinance such that instead of calculating future CPI increases on a year-over-year basis, both Sunnyvale and Mountain View adopt ordinances that use 2018 as a base year for all future CPI increases. According to Councilmember Griffith, when small offsets occur in a given year due to rounding or a negative CPI value, those offsets add up to cause our respective minimum wages to deviate from the CPI more and more each year, never to be corrected. In particular, immediately after a downturn that results in negative CPI changes, the minimum wage accelerates away from the CPI.

Councilmember Griffith proposes that instead of calculating the minimum wage change by strictly looking at just the past year's CPI change, the minimum wage should be calculated from the total CPI change since the 2018 base year. In that way, past offsets are always taken into account, and they cannot add up over time. Attached for your reference, is proposed language that our City Attorney drafted to address Councilmember Griffith's concern.

Mayor Pat Showalter
January 15, 2016
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Sunnyvale City Council encourages the Mountain View City Council to consider adopting the attached proposed language in Mountain View's ordinance. I am aware that this decision must be accomplished by the full council and that you would have to place this item on your council agenda. I am requesting that you please let me know by January 29, 2016 whether or not you are agreeable to placing this item on your agenda for a full council review so that we can move forward with our ordinance. If your council votes to adopt the ordinance language change, our council will consider adopting the same language. If you choose not to address this, we will not address it either.

Regardless of your Council's decision, I want to thank you for being a partner in this effort. Together, our leadership has set the framework for a strong regional approach that will hopefully be followed by others.

Sincerely,



Glenn Hendricks
Mayor

Pat,
Congratulations on becoming
Mayor. I Look forward
to working with you.



3.80.040. Minimum wage.

(a) Employers shall pay employees no less than the minimum wage set forth in this section for each hour worked within the geographic boundaries of the city of Sunnyvale. Governmental agencies are exempt from the minimum wage requirements under the principle of governmental immunity when the work performed is related to the agency's governmental function.

(b) Effective January 1, 2015, the minimum wage shall be an hourly rate of ten dollars and thirty cents. On July 1, 2016, the minimum wage shall be an hourly rate of eleven dollars (\$11.00). On January 1, 2017, the minimum wage shall be an hourly rate of thirteen dollars (\$13.00). On January 1, 2018, the minimum wage shall be an hourly rate of fifteen dollars (\$15.00). To prevent inflation from eroding its value, beginning on January 1, 201~~9~~⁶, and each ~~year~~ January 1st thereafter, the minimum wage shall increase from the 2018 minimum wage of fifteen dollars (\$15.00) by an amount corresponding to the prior year's increase, if any, in the cost of living. The cost of living shall be measured using the Bay Area Consumer Price Index (Urban Wage Earners and Clerical Workers, San Francisco-Oakland, San Jose, CA for All Items) or its successor index as published by the U.S. Department of Labor or its successor agency. The August 2018 Bay Area Consumer Price Index ("Bay Area CPI") shall be the baseline number from which each subsequent year's percentage increase in the minimum wage is calculated.

(c) On January 1, 2019, the minimum wage shall be increased by the percentage increase, if any, in the Bay Area CPI as of August 2018, with the amount of the minimum wage increase rounded to the nearest multiple of five cents. On January 1, 2020, and each subsequent year, the increase in the minimum wage shall be measured by the percentage increase, if any, of the Bay Area CPI of August of the immediately preceding year as compared to the baseline value of the Bay Area CPI of August 2018. Should the current year's minimum wage calculation fall below the previous year's minimum wage calculation, the current year's minimum wage shall remain unchanged from the previous year's minimum wage. The prior year's increase in the cost of living shall be measured by the percentage increase, if any, as of August of the immediately preceding year of the Consumer Price Index (Urban Wage Earners and Clerical Workers, U.S. City Average for All Items) or its successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase rounded to the nearest multiple of five cents. The adjusted minimum wage shall be announced by November 1st of each year, or as soon as practicable thereafter if the Consumer Price Index for August has not yet been published, and shall become effective as the new minimum wage on January 1st of the following year.