

2014 Council Study Issue

OCM 14-01

**Consider Adopting A Local Minimum Wage
Ordinance Modeled On The City Of San Jose Initiative**

Lead Department OCM

Sponsor(s) Griffith, Moylan

History 1 year ago: n/a 2 years ago: n/a

1. Scope of the Study

a. What are the key elements of the study?

The study would look at requirements for adopting a minimum wage ordinance in the City of Sunnyvale, similar to the one recently adopted by the voters in San Jose. The study would consider the programmatic and community consequences of the ordinance, including costs of implementation, enforcement, impacts on businesses, and public outreach.

b. What precipitated this study?

At the June 11, 2013 City Council meeting, Councilmember Jim Davis recommended that the City put a ballot measure on the 2013 general election asking voters to increase minimum wage, in Sunnyvale, to \$10 per hour. Council did not approve putting this issue on the ballot. Vice-mayor Griffith and Councilmember Moylan asked that this item be considered as a study issue. Vice-mayor Griffith asked that staff look at adopting a minimum wage ordinance similar to the ordinance that was recently approved in San Jose.

c. Is this a multiple year project? Planned Completion Year: 2014

No. The study issue would be completed in one year; the program, if adopted, would be on-going.

2. Fiscal Impact

a. Cost to Conduct Study

i. Level of staff effort required (opportunity cost)

☐ Major ☒ Moderate ☐ Minor

ii. Amount of funding above current budget required \$

☐ Will seek budget supplement ☐ Will seek grant funding

iii. Explanation of Cost:

b. Costs to Implement Study Results

☐ No cost to implement.

☒ Unknown. Study would include assessment of potential costs.

☐ Some cost to implement. Explanation:

3. **Expected participation in the process**

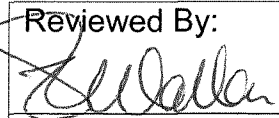
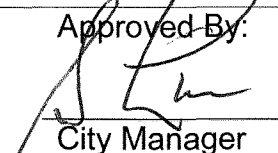
- ☐ Council-approved work plan
- ☒ Council Study Session
- ☐ Board/Commission Review by

4. **Staff Recommendation**

a. Position: Drop

- b. Explanation: AB 10 (Alejo) Minimum wage: annual adjustment. was signed by the Governor on September 25, 2013. This bill will increase the minimum wage in California, on and after July 1, 2014, to not less than \$9 per hour with a second increase on January 1, 2016 to not less than \$10 per hour.

Should Council rank this study issue in January 2014, staff estimates the timing to enact a local ordinance would likely result in the City adopting a \$10 per hour minimum wage ordinance only a few months before the state's mandated increase. Based on existing resources and the enactment of AB 10, staff recommends Council drop this study.

Reviewed By:		Approved By:	
	10-2-13		10/8/13
Department Director	Date	City Manager	Date