



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

---

File #: 15-0397, Version: 1

---

### REPORT TO COUNCIL

#### **SUBJECT**

Minimum Wage Regional Update (Information Only)

#### **BACKGROUND**

On October 28, 2014, Council adopted a Minimum Wage Ordinance for the City of Sunnyvale. The ordinance includes the following provisions:

- Applies to employers that maintain a place of business in Sunnyvale and/or provide goods/services within city limits
- Sunnyvale's minimum wage is \$10.30 per hour as of January 1, 2015
- Beginning January 1, 2016, and every January 1 thereafter, the rate will adjust by an amount corresponding to the prior year's Consumer Price Index (CPI)

In addition to adopting the minimum wage ordinance, Council directed staff to work with neighboring cities, specifically the City of Mountain View, and regional organizations with the goal of reaching a \$15.00 per hour minimum wage by 2018.

Staff used numerous tools to notify employers and employees about the City's new minimum wage. Staff used social media, the City's Web page, sent press releases to English, Spanish, and Chinese language media outlets, and included the new minimum wage rate on the business license renewal forms. In the three months that the ordinance has been in effect, two formal complaints have been received. One complaint was deemed unsupported as the investigation found no violation. The other complaint was determined to be a minimum wage violation and staff is in the process of determining the amount of back wages owed.

#### **DISCUSSION**

There have been several new minimum wage efforts at the local, regional, and State levels since Council adopted the Minimum Wage Ordinance.

In December 2014, Senator Mark Leno introduced Senate Bill (SB) 3 to raise the State's current minimum wage of \$9.00 per hour to \$11.00 per hour effective January 1, 2016 and \$13.00 on January 1, 2017. Beginning on January 1, 2019, the minimum wage would be adjusted annually by the rate of inflation. SB 3 is currently awaiting a hearing date in the Senate Labor and Industrial Committee.

Voters in San Francisco and Oakland approved measures to increase the minimum wage. In San Francisco, voters approved Proposition J which increased San Francisco's minimum wage to \$11.05 per hour effective January 1, 2015, and gradually increasing it to \$15.00 per hour by July 1, 2018. Voters in Oakland approved Measure FF which increased the minimum wage to \$12.25 effective

March 2, 2015, with annual adjustments each January 1.

Staff in Palo Alto, Campbell, and Santa Clara are exploring a minimum wage increase similar to the increase approved/adopted in San Jose, Mountain View, and Sunnyvale. The City of Campbell has a study session planned for May 2015 to discuss the minimum wage issue. Palo Alto and Santa Clara may introduce a minimum wage ordinance by summer 2015.

So far, Mountain View has been the only city to express formal support for the \$15.00 by 2018 goal. On March 31, 2015, Mountain View City Council directed its staff to work with Sunnyvale staff, and other cities, on a regional goal of reaching \$15.00 by 2018. Mountain View City Council directed its staff to return in the fall to present feedback from the public and other cities, to provide information on studies for and against increasing the minimum wage, and to provide options for a new ordinance. The Mountain View City Council also directed its staff to:

- Send a letter of support for SB 3 (Leno)
- Encourage a regional approach to the minimum wage issue via the Cities Association of Santa Clara County
- Work in cooperation with Sunnyvale and other cities who may adopt the \$15.00 by 2018 goal
- Send a letter to all mayors and city managers, jointly with Sunnyvale, outlining the regional effort and seeking their support
- Host two community engagement meetings to receive feedback on a regional plan (the first to be held jointly with Sunnyvale, the second in Mountain View).
- Conduct targeted outreach to solicit input from the business community
- Post an Open City Hall (online survey) question on the issue
- Solicit feedback from the business community and the general public on the following incremental minimum wage increase proposal:
  - \$12.00 per hour minimum wage by July 1, 2016
  - \$13.50 per hour minimum wage by July 1, 2017
  - \$15.00 per hour minimum wage by July 1, 2018

Sunnyvale staff, in cooperation with staff from the City of Mountain View, will present a report to Council with the feedback received from other cities, the public, and the business community by late November/early December 2015. Staff will also present Council with options for a new minimum wage ordinance to increase the City's minimum wage to \$15.00 by 2018.

Prepared by: Connie Verceles, Economic Development Manager

Reviewed by: Robert A. Walker, Assistant City Manager

Approved by: Deanna J. Santana, City Manager