



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Minimum Wage Update (Information Only)

BACKGROUND

On October 28, 2014, Council adopted a Minimum Wage Ordinance for the City of Sunnyvale to increase the hourly minimum wage to \$10.30. On April 21, 2016, Council amended the Minimum Wage Ordinance by changing the Consumer Price Index (CPI) from the U.S. city average to the Bay Area CPI average and increased the City's minimum wage to \$15 by 2018 according the following schedule:

- \$11 per hour by July 1, 2015
- \$13 per hour on January 1, 2017
- \$15 per hour on January 1, 2018
- Regional CPI Increase January 1, 2019

EXISTING POLICY

Section 3.80.040 of the Sunnyvale Municipal Code: Minimum Wage

DISCUSSION

In response to Council inquiry last winter, staff is providing an update on the City and the Region's efforts regarding the increase of the minimum wage to \$15 per hour. Consistent with the City's ordinance, Sunnyvale's current minimum wage is \$13 per hour and is scheduled to increase to \$15 per hour on January 1, 2018. Thereafter, it may adjust annually based on the Bay Area CPI. Sunnyvale and Mountain View lead the region and will reach \$15 per hour minimum wage on January 1, 2018.

The Santa Clara County Cities Association (Association) evaluated this policy during its 2017 Workplan development and recommended that the Association, for regional policy alignment, continue to monitor this item and voted to keep minimum wage a priority for the Association. As part of that effort, Cupertino, San Jose, Palo Alto, Milpitas, and Los Altos have joined the regional effort and have adopted ordinances that will incrementally raise the minimum wage to \$15 per hour by 2019. Santa Clara is currently reviewing their minimum wage ordinance and is scheduled to consider in July 2017 an increase to \$15 by 2019.

Starting January 1, 2019, Sunnyvale and Mountain View will adjust future minimum wage increases using the Bay Area Regional CPI. The other cities will start inflation adjusted increases on January 1, 2020 and will use either the Bay Area Regional CPI or the United States CPI to determine inflation adjustments. San Jose and Palo Alto will use the United States CPI and Los Altos, Milpitas, and Cupertino will use the Bay Area CPI to calculate future inflation adjustments. As you can, see some

cities in the County are reaching the \$15 per hour minimum wage in either 2018 or 2019. Thereafter, the minimum wage will remain disparate since some cities will use a national instead of a regional CPI to determine future increases.

At this time, neither the City of Sunnyvale nor the City of Mountain View have any formal action on their legislative calendars to consider alignment, regarding the CPI, with the regional effort. Based on the information provided in this memorandum, if a Councilmember desires a policy change to improve regional alignment, then pursuant to the Council's Study Issue process a Councilmember could propose it as a study issue and upon the support of another Councilmember staff would prepare a study issue paper to be considered at the Council Study Issue Workshop. As the first adjustment based on CPI will not occur until January 1, 2019, the Study Issue process will permit staff to perform the necessary work and if regional alignment is possible, then draft an amendatory ordinance for the Council's consideration. It is important to note, however, given the difference in applied national CPI versus regional CPI, full alignment in the County would not be possible without action on the part of other cities.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

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