

RESOLUTION NO. 5-14

RESOLUTION DIRECTING STAFF TO DRAFT THREE BALLOT MEASURES WITHIN 60 DAYS FOR CITY COUNCIL CONSIDERATION TO BE SUBMITTED TO THE VOTERS ON NOVEMBER 4, 2014 ESTABLISHING A RICHMOND MINIMUM WAGE

WHEREAS, the “Economic Recovery” has been a recovery for the stock market and the wealthiest in the US but has left working people far behind; and

WHEREAS, the current Federal hourly minimum wage (\$7.25) and current California hourly minimum wage (\$8.00) are both **below** the minimum wage of 1979 in current dollars (\$9.31); and

WHEREAS, California hourly minimum wage will go up to \$9.00 in July 2014 and \$10.00 in 2016; and

WHEREAS, President Obama is backing legislation by Senator Tom Harkin and our Representative George Miller to increase the Federal minimum wage to \$10.10; and

WHEREAS, the cost of living in Richmond is estimated at 20% greater than the overall national average; and

WHEREAS, more than half of workers paid at or below the current minimum wage are over 24 years of age according to the Bureau of Labor Statistics; and

WHEREAS, households supported by a single full-time minimum wage (current) are at or below the official national poverty line; and

WHEREAS, a higher minimum wage contributes to the quality of life for residents and the quality of services provided in the city by reducing high turnover, absenteeism, and instability in the workplace; and

WHEREAS, a person who works full time should be able to earn a living wage; and

WHEREAS, the minimum wage increases consumer purchasing power, increases workers’ standards of living, reduces poverty, and stimulates the economy; and

WHEREAS, The Chicago Federal Reserve Bank conducted a study in 2011 that estimates that for every dollar increase in the minimum wage, there is \$2,800 in new consumer spending by that household the following year, this revenue is injected into the local economy which translates into greater consumer demand for goods and services, thereby requiring employers to hire additional workers to meet this demand which translates into job creation; and

WHEREAS, by raising the standard of living through a higher minimum wage, Richmond would likely realize various societal benefits such as improved education, safer communities, greater opportunity for upward mobility, and more financial stability for families; and

WHEREAS, when the cost of living changes, the minimum wage for decent living changes and without a cost of living adjustment, wage earners fall behind; and

WHEREAS, San Francisco has adopted a higher minimum wage with “Cost of Living” adjustments that will be more than \$11.00 per hour in 2015, San Jose has passed a minimum wage with “Cost of Living” adjustments and other Bay Area cities are considering doing so; and

WHEREAS, Richmond has established a minimum “Living Wage,” which applies to contractors with the city, which was \$16.69 in 2009 and when next adjusted will likely be over \$17.00

WHEREAS, the Richmond City Council desires the highest minimum wage possible that is consistent with the reality of Bay Area regional economics; and

WHEREAS, the Richmond City Council desires citizen participation in determining the appropriate level of minimum wage.

NOW THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF RICHMOND, CALIFORNIA, AS FOLLOWS:

1. Staff is directed to draft for City Council review and consideration within 60 days, three ballot measures and corresponding ordinances for submission to the voters at the November 4, 2014 general municipal election to establish a minimum wage for all employees of employers who maintain a facility within the city or are subject to the City Business License tax. The three ballot measures and ordinances will be the same except for the starting minimum wage to go into effect Jan 1, 2015 which will be:

- a) \$11.00/hour, the San Francisco rate,
- b) \$12.30/hour, the Federal rate with adjustment for higher cost of living in Richmond, with a “phase-in” period,
- c) \$15.00/hour, rate adopted by SeaTac voters, supported by Mayoral candidates in Seattle, being considered by San Francisco Mayor Ed Lee and others with a “phase-in” period.

2. The minimum wage level will include an automatic “Cost of Living “adjustment on January 1 of each year based on an appropriate index.

3. The ballot measures will contain a provision that recognizes that other minimum wage propositions may also be on the ballot and that if more than one gains majority approval, then the ballot measure with the highest minimum wage will become law.

4. The ballot measures will in general recognize the exemptions of Federal and State minimum wage laws and the City’s Living Wage Ordinance including exemptions for direct family members, training situations, collective bargaining contracts, etc. except that

- a) There shall be no exemption for occupations with “tipping;”
- b) There shall be no exemption for seasonal work, agricultural work, or temporary work;
- c) There shall be exemptions for Richmond employers with fewer than 10 employees and new businesses (operating in Richmond less than 2 years) with fewer than 26 employees;
- d) An allowance will be made for employer payment of employee medical benefits.

I certify that the foregoing resolution was passed and adopted by the Council of the City of Richmond at a regular meeting thereof held on January 14, 2014, by the following vote:

AYES: Councilmembers Bates, Boozé, Butt, Myrick, Rogers, Vice Mayor Beckles, and Mayor McLaughlin.

NOES: None.

ABSTENTIONS: None.

ABSENT: None.

DIANE HOLMES
CLERK OF THE CITY OF RICHMOND
(SEAL)

Approved:

GAYLE MCLAUGHLIN
Mayor

Approved as to form:

BRUCE GOODMILLER
City Attorney

State of California }
County of Contra Costa } : ss.
City of Richmond }

I certify that the foregoing is a true copy of **Resolution No. 5-14**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on January 14, 2014.