



CITY COUNCIL AGENDA REPORT

DATE: 4/22/2015

AGENDA OF: 4/28/2015

DEPARTMENT: City Council

SUBJECT: Initiation of Discussion on a Local Minimum Wage for the City of Santa Cruz (CN)

RECOMMENDATION: Direct staff to research the subject of a local minimum wage for the City of Santa Cruz and report back to the City Council with a draft Request for Proposals for technical assistance and a proposed public process to consider the establishment of a City minimum wage for medium and large employers.

BACKGROUND: Proposals to establish locally based minimum wage standards are part of the ongoing national discussion on how to address the widening income gap in our nation. California cities as large as Los Angeles and as small as Emeryville have either begun this discussion or have established locally based minimum wage levels. These communities have established their locally based minimum wage levels through either voter adopted initiatives or Council adopted ordinances. Currently available information indicates that eight Bay Area communities have adopted local minimum wage ordinances and similar ordinances are under consideration in at least another three local communities.

DISCUSSION: State law currently requires a minimum wage for all industries of not less than \$9.00 per hour, increasing to \$10.00 per hour effective January 1, 2016. The Federal minimum wage is \$7.25 per hour. While the issue of income equality is an important reason to consider adopting a local minimum wage for Santa Cruz, the exact level of a minimum wage level which is fair to City residents and the business community is a much more complex matter and requires careful consideration and discussion. For this reason, we are asking the City Council to consider starting this discussion by first seeking professional technical assistance to help determine a potential minimum wage that best meets the various needs of our community, focused on employers with five or more employees.

We are also aware that the City of Santa Cruz would be initiating this discussion with the uncertain knowledge of whether other communities in our county would consider a similar proposal for their jurisdictions, so this proposed research effort is just the beginning of a dialogue for Council consideration. We believe that given the rising cost of living in Santa Cruz the time has come for Santa Cruz to begin a discussion of how we as a community can do our part to address this challenge.

FISCAL IMPACT: Approval of this recommendation has no fiscal impact on the General Fund.

Submitted by:
Don Lane
Mayor

Submitted by:
Cynthia Mathews
Vice Mayor

Submitted by:
Cynthia Chase
Councilmember

ATTACHMENTS:
None