

Member of Public: Council Member Corina Lopez

1.B. Announcements

None.

2. DISCUSSION ITEMS

2.A. Draft Measure HH Report

Measure HH Report was previously drafted as Measure Z Annual Report with similar language. Staff will receive comments from the Measure HH Committee on November 4 and is planning to present the Annual Report to City Council on December 7, 2015. Mr. Baum wished to present the report to the Finance Committee first for suggested changes and approval.

Vice Mayor Prola stated he reviewed it and is in favor of the current draft. Mayor Cutter provided feedback on the language of Measure HH and how it is similar to Measure Z. The Mayor would like to see Measure HH reflect more on how the city is spending the money received on road repairs.

Mr. Baum provided explanation to Mayor Cutter's observation regarding Public Safety and included comment on the amount of cuts in Safety personnel that would be needed in the absence of Measure HH sales tax. Ballot language in the annual report directs the city to spend money on street and pothole repair. Due to Measure HH, Measure B and Measure BB, the City was able to expend additional funds for street repairs and included the funds in the Biennial Budget.

Mr. Zapata discussed the benefits of Measure HH as it relates to street repairs and the additional \$1 million that is combined with Measure BB money in the recently adopted budget.

Council Member Lee observed that he would like to see the Annual Report provide additional language but approves the content in the current draft.

2.B. Minimum Wage Discussion

Mr. Zapata provided a report to the Finance Committee showing minimum wages from across the country as compared to minimum wages in California. Mr. Zapata emphasized the key issues to consider for raising the minimum wage. Mr. Zapata indicated that San Leandro has 9,000 licensed businesses and is concerned how these businesses will respond, especially restaurants.

Mr. Pio Roda reported on the City of Berkeley, Oakland and San Francisco. Oakland passed Measure FF which went into effect on March 2, 2015 establishing a minimum wage as well as paid sick leave and other health requirements for hospitality workers. Mr. Pio Roda advised the City of Berkeley on its minimum wage ordinance indicating

that it would be applicable to all employers to pay the established minimum wage.

Mr. Pio Roda continued by reporting that two jurisdictions have set in place consequences for violating the City's ordinance, which include employees ability to file law suits against employers for not paying the established minimum wages. These requirements would also apply to those in collective bargaining agreements; however those requirements can be waived as they are part of the agreement.

Mr. Pio Roda suggests using Berkeley's provisions as a template for San Leandro due to the clarity and broad application.

Mayor Cutter acknowledged San Leandro's requirement for paying a living wage and asked what the current wage is.

Mr. Pio Roda clarified that the living wage is a legal requirement for those contracted to do business in San Leandro. The current rate is \$14.88 per hour or \$13.38 with health benefits valued at \$1.50 per hour, subject to annual CPI adjustments per City of San Leandro Living Wage Ordinance.

Mayor Cutter questioned provisions on interns and whether the same provisions apply. Mr. Pio Roda declared most likely not unless they were part of a collective bargaining agreement.

Council Member Lee noted the differences between Berkeley and San Leandro stating Berkeley has more restaurants and service oriented businesses and inquired about statistics and the businesses that would be impacted by the ordinance.

Vice Mayor Prola referenced a UC Berkeley study that nearly half of low wage workers in California have a college degree. The low wages of those in California are making less than \$13.63 an hour which is about 2/3 of the State's median wage.

Council Member Lee noted that minorities and immigrants are most affected by the minimum wage ordinance. In Oakland, after passage of its minimum wage ordinance, 120 minority-owned businesses closed due to the 36% increase caused by Measure FF. Vice Mayor Prola declared his goal is to have minimum wage catch up to the living wage and to have a cost of living increase included in an effort to prevent the minimum wage topic from coming back to council on a continual basis.

Mayor Cutter questioned how businesses that employ family members are impacted by the minimum wage ordinance.

Mr. Pio Roda explained that family run businesses in San Francisco and Oakland are not subject to minimum wage laws, consistent with California Labor Code 3352.

Council Member Lee stated the benefit of putting an ordinance in place particularly benefits minority workers where English is a challenge protecting them from being treated unfairly by employers that pay them less than the established minimum wage.

Mayor Cutter expressed caution on approaching the automatic cost of living increases

in order to have a solid plan in place to minimize inflation

Council Member Lee specified the importance of gradually applying increases as to help businesses plan for the increases and include them into their budgets in an effort to keep businesses from closing their doors.

Mr. Zapata clarified that Los Angeles' minimum wage is to increase to \$15.00 an hour by 2020 with gradual increases pointing out that businesses with less than 25 employees would have an additional year to implement the increases.

Vice Mayor Prola illustrated the benefit of the minimum wage increase specifying the extra income would go back into the community creating additional revenue for the city.

Council Member Lee drew attention to the importance of quantifying the number of large businesses and researching which ones are not paying the living wage and hold them accountable which would benefit the community and the city as a whole.

3. PUBLIC COMMENTS

None.

4. COMMITTEE MEMBER COMMENTS

Council Member Lee and Vice Mayor Prola are looking forward to seeing how minimum wage could benefit San Leandro.

5. ADJOURN

The meeting was adjourned at 5:50 p.m.

PREPARED BY: David Baum, Finance Director