

1.B. Announcements

None.

2. DISCUSSION ITEMS

2.A. Minimum Wage Update

Assistant to the City Manager Engelbart provided a matrix of the minimum wage amounts and laws of the various jurisdictions within the Bay Area. Mr. Engelbart provided a brief summary, which included the recent changes in both the City of Oakland and Emeryville.

Councilmember Lee thanked staff for their work on gathering the information and requested to see the density of the businesses within the various cities shown in the matrix vs. the business within the City of San Leandro. Councilmember Lee would also like a better understanding of how many large businesses are in the City and how many small businesses provide minimum wage salaries. In addition, Councilmember Lee requested information on the cost of living, including housing prices.

Mayor Cutter also requested information on population of the cities.

Vice Mayor Prola provided information regarding El Cerrito minimum wage increase.

Fred Pecker of ILWU Local 6 acknowledges and appreciates the City for assisting in making certain the wages for the employees of ACI [Alameda County Industries] were fair. Mr. Pecker stressed the importance of adding the Consumer Price Index to the minimum wage as the cost of living is high in the Bay Area and if employees are able to live locally, they are going to spend their money on local businesses.

Leroy Henny, Jr. a sorter and union steward at ACI expressed his appreciation of the leaders of the City of San Leandro and the City's Living Wage Ordinance. Mr. Henny supports raising the minimum wage as this would allow employees to spend money locally. Mr. Henny himself recently purchased a vehicle in San Leandro and encourages others to shop in the city as well.

Jennifer Lin, East Bay Alliance for Assisting Economy, stated her group was part of a coalition that assisted with the minimum wage increase in Oakland and other cities mentioned in the matrix. On January 1, 2016, the State minimum wage will increase to \$10/hour and if a person worked 40 hours per week, they would earn \$20,000/year. In order to afford a one bedroom apartment in the Bay Area would have a person working 92 hours a week. Cost of food, housing, medicine has increased and Ms. Lin is in support of increasing the City's minimum wage as well as having CPI indexing for minimum wage. Ms. Lin also stated that ethnic businesses should not be afraid of an increase to minimum wage. It is shown that small/ethnic businesses in the City of Oakland have shown either an increase to business or no impact at all. Also, when a survey was performed on what challenges were being faced by these businesses, the minimum wage did not make the list.

Mia Ousley, resident, thanked the City for looking and moving forward with increase to the minimum wage. A minimum wage increase would have a positive effect on the economy. For

a single mother to have a decent life she must make \$60k a year, which is more than \$15/hr.

Doug Jones, member of the Founding Coalition to Save San Leandro Hospital and veteran of measure A Oversight Committee, stated that it is important to know that 95% of the people working in San Leandro, making less than \$15/hour, do not live in San Leandro. Therefore, by increasing the minimum wage, we would ensure that these employees would visit local restaurants for lunch and/or go shopping in San Leandro. Mr. Jones supports increasing the minimum with CPI increases.

Helena Swater, resident, also spoke in favor of increasing minimum wage. Ms. Swater, stated that it is very difficult to feed a decent meal to a family of 3 on the current minimum wage and therefore supports an increase.

Augustin Ramirez, ILWU member and employee of ACI, stated that employees that earn a decent wage are content with their jobs.

Mr. Hudson, from local 2850, supports the increase of minimum wage. Low wage workers can make a decent wage and need to increase by CPI like Oakland and Emeryville,

Bella Comelo has polled small business owners and a majority supports the increase

Spanish speaking translation: Blanca spoke in support of the increase of minimum wage. Blanca's granddaughter, a San Leandro High student, works and makes \$9/hour and that is not enough. The school allows students with good grades to work and they are trying to save money so they can attend school after graduation.

Mayor Cutter would like staff to reach out to businesses to find out if there are special circumstances, through state law, that must be accounted for, e.g. mechanics if they do not make twice the amount of minimum wage, the owner of the company must pay for tools. Also, tips need to be looked at. The outreach can be done via Business License mail out in a form of a survey that can be mailed back.

Vice Mayor Prola, stated that there are lots of misconceptions of minimum wages. Most minimum wage earners are not teenagers. Cities that have opposed an increase of the minimum wage found that their businesses continued to thrive. Vice Mayor Prola would like to see a draft ordinance, like Berkeley's, and allow Council to review and either add or delete. It is important that the City of San Leandro increase the minimum wage and would like to see \$15/hr for large business by 2018 and for small business by 2019. Vice Mayor Prola would also like to see a CPI increase and questioned whether sick leave should be included. There are many homeless people that are working but are forced to live in their cars as the average rent in San Leandro is \$1,500/month.

Mayor Cutter stated that she does not support including a CPI increase as businesses may not be able to afford it. Mayor Cutter also stated that City employees do not receive an increase based on CPI and that is something that would have to be discussed during negotiations. Mayor Cutter wants to be fair to all businesses. What would be the cut off, if any? Small vs. large business (#employees).

Vice Mayor Prola stated that a minimum wage increase would benefit women and minorities.

Studies have shown that 31% Latinos, 22% Asian, 20% African American, and 21% women are minimum wage earners. Vice Mayor Prola stated the goal is for small business to grow. Unfortunately, non-English speaking communities are being exploited and it is important to aid them with fair wages. Councilmember Lee agreed.

Mayor Cutter stated that if anyone in the audience has additional information, please send directly to her and she will provide to the Committee. Mayor Cutter would like a survey sent to the San Leandro business. Facts and education are necessary.

City Manager Zapata confirmed what the Committee is requesting of staff and stated that a working ordinance will be provided.

Mayor Cutter would like to get responses back before January meeting.

Mia Ousley, asked if survey can be sent out with the business license renewals. Mary Ann Perini, Budget and Compliance Manger, stated that unfortunately, business license renewals were already in the mail.

2.B. City Debt Service Obligations

City Manager Zapata, provided an overview of the City's debt service. Mr. Zapata stated in the past, this report had not been provided to the Finance Committee but would be going forward.

Finance Director Baum provided a brief summary of the report provided and sated that the City of San Leandro has been conservative of the debt issuance. The City's current debt obligations are for Fire Engine Leases, Certificates of Participation, and most currently Pension Obligation Bond. Although this information has not been brought separately, it is included in both the Adopted Budget document as well as the Comprehensive Annual Financial Report (CAFR).

Finance Director Baum also reviewed the current loans the City is repaying including a loan to the Shoreline Fund from the General Fund for improvements to the Marina and Golf course. Not included however, is the loan for the Water Pollution Control Plant Improvement project.

City Manager Zapata stated that the debts being reported are funded debts and are being paid for and will end. These types of debts can assist with non-mandated projects, e.g. ADA requirement projects. There are many projects listed as Capital Improvement Projects that cannot be completed due to lack of funds.

Vice Mayor Prola stated that currently the debt ratio is low if we are going to borrow money, this is the time to do it because interest rate is low but by next year, they should go up.

Councilmember Lee agrees however stated that there are projects currently listed as Capital Improvement that be pulled as the technology is outdated.

Mayor Cutter agrees and stated that when the needs of all neighborhoods must be carefully reviewed.

City Manager Zapata stated that with Measure HH, a supplement to BB, the City is increasing the improvements to roads. Recreation & Human Services Director, Jeanette Dong, worked with Alameda County and was able to obtain \$100,000 to assist with homeless. Other projects being looked at are: retrofits of lighting, safety, parks, and public art. Projects that ensure quality of life and sustainability

Mayor Cutter inquired about the replacement of the neighborhood street lights: Engineering and Transportation Director Keith Cooke stated that Debbie Pollart, Director of Public Works, is looking into that project.

3. PUBLIC COMMENTS

None.

4. COMMITTEE MEMBER COMMENTS

None.

5. ADJOURN

The meeting was adjourned at 6:18 p.m.

**CITY OF SAN LEANDRO
CITY COUNCIL INTERNAL COMMITTEE MEETING SIGN-IN SHEET**

NAME OF CITY COUNCIL INTERNAL COMMITTEE	DATE OF MEETING
FINANCE COMMITTEE	12/15/15

Signing-in on this sheet is not required for participation. Information provided below may be used for notification and/or follow-up.

NAME	AGENCY/MAIL ADDRESS	TELEPHONE NUMBER	EMAIL ADDRESS
1. Jim Prola	City of SL	on file →	
2. Mia Dvstey	ma@magicmia.net		
3. Jenny Lin	ETB/SE	510-893-7106x321	jenny@workingeastbay.org
4. Fred Pecker	IHWU Co	510 638 5608	fpecker@ihwu.org
5. Agustin Ramirez	IHWU	916-666-4681	arpmexico@aol.com
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NAME	AGENCY/MAIL ADDRESS	TELEPHONE NUMBER	EMAIL ADDRESS
1. <i>Benny Lee</i>	<i>on file</i>	<i>on file</i>	<i>on file</i>
2.			
3.			
4. <i>Bella Comelo</i>	<i>EBASE</i>	<i>(510) 357-0940</i>	
5. <i>Will Fuentes</i>	<i>COSL</i>	<i>510-577-3360</i>	<i>on file</i>
6. <i>Richard D. Pio Rode</i>	<i>City Attorney - San Leandro</i>	<i>510.577.3361</i>	<i>" "</i>
7. <i>Eric Engelbert</i>	<i>CMO</i>	<i>3391</i>	<i>"</i>
8. <i>Mary Ann Perini</i>	<i>Finance</i>	<i>X 3324</i>	
9. <i>Pauline Cuthbert</i>	<i>Mayor</i>	<i>city</i>	<i>pcuth@sanleandro.</i>
10. <i>Chris Zapata</i>			
11. <i>David Baum</i>			
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Comparison of Curent Minimum Wage Laws in the Bay Area

City	Nov. 19, 2014	Jan. 1, 2015	May 1, 2015	Jan. 1, 2016	Jan. 1, 2017	Jan 1., 2018	Jan 1. 2019	Jan 1, 2020	Notes/ Exceptions
Berkeley - small businesses	\$10.00	\$10.00	\$10.00	\$12.53	\$13.00	\$13.60	\$14.25	\$15.00	Applies to businesses with 55 FTE or fewer employees and all non-profit organization; Training wages should be no less than 80% of these figures; Commencing Oct 1, 2016 all employers must provide paid sick leave (accrues at a rate of 1 hr sick leave per 30 hours worked, capped at 40 accrued hours)
Berkeley - large businesses	\$10.00	\$10.00	\$10.00	\$12.53	\$13.70	\$15.00	+CPI	+CPI	Applies to businesses with 56 FTE or more employees; Training wages should be no less than 80% of these figures; Commencing Oct 1, 2016 all employers must provide paid sick leave (accrues at a rate of 1 hr sick leave per 30 hours worked, capped at 72 accrued hours)
Emeryville - small businesses	\$9.00	\$9.00	\$9.00	\$12.25	\$13.00	\$14.00	\$15.00	\$16.00 est. (CPI)	Applies to business with 55 FTE or fewer employees; Requires paid sick leave (accrued at 1 hour per 30 hours worked, capped at 48 hours); rate beginning in 2020 is estimated based on projected CPI; Requires Hospitality employees get service charges.
Emeryville - large	\$9.00	\$9.00	\$9.00	\$14.44	\$14.82 est. (CPI)	\$15.20 est. (CPI)	\$15.6 est. (CPI)	\$16.42 est. (CPI)	Applies to businesses with 56 FTE or more employees; Requires paid sick leave (accrued at 1 hour per 30 hours worked, capped at 72 hours); Rates beginning in 2017 are estimates only, based on forecasted CPI; Requires Hospitality employees get service charges.
Mountain View	\$9.00	\$10.30	\$10.30	+CPI increase	+CPI increase	+CPI increase	+CPI increase	+CPI increase	Starting Jan. 1, 2016, + inflation rate increase each year. Goal of \$15.00 minimum wage by 2018;
Oakland	\$9.00	\$9.00	\$12.25	\$12.55	+CPI	+CPI	+CPI	+CPI	Per Measure FF, requires paid sick leave and Requires Hospitality employees get service charges; Employees shall accrue 1 hour of paid sick leave for every 30 hours they work. Employers may cap accrued paid sick leave earned by an employee at 40 hours for small businesses (fewer than 10 workers) and at 72 hours for other employers. Employers may set a higher cap or no cap at all.
Richmond	\$9.00	\$9.60	\$9.60	\$11.52	\$12.30	\$13.00	+CPI	+CPI	Starting Jan. 1, 2019, + inflation rate increase each year.

San Francisco	\$10.74	\$11.05	\$12.25	\$13.00	\$14.00	\$15.00	+CPI	+CPI	Starting Jan. 1, 2019, + inflation rate increase each year. Req. paid sick leave under separate Ord.
San Jose	\$10.15	\$10.30	\$10.30	+CPI	+CPI	+CPI	+CPI	+CPI	Starting Jan. 1, 2016, + inflation rate increase each year.
Sunnyvale	\$9.00	\$10.30	\$10.30	+CPI increase	+CPI increase	+CPI increase	+CPI increase	+CPI increase	Starting Jan. 1, 2016, + inflation rate increase each year. Goal of \$15.00 minimum wage by 2018;
Statewide	\$9.00	\$9.00	\$9.00	\$10.00	\$10.00	\$10.00			On July 1, 2015, AB 1522 took effect requiring that all employers in the State of California provide Paid Sick Leave to both full-time and part-time Employees, accrued at the rate of one hour Paid Sick Leave for every 30 hours worked.

Other notes

*Berkeley, Mountain View, Richmond and San Jose Min. Wage Laws were passed by City Council, Oakland and San Francisco most recent Minimum Wage laws passed by voter initiative
The University of California system recently passed a policy to raise its minimum wage to \$15 an hour by Oct. 1, 2017.

Debt Service Obligations

	<i>Total Debt Service Obligations</i>				
	Actual 2012-13	Actual 2013-14	Adopted 2014-15	Adopted 2015-16	Adopted 2016-17
<u>General Fund</u>					
2013 Lease Revenue Bond (2003 COP)	\$ -	\$ 491,737	\$ 444,366	\$ 442,466	\$ 878,561
2007 Certificates of Participation	1,598,819	1,597,219	1,599,319	1,598,119	1,620,718
2010 Equipment Lease/Purchase-FirePumper Truck	103,685	103,685	107,663	-	-
2012 Equipment Lease/Purchase-2 Fire Engines	207,222	207,222	207,222	207,222	211,683
2012 Pension Obligation Bonds	1,666,572	1,652,962	1,849,404	1,918,123	1,983,236
2012 Pension Obligation Water Pollution Control Loan	440,000	602,773	518,650	602,773	602,772
2014 Police Vehicle Lease - Phase I	-	-	-	320,984	-
2015 Police Vehicle Lease - Phase II/III	-	-	-	246,500	567,484
Total Debt Service Fund	\$ 4,016,298	\$ 4,655,598	\$ 4,726,624	\$ 5,336,187	\$ 5,864,454
<u>Housing and Urban Development (HUD) Loan</u>					
2011 HUD 108 Senior Center Loan	\$ 207,534	\$ 206,094	204,037	\$ 201,417	\$ 198,233
<u>Successor Agency to the City of San Leandro Redevelopment Agency</u>					
2013 Lease Revenue Bond (2001 COP)	\$ -	\$ 291,174	\$ 272,790	\$ 268,415	\$ 262,745
2002 Tax Allocation Bonds	1,327,783	1,333,482	1,332,380	-	-
2004 Tax Allocation Bonds	392,956	396,056	393,888	-	-
2008 Tax Allocation Bonds	1,850,438	1,844,438	1,837,438	1,829,438	1,825,313
2014 Tax Allocation Bonds - Refunding	-	-	-	537,825	537,825
Bayfair Mall Debt - City Commitment	200,000	-	-	-	-
Owner Participation Agreements	123,731	168,978	95,000	-	-
San Leandro Unified School District	327,072	327,072	167,072	167,072	-
HUD 108 Loan (Low/Mod Housing)	73,925	73,232	72,243	70,983	69,452
Total Successor Agency to the City of San Leandro Redevelopment Agency	\$ 4,295,905	\$ 4,434,432	\$ 4,170,811	\$ 2,873,733	\$ 2,695,335
<u>Shoreline Enterprise Fund</u>					
Cal Boat Loan	\$ 24,769	\$ 24,769	\$ 24,769	\$ 24,141	\$ 24,769
Cal Boat Loan	189,487	189,487	189,487	183,221	189,487
Cal Boat Loan	52,149	52,149	52,149	50,499	52,149
Cal Boat Loan	26,604	26,604	26,604	25,798	26,584
Total Shoreline Enterprise Debt*	\$ 293,009	\$ 293,009	293,009	\$ 283,659	\$ 292,989
<u>Special Assessment District</u>					
2000 Cherrywood Community Facilities District	\$ 439,387	\$ 442,160	439,040	\$ 440,120	\$ 440,240
<u>Water Pollution Control Plant</u>					
2011 State Water Board Loan	\$ -	\$ -	-	-	4,200,000

Note: All General Fund debt service payments are described in the Comprehensive Annual Financial Report (CAFR) (Note 7).

All Successor Agency to the City of San Leandro Redevelopment Agency debt service payments are described in the CAFR (Note 17).

The Shoreline Fund also owes the General Fund \$7.1 million, which is described in the City's CAFR (Note 5).