



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 4/5/2016
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NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Lawrance Florin - Director
Housing and Intergovernmental Affairs
REPORT BY: Michael Karath, STAFF ASSISTANT - BOS - 299-1477
SUBJECT: Consideration of a Napa County local minimum wage ordinance

RECOMMENDATION

First reading and intention to adopt an ordinance establishing a minimum wage in unincorporated Napa County.

ENVIRONMENTAL DETERMINATION:

It can be seen with certainty that there is no possibility the proposed ordinance may have a significant effect on the environment and therefore CEQA is not applicable. [See Guidelines For the Implementation of the California Environmental Quality Act, 14 CCR 15061(b)(3)].

EXECUTIVE SUMMARY

The Napa County Board of Supervisors on April 21, 2015, tasked County staff to research the local minimum wage ordinances that California jurisdictions have instituted over the past several years and return with data that could be used to formulate a Napa County minimum wage ordinance.

On October 6, 2015, staff presented the requested information to the Board in a public hearing. The Board then directed staff to further explore the issue and return with a more comprehensive minimum wage economic impact study. Staff secured the services of Dr. Robert Eyler, president of Economic Forensics & Analytics, to conduct the study. The purpose of today's presentation is to present the results of the economic impact study. A complete staff report, which includes the economic impact report, is attached.

Today's action requests adoption of an ordinance implementing an incremental minimum wage increase beginning with \$11 per hour on January 1, 2017 and ending with \$15 per hour on January 1, 2023 with subsequent increases tied to cost of living effective each January 1st commencing on January 1, 2024.

PROCEDURAL REQUIREMENTS

1. Open Public Hearing.
2. Staff reports.
3. Public comments.
4. Close Public Hearing.
5. Clerk reads the Ordinance Title.
6. Motion, second, discussion and vote to waive the balance of the reading of the ordinance.
7. Motion, second, discussion and vote on intention to adopt the ordinance.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: It can be seen with certainty that there is no possibility the proposed ordinance may have a significant effect on the environment and therefore CEQA is not applicable. [See Guidelines For the Implementation of the California Environmental Quality Act, 14 CCR 15061(b)(3)].

BACKGROUND AND DISCUSSION

Napa County

The Napa County Board of Supervisors on April 21, 2015, tasked County staff to research the local minimum wage ordinances that California jurisdictions have instituted over the past several years and return with data that could be used to formulate a Napa County minimum wage ordinance.

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Staff is recommending the first reading and intention to adopt an ordinance that increases the minimum wage for each hour worked according to the following schedule:

Date	Minimum Hourly Wage
January 1, 2017	\$11.00
January 1, 2018	\$12.00
January 1, 2019	\$12.60
January 1, 2020	\$13.23

January 1, 2021	\$13.89
January 1, 2022	\$14.59
January 1, 2023	\$15.00

To prevent inflation from eroding, it's value, the ordinance proposes that beginning on January 1, 2024 and each January 1st thereafter, the Minimum Wage shall increase by an amount corresponding to the prior year's increase, in any, in the cost of living. The prior year's increase shall be determined as of August of the immediately preceding year over the level as of August of the previous year based on the Consumer Price Index for the San Francisco Area published by the U.S. Department of Labor. The annual minimum wage amount will be announced by December 1st of each year.

Staff believes this recommendation achieves the goal of increasing the minimum wage while minimizing the adverse impacts that may occur such as job loss. While no proposal will eliminate the likelihood of adverse impacts or accurately predict the impact on the economy, staff believes the incremental change will help reduce the shock to the local economy.

Recent State Developments

On March 28, 2016, Governor Brown announced his support for an amended version of SB 3 that would gradually raise the state's minimum wage to \$15. The governor worked with legislators and labor leaders to reach the agreement. As amended, SB 3 raises the minimum wage to \$10.50 on January 1, 2017, and increases it by \$1 every year until reaching \$15 in 2022. The same rate schedule applies to small businesses with fewer than 25 workers, but is delayed one year, so the top rate of \$15 will be reached in 2023. After reaching \$15, the minimum wage will be adjusted annually for inflation.

This recent development created uncertainty for two fall ballot initiatives seeking to raise the minimum wage to \$15. The initiative, authored by the Service Employees International Union-United Healthcare Workers West, raises the state's current \$10 minimum wage by \$1 every year for five years until it reaches \$15 on January 1, 2021. It will be tied to inflation thereafter. This initiative has qualified for the November 8, 2016, election. The State Council of the Service Employees International Union is currently gathering signatures for its minimum wage ballot initiative. It includes an identical wage schedule as the already-qualified initiative, but also requires employers to provide three new sick days per year.

Despite these recent events in Sacramento, Napa County staff believes that that it is appropriate for the Board of Supervisors to consider its own ordinance in case the statewide compromise should falter through the approval process or is amended and does not reflect the particular circumstances Napa County seeks to address concerning a local minimum wage.

SUPPORTING DOCUMENTS

- A . Napa County Minimum Wage Study
- B . Minimum Wage Ordinance

CEO Recommendation: Approve

Reviewed By: Leanne Link