

City of Santa Barbara

LIVING WAGE ADVISORY COMMITTEE MEETING MINUTES

June 11, 2008 at 5:00 pm
Room 15, City Hall

- I. Committee members Hillary Blackerby, Larry C. Lee, Anna M. Kokotovic, Allen Williams, and Das Williams were present.
- II. Call to order: 5:07
- III. Public Comments: None
- IV. Review and Approval April 16, 2008: There were some minor differences between the minutes distributed on April 25 and ones distributed with the June 9 meeting notice. The minutes distributed on April 25, 2008 were approved with one correction on the title for Item VII, Living Wage Results, replaced 1008 with 2008.
- V. Discussion of Living Wage Incentive Survey: Presentation by Sue Gray and results for grants. Discussion on adding the Living Wage Certification as a requirement for the grant application.
- VI. Discussion on the cost implications of the Living Wage requirements in the Airport Parking Concessions contract.
- VII. Discussion Living Wage Rates: Informational
- VIII. Discussion Living Wage Compliance Enforcement: Bob Peirson provided an update on the status of the audits for Economy Tree, Mendez Carpet Cleaning, and Mission Security. No staff time would be involved with these initial audits. Bob has had discussion with the City's firm that audit TOT (bed tax) on performing the initial audit and creating an audit procedure/manual so that staff can conduct future audits. However, the firm is busy with lease concession audits and TOT audits will start on the Living Wage Audits after completing the fore mentioned audits. The Finance Department will absorb the cost for the initial audits.
- IX. Discussion about changing the insurance requirements. Allen Williams suggested that the City require vendors to pay a specified amount on insurance for their employees in order to qualify for the lower rate. This would reduce the administrative burden of trying to compare vendor insurance policies to the City's for determining if the vendor qualifies for a lower rate. A \$300 per employee was suggested for the lower rate and \$600 per employee to qualify for the additional benefit rate. The committee would like additional information on insurance costs.
- X. A draft Public Service Announcement (PSA) was presented by Bill Hornung. The committee directed that staff to proceed with PSA with the changes proposed by Anna Kokotovic. The City TV special on Living Wage Ordinance was discussed as well. City TV will be airing a program in August and may want to interview some of the committee members.

- XI. Discussion of Suggested Changes to the Living Wage Program
- a. Fines: It was motioned and approved that a fine system should be implemented as follows: Minimum of \$500 or 10% of the contract value.
 - b. Insurance Requirements: See discussion under Section IV above.
 - c. Living Wage for City Employees: There was discussion that the City should lead by example and paying living wages to all of its hourly and temporary employees (i.e., seasonal life guards, etc.)
 - d. Living Wage Exemptions for non-profits and interns. There was discussion about recommending the removal of the exemption for non-profits. However, the committee wanted to keep the narrow exemption for non-profits such as Work Inc. that provide training for mentally and/or physically handicapped people. There was discussion about keeping the exemption for interns since this is a training opportunity for them. But, a concern was expressed about creating intern positions as a way to circumvent the living wage requirements. The City needs to create a definition for internships. **ACTION:** Bob Peirson to find out what the special permit that Work Inc. holds.
- XII. Cost of the Living Wage Program. Purchasing has modified the Living Wage Certification form to capture the additional cost and employee benefit information and will start tracking this information for FY '09. Further discussion of the cost affect on services was tabled.
- XIII. Adjournment: 7:15

Next meeting is scheduled for July 23, 2008 at 5:00 P.M.