

City of Santa Barbara

**LIVING WAGE ADVISORY COMMITTEE
MEETING MINUTES**

Committee members Hillary Blackerby, Larry C. Lee, Anna M. Kokotovic, and Allen Williams were present.

Public Comments: None

Minutes from the January 16, 2008 meeting were approved as is.

Discussion of Living Wage Survey Results

- a. Benefit survey: Nine firms indicated that their employees benefited from the Living Wage program (**Peterson's Tree Care, Cambron Roofing, Paysage, West Coast Arborists**, Derrick's Roofing, Rich & Famous, Progressive Environment, **Environscape**, and **Mission Security & Patrol**). A survey was sent to the firms to better determine to what extent their employees benefited. The six firms in bold responded. Only Mission Security & Patrol claimed the reduced rate for the insurance benefit. All others paid the higher hourly rate, \$14.00.
 - i. Discussion:
 1. Were living wages incorporated into the Airport parking contract?
 2. What are the new living wage rates?
 - ii. Actions
 1. Bill to verify with Bob or directly with the Airport.
 2. Bill to check with Bob to see if the CPI index for Urban Wage Earners and Clerical Workers has been published.

- b. Living Wage Verification: a request to provide documentation of the payment of living wages was sent to three firms (Mendez Carpet Care, Economy Tree, and Mission Security & Patrol). Only Mendez provided the requested information. Second letters were sent to the other firms requesting that they provide documentation by Monday, April 21, or risk termination of their existing contracts and debarment from receiving future contracts.
 - i. Discussion:
 1. We should consider implementing fines to offset the City's costs when firms are found to be in violation.
 2. Suggested that we compare sign-in logs and/or video from the water treatment plant to verify the personnel listed in Mendez's payroll were assigned and working on the City's account.
 3. Suggested that we review Mission Security & Patrol's insurance plan to see if it is in compliance with the ordinance's requirements. Because of the confusion surrounding the insurance requirements, there should be retroactive fines or adverse actions taken.
 - ii. Action:
 1. Bob to discuss audit procedure at next meeting.

- c. Living Wage classification
 - a. The Public Works department had a concern about incorporating both living wage and prevailing wage requirements into contracts and held a meeting with Purchasing and the City attorneys. The outcome of the meeting was that only one of the provisions should be included in requests for bids and into contracts. The committee felt that the service providers should pay the higher of the two rates and Allen mentioned that there is a prevailing wage category for janitors, which is lower than the City's living wage rates.
 - b. Action: Invite one of the attorneys to the next meeting to explain why the City should not have both provisions.

- d. Living Wage Incentive Questionnaire was approved.

- e. Insurance Requirements
 - i. The living wage ordinance requires insurance plans offered to be comparable to the City's insurance plans (i.e., no cost for the premium, same out-of-pocket expenses, etc.) to qualify for a lower hourly rate.
 - ii. Discussion was that the living wage program is more than wages -it is compensation. Suggestions included 1) simplifying the insurance requirements to encourage coverage and 2) reviewing the wage rates and making adjustments to provide a greater incentive to provide insurance coverage.

- f. Public Service Announcements
 - a. Discussion: Place a PSA on City TV as well as other stations and develop a radio PSA message (English and Spanish).
 - b. Action: Bill to draft PSA for discussion.

- g. Discussion of status report to City Council
 - a. Evaluate the possibility of eliminating the non-profit exemptions to level the playing field. Low skill workers are being displaced by other low skill workers that are being paid less than living wages. For example, the Waterfront department uses a non-profit for janitorial services at the harbor. Firms required to pay living wages for the same type of services cannot compete. Anyone doing work for the City should be paid a living wage.
 - b. Simplify the insurance requirements to qualify for a lower rate.
 - c. Establish a flat rate and eliminate the tiers. This prompted a decision about awarding contracts on best value instead of the low bid mentality.
 - d. The City should lead by example and pay all City employees a living wage.
 - e. Cost of administering the program. Currently the cost to administer the program is minimal because we have not fully implemented the compliance portion. It is requested that staff track time for future cost/benefit analysis.

Next meeting is scheduled for Wednesday, June 11, 2008, at 5:00 PM.