



City of Santa Barbara
LIVING WAGE ADVISORY COMMITTEE
MEETING MINUTES

for

Wednesday, November 18, 2015

3:00PM

City Hall, Room 15

735 Anacapa Street, Santa Barbara, California

www.SantaBarbaraCA.gov

I. Call to order: **3:05p.m.**

II. Roll Call: Richard Flacks Anna Kokotovic Gabe Dominocielo
 Ken Oplinger Mario Quezada Gregory Freeland

Council Liaison: Cathy Murillo

Staff: Greg Corral Bill Hornung _____

III. Public comment: None. **Members of SEIU Local 620 were in attendance.**

IV. Review and approve the September 30, 2015 meeting minutes: **Gabe moved and Richard seconded to approve the minutes. Unanimously approved**

V. Old Business

a. Wage Tiers

- i. Review and discuss proposed language to change the ordinance to a single wage tier.
- ii. Discuss the wage rate for the single tier.
The draft language was accepted. The Committee wants the single tier to be the current highest tier of \$16.70. They feel that the higher rate should be used since companies are required by law to provide insurance and if a small employer is exempt their employees are required to get their own insurance. The Committee would not support a lower wage tier as being the outcome of this process. They also felt that since most of the contractors already pay at the highest tier this should have minimal impact on cost and that a lower wage would not be a living wage.

There are two ways the Committee can bring its recommendation to Council. One is to get two Council members to request an item to be added to the Council agenda or staff can write a letter on behalf of the Committee to the Mayor. Motion was made by Richard and approved to support staff's draft

changes to the ordinance and to have Council vote on each change separate: single wage tier, fines, and hearings. Bill recommended combining the fines and hearings into one action because they are related. The Committee agreed and the motion was approved. However, the Committee wants the opportunity to add their recommendation if staff's recommendation has an hourly rate lower than \$16.70.

Dollar threshold for triggering Living Wage requirements

- i. Review and discuss a report of vendors that would be subject to the living wage requirements if the annual threshold was eliminated.
 - ii. Discuss whether or not to change or eliminate the threshold.
The Committee reviewed a report on the type of contracts and dollar values that would be subject to the Living Wage if the threshold was eliminated. The last time this was discussed some businesses said that it would be cost prohibitive and a disincentive to enter into small contracts with the City if the Living Wages were required on all contracts because of the administrative cost of setting-up special pay rates and the morale issues it creates with other employees that are paid at a lower hourly rate. Another problem is that this would greatly expand the audit pool and it is very labor intensive for Purchasing to chase down and follow-up on the Living Wage Certification reports, wage reports, etc. and there is insufficient staffing to take on the additional workload. Gabe said this appears to too cumbersome for staff. Richard moved and the Committee voted to table this for future discussion.
- c. Number of City employees being paid less than the Living Wage
- i. Gabe reported that 578 employees in Units 17 & 18 are being paid less than \$16.70 per hour.
This is something that Gabe felt was important to point out. The City requires a contractor to pay a Living Wage but exempts itself. There are 578 people being paid below a Living Wage because the City feels it is too expensive.
- d. Hear and discuss a report from Dick Flacks on the demographics of Unit 18, which is represented by SEIU.
SEIU Local 620 representatives provided information. They said the union members are part-time (hourly), working 20 to 30 hours per week, with an annual maximum of 960 hours per year. About 90% of the workforce SEIU represents in that unit makes less than \$12.00 per hour. SEIU provided a handout of the jobs listed in their contract and highlighted jobs that are paid more than a Living Wage. The City sets the maximum annual hours to avoid paying retirement benefits. Many of the members are retired or college students but some of the retirees rely on the income to make ends meet. Most of the members start off at \$9 per hour (minimum wage) and union dues come out of their earnings without any benefits. The minimum wage is scheduled to go up to \$10 per hour in January 2016. The committee requested and SEIU agreed to provide updates on the statewide minimum wage initiative at each quarterly meeting. The Committee is interested in the potential cost increase to the City to pay everyone a Living Wage realizing there could be compaction issues but was concerned about creating an incentive to lay staff off or automate jobs.
- e. Fines and hearings
- i. Staff confirmed with the City Attorney's Office that the Living Wage Advisory Committee could hear cases of violations and will be drafting revisions to the ordinance for consideration by Council.
 - ii. Review and discuss proposed revisions to the ordinance to include fines for non-compliance.

- iii. Discuss the hearing process and hearing committee composition.
The City Attorney was ok with the Committee being the hearing body for violations. The Committee requested more information on the hearing process and requested the City Attorney to attend the next meeting.

VI. New Business

- 1) Discuss Living Wage audit policy
The committee accepted the draft audit policy.
- 2) Election of a Vice-Chair.
Gabe was elected the vice chair.
- 3) Establish the meeting schedule for the 2016 calendar year.
Meetings will be held on Wednesdays at City Hall Room 15 at 3:00 p.m.: February 17, May 18, August 17, and November 16.

Topics for the next meeting: Discussion with the City Attorney on the hearing process and a report on audit findings.

VII. Adjournment: **4:30p.m.**