



City of Santa Barbara
LIVING WAGE ADVISORY COMMITTEE
REVISED MEETING MINUTES

for

Wednesday, May 30, 2018

3:00PM

City Hall, Room 15

735 Anacapa Street, Santa Barbara, California

www.SantaBarbaraCA.gov

I. Call to order: **3:00 p.m.**

II. Roll Call Richard Flacks, Vice Chair May 2019 Anna Kokotovic, Chair May 2019
 Gabe Dominocielo Ken Oplinger Mario Quezada
 Gregory Freeland Irene Ann Robinson

Council Liaison: Kristen Sneddon

Staff: Greg Corral Bill Hornung _____

III. Public comment:

- a. **Alan Williams/Big Green:** Concerned about the lack of enforcement/auditing of contractors since the auditing budget was eliminated during the budgeting process. He was also concerned about non-profits potentially competing against for-profit contractors for janitorial service contracts.
- b. **Committee:** How many non-profits does the City contract with?
- c. **Bill:** I am only aware of UCP Work (aka Work, Inc.) being contracted for services that are provided by the private sector. Their contract for janitorial services was approved as a sole source in accordance with the City's purchasing policy and procedures. UCP services people that have mental and/or physical disabilities to help them work and live independently.

IV. Review and approve the September 6, 2017 meeting minutes: **Unanimously approved**

V. Old Business

- a. Make the Living Wage Forum video available to the public:
Members from the public said that it was difficult to find the video on the City's website.
Bill: Sent an email to City Administrator's Office (Nina) on June 5 asking if a link to the video or to the Living Wage page can be added to the City's landing page. Sent a second email on August 1.
- b. Discussion with non-profits and other stakeholders about ramifications of eliminating the non-profit exemption
Anna: read statements from two organizations with differing opinions on making paying a living wage mandatory. The *Human Services/CDBG* program stated that making it mandatory could negatively impact struggling non-profits. *CLUE* (Clergy and Laity United for Economic Justice) stated that non-profits should pay a living wage as a social justice issue.

Non-profits: Several non-profits were present and sought clarification on how the Living Wage requirement would be applied to them if their exemption was removed. They were concerned about how eliminating their exemption would affect them. The Sarah House used a grant to partially pay the salary of their house manager. Would only the manager be subject to the Living Wage requirements or would it apply to all employees at Sarah House? UCP, a sheltered workshop, does job training for people that have mental and/or physical disabilities. Although they are exempt from paying a minimum wage, they pay their trainees the minimum wage. A requirement to pay a higher wage, a Living Wage, would not be reimbursed by the State. Many of their trainees can only work limited hours due to their disabilities. They said that they would not be competitive if they had to pay a Living Wage to its trainees and that the higher wages would cause their trainees to lose other benefits, which would exceed the value of the higher wages. Due to the trainees' disabilities, UCP has to assign more trainees and they require more supervision to get the work done. Karl Treiberg from the Waterfront said requiring UCP to pay a Living Wage on their janitorial contract would double the cost. Trinity Episcopal Church spoke in favor of lifting people out of poverty by paying workers a Living Wage.

Anna: The committee could carve out exemptions for specific non-profits such as sheltered workshops.

Staff: When the City contracts for services, the City can audit payroll records of the employees working on/assigned to the contract. Since the City does not generally contract with non-profits (only aware of UCP), auditing for compliance would be difficult. What workers would be audited since they are not directly providing a service to the City?

VI. New Business

1) Discussion with SEIU regarding their members receiving less than a Living Wage:

Thomas Welch/SEIU: Spoke about concerns with members in the hourly unit such as Parking Attendants being paid less than a Living Wage and having their hours restricted to 1,000 hours so that they do not qualify for benefits. Often, these positions are a full time position that are staffed by 3 or 4 people during a fiscal year. He also spoke about unpaid internships in Environmental Services. He also stated that recreational jobs are exempt and referred to the outsourcing of the golf course to a private contractor.

Dick: Are the members of hourly unit represented and does SEIU bargain for them?

Thomas: Yes. There is a bargaining unit and they have a contract with the City. But, the unit is under represented because employees must work a minimum number of hours to be represented. By the time they earn enough hours for representation, the 1000 hour limit is up. Each bargaining unit bargains on their own (Thomas does not represent the hourly unit).

Dick: The ordinance exempts unions.

2) Develop the 2018 calendar year meeting schedule: **Meetings scheduled Sept. 12, 2018 and Jan. 16, 2019 at 3 p.m. in Room 15**

3) New Living Wage Rates for FY 2019: **Bill emailed the new rates to the committee and was asked to re-email them. Resent the new rates on August 1.**

4) Recruitment Status: **The Owner/Manager of a Business within City limits seat is going to be open since it appears that Gabe is not going to re-apply.**

5) Discussion on Contractor Compliance:

Committee: Expressed concern about the elimination of \$3,000 budget for compliance audits.

Big Green: Feels that the City should do automatic audits of the contractors with winning bids when the winning bid differential exceeds 20% and that some of his unnamed competitors are forcing their employees to work off of the clock. He wants the automatic audits to include employee interviewers because off the clock with not be discovered by reviewing payrolls. Self-policing is hard.

Staff: The 20% threshold is arbitrary and may greatly increase the number of audits. If the committee wants to increase the number of audits and include employee interviews, a larger budget would be needed. Automatic audits would be time consuming and difficult since the contractor has not performed any work but audits could take place at some future point. A pre-award audit would be extremely time consuming and would require an analysis of the business structure since each bidder would have different direct and indirect costs, and bidding strategies. Also, some workers would be reluctant to speak to the City out of fear of losing their jobs. The City has been primarily auditing janitorial companies, landscaping companies, and security guard services.

6) Future agenda items:

a. Impact of Rising Minimum Wage on Living Wages

Dick: Living Wage may be obsolete due to the raising minimum wage.

b. Simplifying the Living Wage tiers

VII. Adjournment: **4:50 p.m.**