



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: June 20, 2017

TO: Carolyn Lehr, City Manager

FROM: Lisa Lopez, Human Resources Director

SUBJECT: **Resolution Of The City Council Of The City Of Emeryville Adopting The Fiscal Year 2017/18 Living Wage Rate Pursuant To The City Of Emeryville's Living Wage Ordinance, Chapter 31 Of Title 5 Of The Emeryville Municipal Code**

RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution to set the 2017/18 Living Wage rate, pursuant to the City of Emeryville's Living Wage Ordinance, Chapter 31 of Title 5 of the Emeryville Municipal Code.

DISCUSSION

The City's Living Wage Ordinance was adopted in November 2006, and is found in Chapter 31 of Title 5 of the Emeryville Municipal Code. "Living Wage" is an hourly wage level that sets wages at a level higher than the Federal or State minimum wage. The City of Emeryville's Living Wage Ordinance specifies that the City, city service contractors, subcontractors, and employees and contractors who are recipients of City financial assistance, pay covered employees a wage of no less than the living wage as set forth by the ordinance.

Pursuant to the Living Wage Ordinance, the Living Wage rate can be no less than \$12.00 per hour (including wages and health benefits.) The Living Wage rate is also to be adjusted annually on July 1st to reflect the 12-month average in the Consumer Price Index for All Urban Consumers (CPI-U) in the San Francisco-Oakland-San Jose Metropolitan Statistical Areas (MSA) for the preceding year from March to February, for which the increase may not exceed 3 percent in any one year. The annual Living Wage rate is adopted by City Council resolution.

To calculate the percentage used to increase the rate, staff reviewed the CPI-U for San Francisco-Oakland-San Jose MSA, for the preceding period. Computing the 12-month average of the six indexes for the period March 2016 to February 2017, resulted in a 12-month average of 3.0%* (see below).

Reporting Months	Percent Change
April 2016	2.7%
June 2016	2.7%
August 2016	3.1%
October 2016	3.6%
December 2016	3.5%
February 2017	<u>3.4%</u>
TOTAL	19.0%

Average % Change $(19.0 \div 6) = 3.16667\%$

**As the ordinance states that the increase may not exceed 3%, the percentage change is reduced to the maximum rate of 3%.*

The Living Wage rate for 2016- 2017 was \$14.83. Applying the 12-month average of 3.0%, results in a Fiscal Year 2017/18 Living Wage rate of \$15.27 per hour.

FISCAL IMPACT

There are no fiscal impacts to the City's budget.

STAFF COMMUNICATION WITH THE PUBLIC

None

CONFLICT OF INTEREST

None

CONCLUSION

Staff recommends that the City Council adopt the resolution which sets the Fiscal Year 2017/18 Living Wage Rate at \$15.27 per hour, pursuant to the City of Emeryville Living Wage Ordinance, Chapter 31 of Title 5 of the Emeryville Municipal Code.

PREPARED BY: Lisa Lopez, Human Resources Director
Lori Elefant, Management Analyst

**APPROVED AND FORWARDED TO THE
CITY COUNCIL OF THE CITY OF EMERYVILLE:**



Carolyn Lehr, City Manager

ATTACHMENTS

1. Resolution