



# City of Emeryville

CALIFORNIA

## MEMORANDUM

**DATE:** June 16, 2020  
**TO:** Christine Daniel, City Manager  
**FROM:** Trish Raver, Human Resources Director  
**SUBJECT:** **Resolution of the City Council of the City of Emeryville Adopting the 2020 – 2021 Living Wage Rate Pursuant to the City of Emeryville’s Living Wage Ordinance (Emeryville Municipal Code, Title 5, Chapter 31)**

### RECOMMENDATION

Staff recommends that the City Council adopt the above-entitled resolution accompanying this report which will set the 2020 – 2021 Living Wage rate, pursuant to the City of Emeryville’s Living Wage Ordinance (Emeryville Municipal Code, Title 5, Chapter 31).

### BACKGROUND

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, 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 1<sup>st</sup> to reflect the 12-month average in the Consumer Price Index for All Urban Consumers (CPI-U) in the San Francisco-Oakland-Hayward Metropolitan Statistical Areas (MSA) for the preceding year from March to February, for which the increase may not exceed three percent (3%) in any one year. The annual Living Wage rate is adopted by City Council resolution.

### DISCUSSION

To calculate the percentage used to increase the rate, staff reviewed the CPI-U for San Francisco-Oakland-Hayward MSA, for the preceding year. Computing the 12-month average of the six indexes for the period March 2019 to February 2020, resulted in a 12-month average of 3.0%\* (see below).

Reporting Months	Percent Change
April 2019	4.0%
June 2019	3.2%
August 2019	2.7%
October 2019	3.0%
December 2019	2.5%
February 2020	<u>2.9%</u>
TOTAL	18.3%

Average % Change  $(18.3 \div 6) = 3.05\%^*$

*\*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 2019 – 2020 was \$16.20. Applying the 12-month average of 3.0% to the FY19/20 Living Wage rate of \$16.20, results in a Fiscal Year 2020/21 Living Wage rate of \$16.69.

The Living Wage Rate will be lower than the Minimum Wage Rate (\$16.69 vs. \$16.84). The Living Wage rate includes both wages and health benefits whereas the Minimum Wage Rate only includes wages.

The Living Wage rate applies only to City of Emeryville employees and parties who do business with the City or receive financial assistance from the City (i.e., grants, loans, loan guarantees, in-kind services, waivers of City fees, real property or other valuable consideration in the amount of more than \$100,000 within the City's fiscal year). The Minimum Wage Rate applies to both large employers (this would include City employees) and small businesses within the City limits (as defined in the ordinance).

## **FISCAL IMPACT**

There are no fiscal impacts to the City Budget as the Minimum Wage Rate exceeds the Living Wage Rate.

## **STAFF COMMUNICATION WITH THE PUBLIC**

Information on the new Living Wage Rate was posted on the City Website.

## **CONFLICT OF INTEREST**

None

## **CONCLUSION**

Staff recommends that the City Council adopt the resolution which sets the Fiscal Year 2020/21 Living Wage Rate at \$16.69 per hour, pursuant to the City of Emeryville Living Wage Ordinance (Emeryville Municipal Code, Title 5, Chapter 31).

**PREPARED BY:** Trish Raver, Director of Human Resources  
Lori Elefant, Management Analyst

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



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Christine Daniel, City Manager

**ATTACHMENTS**

- Draft Resolution