



County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number:
(This Section for use by Clerk of the Board Only.)

To: Board of Supervisors, Board of Directors of the Sonoma County Water Agency, Board of Commissioners of the Community Development Commission, Board of Directors of the Sonoma County Agricultural Preservation and Open Space District, and Board of Directors of the Northern Sonoma County Air Pollution Control District

Board Agenda Date: December 8, 2015

Vote Requirement: Majority

Department or Agency Name(s): County Administrator

Staff Name and Phone Number:

Veronica Ferguson 565-2241

Supervisory District(s):

All

Title: Living Wage Ordinance

Recommended Actions:

Adopt a Resolution introducing, reading the title of, and waiving further reading of a proposed ordinance adding Article XXVI to Chapter 2 of the Sonoma County Code to provide for payment of a living wage, and withdraw the Living Wage Ordinance introduced on June 9, 2015. (First Reading)

Executive Summary:

This report brings forward a living wage ordinance that stipulates a base hourly wage for individuals working for and contracting with the County. The recommended ordinance includes a \$15 living wage rate that would be effective July 1st, 2016, for all county employees and for-profit contractors. It also includes a path to \$15 an hour for employees of nonprofit contractors. The ordinance will apply to contractors who have a combined value of \$25,000 or more in contracted services with the County, and who meet the required organizational size. If the Board adopts the resolution introducing the recommended ordinance, the second reading and adoption of the ordinance will be scheduled in December of 2015.

Background

On June 9, 2015, the Board accepted an update on investments in poverty reduction strategies throughout county departments and adopted a resolution introducing an ordinance to provide for payment of a living wage. Following that meeting and feedback from a number of community partners, the Chair formed a Living Wage Ad Hoc Committee in August of 2015 to study possible amendments to provisions proposed in the June 9, 2015, ordinance and additional living wage ordinance provisions, with Chair Susan Gorin and Supervisor James Gore serving on this committee. Additionally, Supervisor Shirlee Zane was designated to work with the County's nonprofit partners to identify a path to include them in the ordinance.

Over the past three months, the Ad Hoc has conducted a series of meetings with County staff and community members to examine many of the proposed provisions in the June 9th ordinance and those of other cities and counties, as well as the draft ordinance produced by living wage advocacy group North Bay Jobs with Justice (NBJWJ). This group included representatives from a number of local labor, environmental, faith-based, and political organizations.

The Ad Hoc spoke with Supervisors and other representatives from Santa Clara, Santa Cruz, and Marin counties about their experience with their living wage ordinances, and considered policy options for 16 different provisions. All three counties described smooth transitions when implementing their ordinances, with few of the concerns expressed at the onset realized.

In addition, Supervisor Zane conducted outreach with the County's nonprofit organizations, providing an opportunity for them to share their concerns and unique challenges related to inclusion in the ordinance. Over 60 nonprofit partners were invited to attend a series of three meetings. Fifteen to thirty individuals attended the meetings, with many others providing comments via email. Additional language was developed to phase in the nonprofit organizations, with some specific exemptions for nonprofits that address the challenges identified through the engagement process.

The information gathered over this time resulted in a number of proposed changes to the ordinance that was introduced by this Board on June 9th. The issues considered by the Ad Hoc or during the nonprofit engagement process are discussed in more detail with policy options in Attachment A. Policy option A is the option contained in the recommended ordinance, policy option B is the option contained in the June 9th ordinance, and policy option C is the option recommended by NBJWJ. A summary chart comparing the June 9th ordinance, the currently recommended ordinance, and the NBJWJ ordinance is also included.

Additionally, two charts were developed that summarize the provisions of the three Sonoma County cities that have living wage ordinances, and the provisions of the three California county ordinances that the Ad Hoc conferred with (Attachment B).

An estimate of the fiscal impact to the County of the proposed ordinance is also included (Attachment C). It includes an estimate of the direct cost to the County based on increased wages to County employees as well as the anticipated cost that would be passed on by for-profit and nonprofit contractors with the County. Due to the phase-in approach proposed for the nonprofit organizations, the estimate includes costs for year one, year two (when nonprofits would begin their phase in at \$13 per hour), and full implementation when all subject to the ordinance reach the \$15 per hour wage rate.

Attachments D through I include the draft ordinances, resolutions, and alternative language for all of the policy options outlined in Attachment A.

If a living wage ordinance is adopted, staff will monitor contracts in year one to determine impacts, including actual costs, and will include that information when they return to the Board with the first annual report as required by Section 2-383 in the draft ordinance.

Actions

The recommended action is to adopt the currently proposed living wage ordinance (Attachment D).

Alternatively, the Board could adopt the Living Wage Ordinance introduced on June 9, 2015 (Attachment G), direct staff to return with an ordinance containing a combination of the policy options outlined in Attachment A, or take no action at this time.

Prior Board Actions:

August 11, 2015: The Board formed a Living Wage Ad Hoc to study the living wage ordinance provisions.

June 9, 2015: The Board accepted an update on investments in poverty reduction strategies and adopted a resolution to introduce and waive the reading of the proposed ordinance.

November 24, 2014: The Board accepted a report on strategies to reduce poverty in Sonoma County, and directed the County Administrator to return with a Living Wage Ordinance and prioritize strategies to address poverty in the FY 15-16 budget in the amount of \$1 million.

Strategic Plan Alignment Goal 1: Safe, Healthy, and Caring Community

Strategies to address poverty, including living wage ordinances, are directly linked to the County's Safe, Healthy, and Caring Community goal, which includes the desired outcome of community members who are sheltered and socially supported.

Fiscal Summary - FY 15-16

Expenditures		Funding Source(s)	
Budgeted Amount	\$		\$
Add Appropriations Req'd.	\$	State/Federal	\$
	\$	Fees/Other	\$
	\$	Use of Fund Balance	\$
	\$	Contingencies	\$
	\$		\$
Total Expenditure	\$	Total Sources	\$

Narrative Explanation of Fiscal Impacts (If Required):

The proposed ordinance is drafted to go into effect July 1, 2016, so there is no anticipated fiscal impact for FY 15-16. Depending on the provisions of the final ordinance, estimated cost to the County and other agencies is approximately \$271,180 in the first year, and would come from a number of sources depending on the contracting department or agency. Cost to the County once nonprofits are fully implemented at the \$15/hour rate is estimated at \$981,039.

Staffing Impacts			
Position Title (Payroll Classification)	Monthly Salary Range (A – I Step)	Additions (Number)	Deletions (Number)
Narrative Explanation of Staffing Impacts (If Required):			
As drafted, minimal staffing impacts are anticipated. If administration of the Ordinance becomes more time-consuming than predicted, or provisions are adopted that require more significant staff time, then staff will return to the Board for a request for additional allocations and associated appropriations.			
Attachments:			
Attachment A – Summary of Provisions and Comparison Chart Attachment B – Comparison City and County Charts Attachment C – Estimated Fiscal Impacts of Living Wage Ordinance Attachment D – Recommended Ordinance Attachment E – Resolution to introduce recommended ordinance Attachment F – Legislative Digest of proposed changes to the ordinance Attachment G – Ordinance Introduced on June 9, 2015 Attachment H – Concurrent Resolution Making Living Wage Ordinance Applicable to Independent County Agencies Attachment I – Additional alternative policy language			
Related Items “On File” with the Clerk of the Board:			