



Office of the Mayor

CONSENT CALENDAR
April 30, 2013

To: Members of the City Council
From: Mayor Tom Bates
Councilmember Jesse Arreguin
Councilmember Kriss Worthington
Subject: Increase the Minimum Wage in the City of Berkeley

RECOMMENDATION:

Request the City Manager draft a minimum-wage ordinance and submit it for review and consideration by the Labor Commission. This ordinance should be similar to the one instituted by the City of San Francisco that came into effect in 2013.

FISCAL IMPLICATIONS OF RECOMMENDATION:

No general fund impact, but it will increase the purchasing power of minimum-wage workers and have costs to employers of minimum-wage workers.

BACKGROUND:

The state minimum wage is currently \$8.00 per hour. With this wage, an employee in California working a full-time, 40-hour work week for 52 weeks a year would earn only \$64.00 per day or \$16,640.00 per year. The current pre-tax “very low income” threshold for the Oakland-East Bay region is \$31,250.00 for a single-earner household.

Working with Raise the Wage East Bay, a coalition of citizen and labor groups, the citizens of San Jose voted in November 2012 to raise the minimum wage in their city to \$10 per hour, including an annual cost of living adjustment. The minimum wage in the City of San Francisco is now \$10.55 per hour, which also includes an annual cost of living adjustment.

The City of Berkeley has already adopted a Living Wage ordinance requiring \$9.75 per hour plus \$1.62 per hour for benefits or \$11.37 per hour without benefits. This living wage only applies to firms that do business with the City of Berkeley. Given that the cost of living in the City of Berkeley, and the East Bay in general, is far higher than the state average, payment of an adequate minimum wage advances the interests of the City as a whole.

This item requests staff develop a city-wide minimum wage ordinance using the City of San Francisco’s base rate of \$10.55 per hour, to include an annual cost of living adjustment with review by the Labor Commission.

<http://www.sanJoseca.gov/index.aspx?NID=3491>
<http://sfgsa.org/index.aspx?page=411>

CONTACT PERSON:

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