

**ECONOMIC DEVELOPMENT  
AND TECHNOLOGY  
COMMITTEE**

**DECEMBER 10, 2015  
CORRESPONDENCE**

**Flores, Valerie**

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**To:** Flores, Debra  
**Subject:** RE: Minimum Wage Increase

-----Original Message-----

**From:** Tanya Christos [<mailto:tanya2ees@yahoo.com>]  
**Sent:** Thursday, December 10, 2015 5:08 PM  
**To:** City\_Council  
**Cc:** Paul & Mary Ann Mallis  
**Subject:** Minimum Wage Increase

Dear City Council Members -

As a small business owner and restaurateur in Pasadena for over 30 years, we ask that you reconsider passage of the minimum wage increase to \$15 per hour. Although we support a living wage for all individuals, small businesses have had to endure multiple increases in employee costs over the last few years. Every \$1/hour increase equates to \$80,000 in just payroll costs before payroll taxes and workman's compensation calculations are determined. With the addition of mandatory 3 day paid sick leave and mandatory health insurance for employers with over 50 full time employees, we have seen this year's profits reduce from a normal 10% to just 1% for 2015. Operating a business with just a 1% profit before major building and equipment repairs hardly makes a living wage for the small business owner who also has a family to support.

We take pride in owning a business in our beloved Pasadena but a \$15/hour minimum wage without consideration of the recommendations made by the California Restaurant Association is foolish. This increase will at the very least incur double digit price increases which will affect those whose wages have increased and the very worst closing of many long time restaurants and small businesses which leads to a loss of jobs for those whose wages were increased.

We beg you to please reconsider this minimum wage increase and the implications it will have on Pasadena and the survival of small business owners and restaurateurs.

Thank you for your time and consideration.

Paul Mallis  
Delphia Inc | Burger King #2274 & #9683  
c. 626 379 2300  
w 626 792 5577 x16  
f 626 792 1511

Flores, Valerie

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To: Tornek, Terry  
Subject: RE: LIVING WAGE

On Dec 8, 2015, at 9:24 PM, "[lacretascott@aol.com](mailto:lacretascott@aol.com)" <[lacretascott@aol.com](mailto:lacretascott@aol.com)> wrote:

Dear Mayor Tornek,

We are constituents and voters in the City of Pasadena. We live at 610 South Orange Grove Boulevard.

Jack is a former legislator; he served as an assemblyman and he was a state senator until he was termed out.

We strongly believe that raising the minimum wage in yearly incremental steps starting on July 1, 2016. The wage should be at least up to \$15.00 per hour and provide for annual cost of living included beginning in 2022.

We urge you to take a strong position and vote in favor of a Pasadena minimum wage ordinance as Los Angeles has done.

Jack and Lacreata Scott

**Flores, Valerie**

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**To:** Tornek, Terry  
**Subject:** RE: Raising the Minimum Wage in Pasadena

-----Original Message-----

From: Tornek, Terry  
Sent: Thursday, December 10, 2015 11:01 AM  
To: Mary Elizabeth Perry  
Subject: Re: Raising the Minimum Wage in Pasadena

> On Dec 9, 2015, at 12:54 PM, Mary Elizabeth Perry <[meperry3112@gmail.com](mailto:meperry3112@gmail.com)> wrote:

>

> Dear Mayor Tornek,

>

> My husband and I have been residents of Pasadena for 49 years and realize the importance of increasing a minimum wage for the thousands of people who work here. Personally, I know many people who are struggling to feed their families and survive. All too often the families that fall too far in debt are those with only a single parent trying to work full time. Please use your influence with the City Council to be certain that this city of ours will be able to gradually increase the minimum wage as the City and County of Los Angeles have already done.

>

> Sincerely,

> Mary Elizabeth Perry

> 296 Redwood Dr., Pasadena, CA 91105

**Jomsky, Mark**

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**From:** Kornelija O'Faolain <kof@theparkwaygrill.com>  
**Sent:** Thursday, December 10, 2015 2:18 PM  
**To:** City\_Council  
**Subject:** Pasadena minimum wage

To whom it may concern,

Thank you for making everyone's voice count. Please allow the minimum wage increase subject to be a longer process where all of us can contribute with data and observe the results and consequences.

That will, in my opinion, ensure more security in the local employment rate, support small businesses over large restaurant chains.

Let's make an effort for a dialogue, include a relevant number of people from the industry to tell their story, give equal gravity to each side.

Thank you,  
Kornelija

--  
Kornelija O'Faolain  
General Manager  
tel: 626.795.1001  
[kof@theparkwaygrill.com](mailto:kof@theparkwaygrill.com)



**Jomsky, Mark**

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**From:** Brian O'Neil <ddscls@calinen.com>  
**Sent:** Thursday, December 10, 2015 2:45 PM  
**To:** City\_Council  
**Subject:** Minimum Wage

Dear Council Members,

The entity of Dy-Dee Service & California Linen Services has a little over 100 employees and most are low skilled positions. We have a great relationship with all our employees and many have been here over 25 years. Please consider the effect a rapid increase in the minimum wage rate will have on small businesses like ours. It's not just the lowest paid worker who gets a raise increase, it's everyone above them too. Labor is our number one expense. Many of our customers are also small businesses so if we raise our prices to absorb rapid wage increases, then our customers will find alternatives – either not use our products or switch to other providers with lower wage rates. Please slow down the process. If we lose business, then fewer employees will be hired and it will be difficult for those people to find jobs.

Thank You,

**Brian O'Neil**

President

California Linen Services

Dy-Dee Service

40 E California Bl

Pasadena, CA 91105

Ph 626-240-0115

[www.calinen.com](http://www.calinen.com)

[www.dy-dee.com](http://www.dy-dee.com)

**Jomsky, Mark**

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**From:** tkt <toni.taylor@smithbrothersrestaurants.com>  
**Sent:** Thursday, December 10, 2015 2:56 PM  
**To:** City\_Council  
**Subject:** Minimum Wage

To whom it may concern,

Thank you for making everyone's voice count. Please allow the minimum wage increase subject to be a longer process where all of us can contribute with data and observe the results and consequences. That will, in my opinion, ensure more security in the local employment rate, support small businesses over large restaurant chains.

Let's make an effort for a dialogue, include a relevant number of people from the industry to tell their story, give equal gravity to each side.

Thank-you,  
Toni K Taylor...Mgr.  
Seco  
140 S. Lake Ave.  
Pasadena, Ca. 91101

**Jomsky, Mark**

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**From:** Flores, Debra  
**Sent:** Thursday, December 10, 2015 3:32 PM  
**To:** Jomsky, Mark  
**Cc:** Reese, Latasha  
**Subject:** FW: Minimum wage \$15

Sorry - accidentally left one out.

-----Original Message-----

**From:** christina Anastasia Karagias [<mailto:christinaanastasiakaragias@gmail.com>]  
**Sent:** Thursday, December 10, 2015 12:50 PM  
**To:** City\_Council  
**Subject:** Minimum wage \$15

Dear City Council

The minimum wage being raised to \$15 will harm low wage earners and teens.

I hire young people and the less educated in my restaurants which gives these individuals work experience .

Work experience is vital and is used within my organization for monetary advancement and personal growth.

If the minimum wage is raise to \$15 I will be forced to hire more skilled workers to justify the higher rate.

Joblessness & Crime will increase in Pasadena if the \$15 minimum wage is adopted.

I suggest allow the market conditions  
& industry determine the rate of minimum pay.

Sincerely,  
Christina Karagias  
Owner  
626 437 3167  
Lucky Boy Hamburgers  
Pacos Mexican Restaurant and Bar  
City Cafe Restaurant and Bar



## **Wage Theft Enforcement Proposal to the Pasadena City Council**

Wage theft is happening every day in the city of Pasadena. Studies estimate that billions of dollars are unjustly withheld from California laborers each year. The loss of only one payment can derail the life of a worker and her family, and has consequences that reverberate throughout the city. Oftentimes, victims of wage theft believe they have no rights to their unpaid wages, are confused by the complex wage claim processes, or are intimidated by predatory employers.

With the passage of the LA County Wage Theft enforcement program, a new set of tools will be put in place to fight against this epidemic. Once the city passes a minimum wage ordinance, the task facing Pasadena and the City Council will be utilizing those tools. If we leave the job of wage enforcement to the County, the current state of affairs will remain unchanged. The problem is too large and requires more resources than the County will provide. Pasadena needs to send a message to workers and businesses: if you work here, you will be paid; and if you steal wages, there will be consequences.

To do this, we propose a comprehensive strategy that prioritizes the allocation of scarce resources for wage theft enforcement in a way that maximizes collaboration between the City Attorney, the District Attorney, the local police department, and community organizations to effectively serve as a force-multiplier and deterrent to adequately enforce new protections.

To that end, we propose four items Pasadena can include in the minimum wage ordinance that would bolster the effort to value work done in our city:

### **1) Establish a Wage Enforcement Field Office**

A legal office developed as a partnership between the City Attorney's Office and the Pasadena Community Job Center would provide an innovative and proactive solution to the rampant wage theft occurring in Pasadena and throughout California.

### **2) Form a Wage Theft Taskforce**

A permanent taskforce comprised of members of the Wage Enforcement Field Office, the police department, city attorneys, district attorneys, and a representative of the new County Office of Wage Standards Enforcement should be created to discuss egregious wage theft cases as well as strategize about how to hold recalcitrant employers responsible.

### **3) Establish Specific Penalties for Violators**

Allow local government licensors to bar employers who violate the law from attaining or holding business licenses beyond the 11 licenses the County controls.

### **4) Launch a Public Awareness Campaign**

Develop and implement a widespread public awareness campaign to educate public officials, prosecutors, enforcement officers and the general public about the steps they can take to combat wage theft in Pasadena.

**Pasadena Wage Enforcement Field Office:**

The field office would consist of one city attorney, one city clerk, one investigator, two organizers from the Job Center deputized as investigators under the LA County Wage Theft enforcement program, and representatives of the local pro bono bar. The goal of the field office would be to assist workers with wage theft claims and hold delinquent employers accountable. Through intakes of wage theft cases arising in the community, the field office could work toward case settlement, apply for administrative relief when necessary, and keep track of relevant Pasadena wage data. In short, the Wage Enforcement Office would act as the local wage enforcement office of Pasadena. To ensure direct community interaction, we propose using space in the Pasadena Community Job Center.

**Wage Theft Taskforce**

In order to maintain regional cooperation, a Wage Theft Taskforce should be established including members of the Pasadena Wage Enforcement Office, the police department, city attorneys, district attorneys, and a representative of the LA County Office of Wage Standards Enforcement. This group would share information about commonly occurring wage theft cases and create a countywide strategy to hold employers accountable. Additionally, the most egregious cases could be recommended for prosecution within this group.

**Establish Specific Penalties for Violators**

All businesses receiving a City benefit or recognition should be screened to ensure that wage theft violators are not eligible. Furthermore, the City Council should pass an ordinance authorizing all departments that issue permits to Pasadena businesses to suspend or revoke permits issued to wage theft violators. Currently the LA County Wage Theft enforcement program includes 11 County-issued licenses, but the City should expand this practice to other local licenses (e.g. occupancy licenses).

**Public Education**

A comprehensive public awareness campaign must accompany the founding of the Pasadena Wage Enforcement Field Office. This includes public advertisements on buses and in newspapers, flyers enumerating the rights of workers whose wages have been taken, and Know Your Rights workshops at the office. Additionally, cases in which the field office, the City Attorney, and the District Attorney have prevailed should be publicized. The city should also use opportunities to create public awareness and enhance public recognition of responsible and irresponsible employers.

**Conclusion**

Pasadena is at a crossroads. Passing a minimum wage ordinance is the first important step toward valuing workers as an integral part of the community. Enforcing that new minimum wage will be equally important. The access to legal remedies this program could provide to the most vulnerable population of Pasadena would ensure that all workers actually benefit from the increase in the minimum wage. It is exactly the kind of change necessary to address the wage theft epidemic occurring today in Los Angeles County and within Pasadena. Acting on these recommendations will send a powerful message that the City Council stands for the workers of Pasadena. And acting together, we will send an equally powerful message to scofflaw employers.

# SheppardMullin

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213.620.1398 main fax  
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213.617.5518 direct  
rsimmons@sheppardmullin.com

December 10, 2015

Re: **The Legality Of A Total Earnings Exemption To Pasadena's Proposed Minimum Wage**

Dear Mayor Tornek, Vice-Mayor Matusda, and City Council Members:

We write to inform you of the legality of adopting a Total Earnings Exemption ("Exemption") to Pasadena's proposed local minimum wage. I am a partner at the law firm of Sheppard Mullin and have been practicing labor and employment law for over 35 years. I have written the best-known book in the wage and hour field, the Wage and Hour Manual for California Employers. I was also appointed by the California Industrial Welfare Commission as a member of several Minimum Wage Boards. Based on this experience, I have significant understanding of the City's legal authority to enact an Exemption to a local minimum wage, if such a minimum wage proposal is adopted.

Under the proposed Exemption, employees who receive taxable earnings at or above the local minimum wage (or some higher hourly amount) would be exempted from the local minimum wage requirement. Here, it makes obvious sense to exempt employees from the local minimum wage who already receive taxable earnings at or above the level deemed to be the "minimum" necessary to provide a sufficient level of income. **In fact, the Internal Revenue Service and Franchise Tax Board treat these sums as taxable earnings from a job and insist that they be recognized as part of gross income.** If these earnings are considered part of the "gross income," there is no reason that they should not also be considered when determining who should be eligible for the minimum wage.

Indeed, common sense supports the notion that employees who receive taxable earnings from their jobs that equal or exceed the minimum amount found appropriate are sufficiently compensated from their jobs, regardless of whether those taxable earnings are in the form of hourly wages, commissions, piece-rate earnings or any other source. For example, if an employee earns \$15 an hour from his or her work, it does not matter whether those taxable earnings are derived solely from hourly pay or a combination of hourly pay, commissions, piece-rate earnings, bonuses, salary or other taxable amounts.

Further, there is no reason for the City to enact an overly broad local minimum wage that is not needed for some employees whose earnings already meet or exceed the desired level and who could be indirectly disadvantaged by a reduction in business and, as a consequence, a reduction in the income generated by that business, e.g., if prices increase due to an overly broad legislated increase in business costs.

We understand that a number of unsupportable legal myths have been circulated about the legality of some exemptions by those who either do not fully understand the law or who are simply opposed to any exemption. Importantly, there is no binding or persuasive authorities on-point stating that it is impermissible for a city, county, or municipality to establish a minimum wage requirement from

# SheppardMullin

Mayor Terry Tornek  
Vice Mayor Gene Masuda  
Pasadena City Council

December 10, 2015  
Page 2

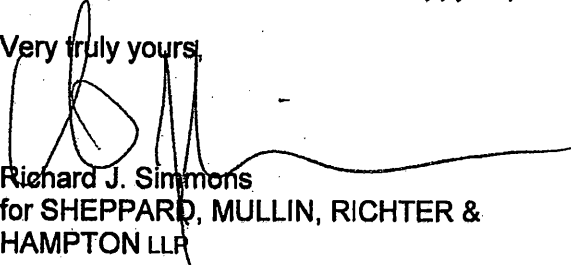
which an exemption is established for all employees who receive total taxable earnings in excess of a specified level. Any suggestion to the contrary is inaccurate and misleading. This issue has inarguably not been litigated or resolved by any appellate court.

Critics of the Exemption may mistakenly rely on Henning v. Industrial Welfare Commission, 46 Cal.3d 1262 (1988), to argue that the City cannot enact an exemption. However, Henning is inapplicable because (1) it did not address an Exemption and exclusively dealt with the legality of a two-tier minimum wage or tip credit indirectly addressed in Labor Code Section 351; and (2) the two-tier minimum wage system in Henning only applied to tipped employees, whereas the proposed Exemption would apply to all employees who receive "total earnings" at or above the level the City finds appropriate. Critics of the Exemption may also cite to Legislative Counsel Bureau Opinion Letter, No. 1528001 to oppose the Exemption. However, like Henning, this letter does not opine on the legality of a specific carve out or exemption for any employee of any employer whose total taxable earnings exceed a specified amount. Further, the letter concedes that there is uncertainty and an absence of directly controlling case law on this issue.

**In sum, there is no legal authority that holds that a local government entity cannot adopt a minimum wage standard that exceeds the state standard while also exempting employees from that standard who do not require it because their earnings are already sufficient.** Accordingly, if the City passes a local minimum wage ordinance, we urge you to adopt a Total Earnings Exemption, which will lessen the financial burden of a minimum wage increase to local businesses, while ensuring that all employees still receive earnings at or above the local minimum wage. This would simultaneously advance the interests of Pasadena's workers, businesses, and the public.

If the City wishes, we would be happy to provide a more in-depth analysis of these issues.

Very truly yours,



Richard J. Simmons  
for SHEPPARD, MULLIN, RICHTER &  
HAMPTON LLP

SMRH:474090517.1

## Jomsky, Mark

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**From:** Paul Pernecky <ppernecky@mac.com>  
**Sent:** Thursday, December 10, 2015 2:34 PM  
**To:** City\_Council  
**Subject:** Pasadena Minimum Wage Increase Consideration

Hello Pasadena City Council.

My name is Paul Pernecky and I am a small business franchisee and resident in Pasadena for over 20 years. I am the McDonald's Franchisee in the city of Pasadena, and have a number of restaurants in Los Angeles City as well.

While I attended the last Economic Development and Technology meeting on minimum wage, I have a conflict and will be unable to attend the hearing tonight Dec 10 at City Hall. However, I would like to offer my perspective on this subject. While we as business owners understand that wages have an opportunity to grow, the pace of the increase is the most concerning part of this conversation. As a member of the Pasadena Chamber, I completely agree with the position presented by the Chamber.

Here are a few of the positions and my thoughts below:

- 1.) With minimum wage in the state going up to \$10 per hour on January 1, 2016, and at least one of two minimum wage initiatives likely on the ballot in November, 2016, let decisions remain at the state level.
- 2.) Observe what impacts there are in other communities before imposing the LA minimum wage scheme on Pasadena. Since I have restaurants in LA, I can tell you I am already increasing my prices and adjusting my employee crew sizes to prepare for the accelerated pace. I really believe, there will be consumers changing their traffic & buying pattern once the prices are so different than the surrounding cities. Also, please look into how this could hurt business growth in the future in our city. As a resident, I hope to see more small business growth in our city and am concerned we will lose some
- 3.) A fair process that brings interested stakeholders together, in equal numbers, to examine, hear testimony, research and make a recommendation that is right for Pasadena. We are a unique city and should stand on our own, rather than copy what Los Angeles City is doing. You as City Council members are smart and I believe responsible to making sure any significant impact on the city residents, work force and businesses should be delicately analyzed.
- 4.) An exemption or training wage for youth in our community so that employment opportunities and work experience still remain in Pasadena for young people. We are an early employer and offer lots of jobs to the high school people. These employees turn over frequently, but are valuable employees. A significant wage increase will cause us to reconsider hiring of these young people since they turnover so frequently, which is costly.
- 5.) No automatic cost-of-living increases as uncontrolled employee expenses that would result would compound the impacts on Pasadena's small, local businesses. Basically, we should always be spending time analyzing the impact of this instead of having an automatic increase. This is always the prudent way.
- 6.) Consideration of rebates and fee waivers from the City of Pasadena to help offset increased costs to businesses.

7.) If the City Council insists on moving forward with a minimum wage increase, do it one step at a time so that impacts can be assessed as implementation moves forward and changes can be made, if necessary.

Thanks for taking this so seriously, and taking the time to consider my thoughts and positions.

Respectfully submitted.

Paul Pernecky  
P.R.Pernecky Mgmt.  
a.k.a. McDonald's - Pasadena Franchisee  
Pasadena resident

## Flores, Valerie

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**To:** Flores, Debra  
**Subject:** RE: Mnimum Wage increase City Council Meeting

**From:** [peggy@luckybaldwins.com](mailto:peggy@luckybaldwins.com) [<mailto:peggy@luckybaldwins.com>]  
**Sent:** Thursday, December 10, 2015 3:18 PM  
**To:** City\_Council  
**Subject:** Mnimum Wage increase City Council Meeting

Unfortunately, I shall be unable to attend tonights Council Meeting on the subject of increasing Minimum wage, but I would appreciate it, if I could submit my comments via email to you.

My name is Peggy Simonian, and I am the owner of Lucky Baldwins Pubs. I have been working in the Pasadena community for almost 20 years now. My business partner and I established our pub in Old town in 1996. At that time we both worked night and day to build our business, as most business owners find they need to do. We had then about 4 employees, and we all worked really hard.

We have 2 establishments in the Pasadena area, and 1 in Sierra Madre. Between all stores I have been able to employ 65 employees. I personally still work everyday, I place my beer orders for each store everyday so am still very much involved in the operations of each store.

### Who my customers are

My customers range from families, to single people, to retirees – pretty much everyone. However, we are a pub and even though I don't have linen on my table they expect good service, good food and good craft and Belgian beers to be offered – all at reasonable, affordable prices.

### Current cost of doing business

Currently my figures for January to July 2015 shows that 34% of my gross income is spent on payroll, that's 1/3 and 40% on direct costs. 74% of my income today right off the bat is spent on just those 2 hard costs, which currently leaves me running on just about 3% profit.

We did a rough projection: my payroll is 34% of my sales and if we were to bump everyone up \$6 an hour, with an average of 6 people working at any one time, **that would increase payroll by a quarter of a million dollars which is an additional 27.5% = total of 62% in payroll expenses alone.** This would certainly push for me to consider closing my doors. These are figures from my busiest store of the 3. I am not including the numbers for the one that I am struggling with the most.

Add to that Obamacare, which starts in January 2016, it is looking really very bleak!

### What minimum wage will do to your employee cost

Should minimum wage increase to \$15 an hour. Something that most don't understand is Recruiting managers will be extremely difficult. If a server is earning \$15 an hour plus tips, why should anyone take on the extra responsibility for substantially less \$\$? Serving will be a much better choice with no

responsibilities. The cooks pay will increase to \$17 - \$18 per hour and salaried staff will be almost doubled. It doesn't stop there, payroll taxes will increase, and so too will workers comp which is tied into payroll hours. The cost of operating and staying open will be greater than the gross income. Cost of goods will increase also. Our linen company will increase their costs, and those costs will be passed on to us.

What do I need to do to cope with the increase?

We could increase our prices, but by how much? My customers are not going to be willing to pay \$25 for a fish and chips, or \$25 to \$28 for a meat pie. There is only so much I can raise my prices. We are a pub, and they expect good food that is reasonably priced and affordable. My customers will just go to the next City and get something similar to what I have to offer. So in fact this could have a negative impact and drive my customers away, instead of increasing business. We need to be able to balance cost with staying competitive.

I would have to reduce my workforce and jobs will be lost. Perhaps be forced to change my work model to a counter service, which I dislike because **Customers still want to be served.** Customers want to know what they are ordering, and not be rushed in a line.

I do not believe raising wages so drastically will do anything to benefit the people of Pasadena. Majority of my workers do not live in Pasadena. If there is going to be an increase, then it needs to be done gradually. At the very least a study needs to be looked at, specifically to the City of Pasadena and the impact. Even though there are some that say "people will have more money and spend more" - I do not agree, there is no guarantees they will spend it in Pasadena. All costs of goods will be increased also, so its just a vicious circle. Also the argument has been made that there has been no data to show that small businesses go out of business. However, PLEASE ALLOW adequate time to see the 'fall out' from the Cities that have undertaken this path. At least 2 -3 years needs to be given see how small businesses are effected from the aftermath of this increase.

I hope this helps you understand the unintended consequences this action will have by hearing this information.

Peggy Simonian  
Lucky Baldwins Pubs  
Owner/Operator  
626-399-2677



# Opinion: Pasadena Minimum Wage Increase Won't Push Workers Over "Benefits Cliffs"

By ELIZABETH BEN-ISHAI

Published : Tuesday, December 8, 2015 | 3:33 PM

Tweet

9



The Pasadena Chamber of Commerce is using misleading scare tactics in its efforts to oppose a minimum wage plan in the city. At a recent City Council hearing, the Chamber warned that people would lose their health care benefits and other government safety net supports if the city adopted a plan to gradually increase the minimum wage to \$15 hour by 2020. In the vast majority of cases, this simply isn't true.

Across the country, millions of workers earn too little money to get by. Many working families are only able to keep their heads above water – to pay the rent and buy groceries – with

assistance from federal and state income support programs, like food stamps and Medicaid. That vast numbers of workers need public benefits despite working full-time is a testament to the importance of raising the minimum wage. No one should work full-time yet still live in poverty.

The Pasadena Chamber pretends to care about the plight of working poor families by claiming that workers will become ineligible for the benefits they rely on if their wages increase, making them worse off. This phenomenon is sometimes referred to as a "benefits cliff." But just like so many other arguments against raising the wage, this one loses its steam when we know the facts.

People across the political spectrum agree that public assistance programs should promote work and self-sufficiency. They shouldn't create a disincentive to work by making it costly to choose employment over benefits.

Unfortunately, at a City Council hearing on the Pasadena minimum wage last month, speakers spread misinformation that ignores the reality of public assistance program rules. In fact, many programs slowly phase out benefits as income rises, ensuring that a raise (or working more hours) really does increase overall income.

One speaker claimed that a \$15 minimum wage would cause some low-income workers to lose their Medicaid coverage – the program that provides low- or no-cost health insurance to low-income families – and leave them without affordable health insurance coverage. However, under the Affordable Care Act or "Obamacare," families whose incomes exceed the Medicaid eligibility threshold can purchase subsidized health coverage through the Advance Premium Tax Credit program. These tax credits offer sliding scale coverage for people earning up to \$80,360 for a family of three (based on earning up to four times the Federal Poverty Level, which is \$20,090 for a household of three)– far more than the \$31,200 a worker earning \$15 per hour would make annually, based on a 40-hour work week. Ultimately, a minimum wage increase is good for workers' health insurance access – and their health.

In the past it was true that sometimes a modest increase in earnings could result in a loss of benefits under CalFresh (also known as the Supplemental Nutrition Assistance Program (SNAP) or "food stamps") that was greater than the increase in earnings. However, California has recently taken steps to remove this "benefit cliff" by California increasing the gross income eligibility level for CalFresh to 2 times the federal poverty level. As a result, a family with one

working parent and two dependents can potentially qualify for food stamps in California with a gross income under \$40,180 – SNAP benefits gradually phase out as net income increases, always leaving families with more money in their pockets after a raise.

Important tax credit programs like the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) are also structured to ensure that low-income workers who get a raise end up better off. They phase out slowly, and in some cases part-time workers whose incomes increase from very low levels will see an increase in their tax credits that more than offsets the loss of other benefits.

Workers receiving child care assistance have sometimes faced benefits cliffs. In California, families qualify for assistance when their incomes are below 210 percent of federal poverty (or \$42,216 annually). The recently reauthorized federal Child Care and Development Block Grant (CCBDG) program allows families to continue receiving assistance until their income reaches the maximum federal eligibility level of 85 percent of State Median Income—which is more than \$55,200 in California. The new law also requires states to gradually ease families off of subsidies when their incomes make them ineligible for assistance.

While our state and federal public benefits programs aren't perfect, most have provisions to ensure that lower-wage workers who increase their incomes can continue to receive support, instead of abruptly losing coverage. The bottom line is that a higher minimum wage will make low-income working families better off, regardless of whether they currently rely on public assistance to make ends meet. The facts bear this out.

Pasadena's low-wage workers deserve a raise. The Chamber's misleading arguments are designed to frighten the public and lawmakers into opposing an increase in the minimum wage. With these myths dispelled, and so much evidence to support its benefits, the city should move ahead with the \$15 minimum wage proposal immediately.

Elizabeth Ben-Ishai, a Pasadena resident, is senior policy analyst at the Center for Law and Social Policy (CLASP), a national anti-poverty organization that develops and advocates for federal, state and local policies to strengthen families and create pathways to education and work.