

Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: March 14, 2016

FROM: CITY ATTORNEY

SUBJECT: Second reading of an ordinance of the City of Pasadena adding Chapter 5.02 to Title 5 of the Pasadena Municipal Code to require the payment of a City-wide Minimum Wage of \$10.50 beginning July 1, 2016, \$12.00 beginning July 1, 2017, and \$13.25 on July 1, 2018.

TITLE OF PROPOSED ORDINANCE

AN ORDINANCE OF THE CITY OF PASADENA ADDING CHAPTER 5.02, TO TITLE 5, ARTICLE I, OF THE PASADENA MUNICIPAL CODE TO REQUIRE THE PAYMENT OF A CITY-WIDE MINIMUM WAGE

PURPOSE OF ORDINANCE

This Ordinance reflects the changes made by the Council during the Council Meeting on March 7, 2016. This Ordinance is intended to ensure that employees who work in the City receive a minimum wage sufficient to ensure a decent and healthy life for themselves and their families. The City Council directed preparation of this Ordinance at its meeting on February 1, 2016.

IMPLEMENTATION AND ENFORCEMENT

With respect to implementation, the employer posting requirement takes place on May 1 of each year and the new Minimum wage of \$10.50 takes effect on July 1, 2016.

The Ordinance appoints the Director of Finance as the Administrator of the Minimum Wage Program. This designates central responsibility for the City's program, once established, and provides the Finance Director with authority to use the general enforcement provisions of the Pasadena Municipal Code as a potential response to compliance issues under the program. The City Manager will convene a Working Group to address the steps toward implementation to include representatives from the City Manager's Office, Finance Department, Economic Development Division, Human

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Services and Recreation Department, and the City Attorney/City Prosecutor's Department (including both Civil and Prosecution).

The City Manager has proposed the following timeline of study and action once the Ordinance is adopted:

April- May, 2016. Informational Outreach Planning. There will be an informational outreach effort both to employees and to employers subject to the Minimum Wage well prior to the date of the first wage increase. The outreach plan may include partnerships with Community organizations in this effort. The Working Group will return to Economic Development and Technology Committee in April or May with an informational outreach plan which will address the methods and tools for outreach as well as fiscal impacts.

May-June, 2016. Identification and training of "portals" for questions and complaints. There are presently existing contact points for persons with consumer or related complaints. These include the Consumer Action Centers at Jackie Robinson Center and at Villa Parke, and community based efforts such as the Pasadena Community Job Center and others may be identified. The personnel in any locations identified as "portals" must receive training in the Minimum Wage Ordinance features as well as the intake necessary to help evaluate potential claims and to document them. The Working Group will return to the Economic Development and Technology Committee in May with a plan which includes fiscal impact of creating and training these portals.

June-July 2016. Planning for complaint based enforcement. The City Prosecutor is empowered to prosecute violations as infractions or misdemeanors. In addition, there are potential avenues for civil enforcement, through the general enforcement provisions of the Pasadena Municipal Code. Specifically, these include Compliance Orders (Pasadena Municipal Code Section 1.25) and Administrative Penalties (Pasadena Municipal Code Section 1.26). These provide civil remedies, not within the criminal justice system, for violations of the Minimum Wage Ordinance.

There is presently no identified mechanism for investigating and presenting Minimum Wage violations for prosecution. In addition, while citation based enforcement can be easily adapted toward enforcing the Ordinance posting requirements, there is no established process for processing individual Minimum Wage violation complaints through the civil enforcement mechanism described in the code. Basic questions as to who handles complaint review, investigations, issuance of citations and the administrative hearing processes described in the code need to be addressed. The Working Group will return to the Economic Development and Technology Committee in June with a plan which includes the fiscal impact of complaint based enforcement mechanisms.

REASON WHY LEGISLATION IS NEEDED

Enactment and enforcement of this Ordinance is an exercise of the powers vested in the City of Pasadena under the laws and the Constitution of the State of California and the City Charter including but not limited to the police powers vested in the City pursuant to Article XI, Section 7 of the California Constitution and Section 1205(b) of the California Labor Code.

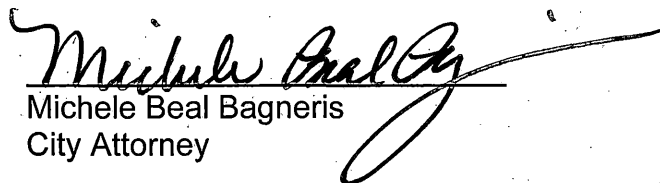
PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED

The departments most impacted by adoption of this Ordinance will be Finance, Human Services and Recreation, the City Attorney/City Prosecutor's Office, and the City Manager's Office. Minimum wage workers throughout the City will be impacted and economic activity in the City is anticipated to increase. Businesses employing minimum wage workers will see an increase in labor costs and posting requirements.

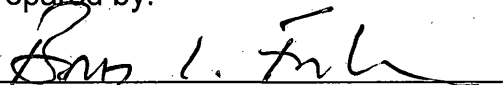
FISCAL IMPACT

It is impossible to estimate the fiscal impact of this Ordinance. There will be printing cost increases, mailing cost increases, and potentially staffing cost increases. There should be some long term increases in sales tax revenue resulting from the anticipated increased economic activity.

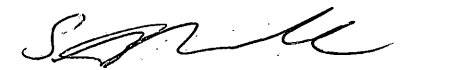
Respectfully submitted


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