

Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: January 27, 2003

FROM: CITY ATTORNEY

SUBJECT: AN ORDINANCE OF THE CITY OF PASADENA AMENDING CHAPTER 4.11 OF THE PASADENA MUNICIPAL CODE, THE LIVING WAGE ORDINANCE, INCREASING THE LIVING WAGE RATE TO \$8.20 PER HOUR WITH \$1.41 PER HOUR FOR MEDICAL BENEFITS OR \$9.61 PER HOUR WITHOUT MEDICAL BENEFITS AND TO ESTABLISH ANNUAL INCREASES IN RATE BASED ON CHANGES IN THE CONSUMER PRICE INDEX

TITLE OF PROPOSED ORDINANCE:

AN ORDINANCE OF THE CITY OF PASADENA AMENDING CHAPTER 4.11 OF THE PASADENA MUNICIPAL CODE, THE LIVING WAGE ORDINANCE, INCREASING THE LIVING WAGE RATE TO \$8.20 PER HOUR WITH \$1.41 PER HOUR FOR MEDICAL BENEFITS OR \$9.61 PER HOUR WITHOUT MEDICAL BENEFITS AND TO ESTABLISH ANNUAL INCREASES IN RATE BASED ON CHANGES IN THE CONSUMER PRICE INDEX

BACKGROUND:

At its regular meeting of December 16, 2002, the City Council directed the City Attorney's Office to prepare this ordinance amendment to bring the Living Wage Ordinance, which was originally enacted in September 1998, in line with subsequent increases in the cost of living.

PURPOSE OF ORDINANCE:

The purpose of this proposed ordinance is to amend the City's Living Wage Ordinance to increase the minimum compensation level of employees hired by City service contract providers in order to maintain a modest standard of living and to provide for basic needs. In addition, this proposed ordinance would provide for adjustment of the Living Wage rate, beginning in January 2004, by an amount equal to the change in the Consumer Price Index for the then most current twelve month period.

REASON WHY LEGISLATION IS NEEDED:

The Pasadena Municipal Code may only be amended by ordinance.

MEETING OF 1/27/2003

AGENDA ITEM NO. 9.A.(2)

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED:

The Department of Finance will primarily be affected by this proposed ordinance, as the Budget Administrator is charged with enforcing the Living Wage provisions in all service contracts in the City. Accordingly, all departments preparing service contracts for firms providing labor or services to the City will be affected by this proposed ordinance.

ENVIRONMENTAL IMPACT:

The proposed ordinance is exempt from the California Environmental Quality Act (CEQA) under the General Rule that CEQA applies only to activities which may have a significant effect on the environment (Section 15061(b)(3)).

FISCAL and SERVICE IMPLICATIONS:

It is estimated that the proposed increase to the Living Wage rate would increase the approximate annual cost of City service contracts from \$240,000 to \$270,000, or an approximate increase of \$30,000 per year.

Respectfully submitted,

1/22/03



for Michele Beal Bagneris
City Attorney

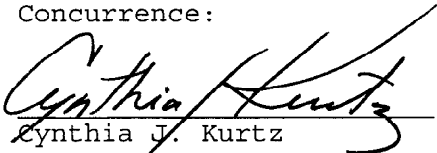
Prepared by:

1/22/03



Nicholas George Rodriguez
Assistant City Attorney

Concurrence:



Cynthia J. Kurtz
City Manager

Introduced by Councilmember

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PASADENA AMENDING CHAPTER 4.11 OF THE PASADENA MUNICIPAL CODE, THE LIVING WAGE ORDINANCE, INCREASING THE LIVING WAGE RATE TO \$8.20 PER HOUR WITH \$1.41 PER HOUR FOR MEDICAL BENEFITS OR \$9.61 PER HOUR WITHOUT MEDICAL BENEFITS AND TO ESTABLISH ANNUAL INCREASES IN RATE BASED ON CHANGES IN THE CONSUMER PRICE INDEX

The People of the City of Pasadena ordain as follows:

SECTION 1. Unnumbered paragraph 4 (“Health Benefits”) of Section 4.11.010 of the Pasadena Municipal Code is hereby amended to read as follows:

“‘Health benefits’ means the payment of no less than one dollar and forty-one cents (\$1.41) per hour toward the cost of health and medical care insurance for employees and their dependents.”

All other paragraphs in this Section shall remain as currently written.

SECTION 2. Section 4.11.020 of said code is hereby amended to read as follows, in its entirety:

“4.11.020 Payment of minimum compensation to employees.

Wages. Service contractors shall pay their employees a wage of no less than eight dollars and twenty cents (\$8.20) per hour if health benefits, as defined in this chapter, are paid to the employees or a wage of no less than nine dollars and sixty one cents (\$9.61) per hour, if no such health benefits are paid. The wages in this section shall be adjusted by the Cost of Living Index set forth in Section 4.11.030.”

SECTION 3. A new Section 4.11.030 of said code is added to read as follows:

“4.11.030 Annual Cost of Living Adjustment

Beginning January 1, 2004, and every January 1 thereafter, the wage set by Section 4.11.020

shall be adjusted by the change in the Consumer Price Index, for the Los Angeles-Riverside-Orange County area, all urban consumers, for the most recent 12 month period.”

SECTION 4. The City Clerk shall certify the adoption of this ordinance and shall cause this ordinance to be published in full text.

SECTION 5. This ordinance shall take effect upon publication.

Signed and approved this _____ day of January, 2003.

Bill Bogaard
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council of the City of Pasadena at its meeting regular held the _____ day of January, 2003 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Date Published:

JANE L. RODRIGUEZ, CMC
CITY CLERK

APPROVED AS TO FORM:



1/22/03

Nicholas George Rodriguez
Assistant City Attorney