

Introduced by Council member _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PASADENA AMENDING CHAPTER 5.02 TO TITLE 5, ARTICLE I OF THE PASADENA MUNICIPAL CODE TO CLARIFY AND MAKE MINOR REVISIONS TO THE CITY-WIDE MINIMUM WAGE ORDINANCE

SECTION 1. Ordinance No. _____, due to its length and corresponding cost of publication, will be published by title and summary as permitted by Section 508 of the Pasadena City Charter. The approved summary of this Ordinance is as follows:

"Summary

"Ordinance No. _____ will amend Chapter 5.02 of the Pasadena Municipal Code to clarify and make minor revisions to the City-Wide Minimum Wage Ordinance. None of the changes will alter the pay rates required to be paid to all employees working in Pasadena.

Ordinance No. _____ shall take effect 30 days following its publication by title and summary."

SECTION 2. Chapter 5.02, Section 5.02.010, Definitions, is amended to read as follows:

"5.02.010. Definitions.

For purposes of this chapter, the following definitions shall apply:

- A. "City" means the City of Pasadena.
- B. "Director" means the city manager or his/her designee.
- C. "Employee" means any individual who:
 - 1. In a particular week performs at least two hours of work within the geographic boundaries of the City for an employer; and
 - 2. Qualifies as an employee entitled to payment of a minimum wage from any Employer under the California minimum wage law, as provided under Section 1197 of the California Labor Code and wage orders published by the California Industrial Welfare Commission.

- D. "Employer" means any person, as defined in Section 18 of the California Labor Code, including a corporate officer or executive, who directly or indirectly or through an agent or any other person, including through the services of a temporary service or staffing agency or similar entity, employs or exercises control over the wages, hours or working conditions of any other person.
- E. "Non-Profit Corporation" means a non-profit corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and, if a foreign corporation, in good standing under the laws of the State of California, which corporation has established and maintains valid non-profit status under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated thereunder.
- F. "Person" means any person, association, organization, partnership, business trust, limited liability company or corporation.
- G. "Transitional Employer" means an organization that provides transitional jobs for the long-term unemployed, and that has been certified by the City Manager as a transitional employer under this Chapter."

SECTION 3. Chapter 5.02, Section 5.02.015, Payment of Minimum Wage to Employees, is amended to read as follows:

"5.02.015. Payment of Minimum Wage to Employees.

- A. Employers shall pay Employees no less than the minimum wage set forth in this section for each hour worked within the geographic boundaries of the City.
- B. Employers with 26 or more Employees shall pay a wage of no less than the hourly rates set forth below:
 - 1. On July 1, 2016, the hourly wage shall be no less than \$10.50.
 - 2. On July 1, 2017, the hourly wage shall be no less than \$12.00.
 - 3. On July 1, 2018, the hourly wage shall be no less than \$13.25.
- C. Employers with 25 or fewer Employees shall pay a wage of no less than the hourly rates set forth:
 - 1. On July 1, 2017, the hourly wage shall be no less than \$10.50.
 - 2. On July 1, 2018, the hourly wage shall be no less than \$12.00.
- D. Employees, who are "Learners" as defined in Labor Code Section 1192 and consistent with wage orders published by the California Industrial Welfare Commission and are 14-17 years of age, shall be paid not less than 85% of the minimum wage set forth in this section, rounded to the

nearest nickel, during their first 160 hours of employment. After more than 160 hours of employment, Learners shall be paid the applicable minimum wage pursuant to this section.

- E. For purposes of this chapter, the size of an Employer's business or Non-Profit Corporation shall be determined by the average number of people employed by the Employer and includes all those persons employed by the Employer throughout the United States during the previous calendar year. If the employer did not employ anyone during the previous calendar year, the city minimum wage set forth in subdivision C of this section applies."

SECTION 4. Chapter 5.02, Section 5.02.020, Notice and Posting, is amended to read as follows:

"5.02.020. Notice and Posting.

- A. By April 1 of each year following the effective date of this ordinance, the City shall publish and make available to Employers a bulletin announcing the adjusted minimum wage rate, which shall take effect on July 1 of that year. In conjunction with this bulletin, the City shall, by May 1 of each year, publish and make available to Employers, in English and in any other languages spoken by more than five (5) percent of the workforce in the City, a notice suitable for posting by Employers in the workplace informing Employees of the current minimum wage rate and of their rights under this chapter.
- B. Each Employer shall give written notification to each current Employee and to each new Employee at time of hire, of Employee's rights under this chapter and of the Employee's possible right to the federal Earned Income Credit (EIC) under Section 32 of the Internal Revenue Code of 1954, 26 U.S.C. Section 32. Every Employer shall also provide each Employee at the time of hire with the Employer's name, address, and telephone number in writing.
- C. The notifications required in this chapter shall be in English and in any other languages spoken by more than five (5) percent of the employees at the work site, and shall also be posted prominently in areas at the work site where it will be seen by all Employees. Failure to post such notice shall render the Employer subject to administrative citation, pursuant to the provisions of this chapter. The City is authorized to prepare sample notices and Employer use of such notices shall constitute compliance with this subsection."

SECTION 5. Chapter 5.02, Section 5.02.025, Deferral Application for Certain Non-Profit Employers, is amended to read as follows:

“5.02.025. Deferral Application for Certain Non-Profit Employers.

The City Manager shall establish a procedure to allow an Employer that is a Non-Profit Corporation with 26 or more Employees to qualify for the deferral rate schedule specified in Section 5.02.015 C. A Non-Profit Employer seeking the deferral must establish by compelling evidence that:

- A. The chief executive officer earns a salary which, when calculated on an hourly basis, is less than five times the lowest wage paid by the corporation; or
- B. It is a Transitional Employer; or
- C. It serves as a child care provider; or
- D. It is funded primarily by City, County, State or Federal grants or reimbursements.

SECTION 6. Chapter 5.02, Section 5.02.065, Report and Increase in Future Years, is amended to read as follows:

“5.02.065. Report and Increase in Future Years.

- A. On or before February 18, 2019, the City Manager shall present a report to the City Council summarizing the impact of the city-wide minimum wage on reducing poverty, unemployment, job creation, and the overall local business climate.
- B. As soon thereafter as practical, the City Manager shall request direction from the City Council regarding an amendment to this chapter to increase the city-wide minimum wage according to the following schedule:
 - 1. July 1, 2019, the hourly wage shall be \$14.25.
 - 2. July 1, 2020, the hourly wage shall be \$15.00.
 - 3. Beginning July 1, 2021, and each July 1 thereafter the hourly wage shall be adjusted by an amount equal to the change in consumer price index as that term is defined in Title 1, Chapter 1.08, Section 1.08.060, Consumer price index adjustments.”

SECTION 7. The City Clerk shall certify the adoption of this Ordinance and shall cause this Ordinance to be published by title and summary.

SECTION 8. This Ordinance shall take effect 30 days following its publication by title and summary.

Signed and approved this _____ day of _____, 2016.

Terry Tornek
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 held on _____ day of _____ 2016 by the following vote:

AYES;

NOES:


ABSENT:

ABSTAIN:

Published:

Mark Jomsky, CMC
City Clerk

APPROVED AS TO FORM:



Brad L. Fuller
Assistant City Attorney

0000141559C031