



12.2

DEPARTMENT OF
FINANCE

FINANCE ADMINISTRATION

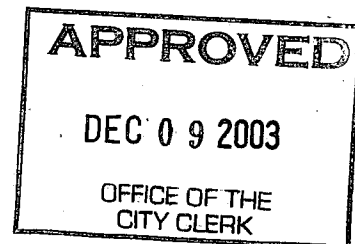
CITY OF SACRAMENTO
CALIFORNIA

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December 2, 2003

City Council
Sacramento, California



Honorable Members in Session:

SUBJECT: Living Wage and Direct Connect

LOCATION/COUNCIL DISTRICT: Citywide

RECOMMENDATION:

This report recommends that the City Council:

1. Consider the attached proposed Living Wage Ordinance;
2. Consider the attached Resolution for staff to implement the proposed Living Wage Ordinance; and
3. Adopt the attached Resolution authorizing the City Manager to contract with the Sacramento County Department of Human Assistance to fund, a one-year pilot program, to assist in the implementation of the Sacramento Metropolitan Chamber of Commerce "Direct Connect" Program.

CONTACT PERSON: Michael L. Medema, Special Projects Manager 808-1915

FOR CITY COUNCIL MEETING OF: December 9, 2003

SUMMARY:

This report transmits the proposed Living Wage Ordinance for City Council consideration and recommends that the City Council authorize the City Manager to contract with the Sacramento County Department of Human Assistance to fund staff to assist in the implementation of the Sacramento Metropolitan Chamber of Commerce "Direct Connect" Program.

BACKGROUND:

On January 9, 2003 the City Council conducted a workshop to consider programs to assist the working poor to raise their standard of living including a proposal to adopt a Living Wage Ordinance and the Direct Connect Program offered by the Chamber. The City Council received testimony regarding the proposals and directed staff to report back on additional information requested by the City Council on March 4, 2003.

On March 4, 2003, the City Council conducted a second workshop to review staffs report back requested on January 9, 2003. In addition, the City Council received a modified proposal to adopt a Living Wage Ordinance. The City Council directed staff to report back providing additional information regarding the Ordinance received on March 4, 2003.

On September 30, 2003 the City Council directed the City Attorney to prepare a draft Living Wage Ordinance that incorporated the following business points:

- Establish a Living Wage of \$9.00 with benefits per hour effective January 1, 2004, \$9.50 per hour with benefits effective January 1, 2005, and \$10.00 per hour with benefits effective January 1, 2006
- Establish benefit contribution as \$1.50 per hour
- Establish the threshold for a mandatory Living Wage as:
 1. Any service contract with the City of Sacramento with an annual contract price of \$100,000 or more
 2. Any service provider with a service contract with the City of Sacramento with 25 or more full time equivalent employees.
 3. City of Sacramento career employees
- Exceptions:
 1. Not for profit corporations with less than 100 full time equivalent employees
 2. Providers of professional services
 3. Student internships and specialized training programs
 4. Services deemed by the City manager to constitute an emergency
 5. All non-career seasonal City employees
- Ordinance to become effective 60 days following enactment, but the requirement to begin paying the Living Wage effective January 1, 2004

- Allow for a voluntary phase in program for current long term contracts
- Require an annual accountability report to the City Council to include an evaluation of the effectiveness and cost of the ordinance
- Require a report include an evaluation of the effectiveness and cost of the ordinance by the City Internal Auditor three years following the adoption of the ordinance
- Establish a voluntary Living Wage program for all service contracts with a contract price between \$25,000 and \$100,000. Contractors that comply with the voluntary program will receive a 5% credit on their proposed contract price for providing a Living Wage and/or qualifying health or childcare benefits.

The provisions of the attached ordinance incorporate these business points except for the voluntary living wage program. The specifics of that program have not been finalized. Staff will present this program for City Council consideration at a future date.

FINANCIAL CONSIDERATIONS: Living Wage

Staff has identified two potential financial impacts caused by the Living Wage Ordinance. These are:

1. Increased costs for businesses that provide services to the City.
2. City administrative costs.

Staff estimates that the increased annual cost, at full implementation, for businesses doing business with the City required by the Living Wage Ordinance would be less than \$1.7 million. Research indicates that businesses would pass on to the City between 40 and 60 percent of the increased costs

Staff estimates a program administrator will be required to implement the program. The estimated annual cost for the program administrator and operating support is approximately \$100,000.

The Living Wage Ordinance will benefit the employees that receive the living wage but would have a negative impact on the Sacramento area economy. The negative impact results from increase transfers of federal funds out of the local economy (increased taxes and health care costs) and decrease of federal funds into the local economy (loss of food stamps, federal tax credits).

FINANCIAL ANALYSIS: Direct Connect Program

The premise of the Direct Connect Program is to use the business community to connect their eligible employees with existing federal and state financial support programs. Most of these programs are under subscribed due to lack of knowledge that they exist and complex application procedures. Direct Connect will provide business owners with a simplified employee qualification-

screening questionnaire. The employees will fill out the one page questionnaire and return it to the County Department of Human Assistance. A County caseworker will then contact the employees to assist them in completing and qualifying for the financial support programs.

A successful Direct Connect Program would have a significant positive impact for the Sacramento area economy. Similar programs in Chicago and Tulsa brought into the local economy \$150 and \$180 respectively for every dollar invested in the program. The Sacramento Internal Revenue Service Office estimates that individuals in the Sacramento area did not claim over \$17,000,000 Earned Income Tax Credits in 2001. A majority of the working poor in the Sacramento area are residents of the City of Sacramento. The average Earned Income Tax Credit refund claimed per return was \$1,692. The Direct Connect Program will add significant caseload for the Sacramento County Department of Human Assistance. Unfortunately, the County Department of Human Assistance is experiencing significant financial difficulties and does not have the capacity to absorb additional caseload. Based upon informal discussions between the City and the County Department of Human Assistance, staff recommends that the City fund, as a one-year pilot program, a caseworker position to handle the additional caseload. After one year staff will present an evaluation to City Council of Direct Connect Program to determine the effectiveness of the program in assisting city residents. The cost would be approximately \$100,000 annually.

POLICY CONSIDERATIONS:

City Council Resolution No. 2003-632 requires an identified funding source for new programs. Any increased contract cost caused by the Living Wage Ordinance will be paid by the Department budgets. These costs have not been budgeted for Fiscal Year 2002/2003. The majority of the identified potential increased costs are not in departments supported by the General Fund.

The following schedule summarizes the administrative cost for the Living Wage and Direct Connect Program:

| <u>PROGRAM</u> | <u>2003/2004</u> | <u>ANNUAL</u> |
|----------------------------|------------------|----------------|
| Living Wage Administration | \$ 60,000 | \$100,000 |
| Direct Connect Program | <u>60,000</u> | <u>100,000</u> |
| Total General Fund | \$120,000 | \$200,000 |

The administrative cost for 2003/2004 is funding for a partial year. The funding source identified for 2003/2004 is the General Fund Administrative Contingency Account. The funding source for subsequent years is the General Fund.

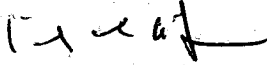
ENVIRONMENTAL CONSIDERATIONS:

This report recommends no action that would constitute a project under the California Environmental Quality Act (CEQA).

ESBD CONSIDERATIONS:

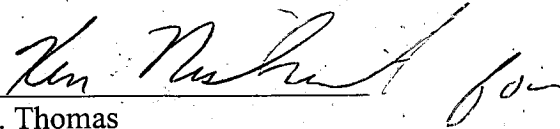
The current proposal to adopt a Living Wage Ordinance would not have a significant impact on the City's Emerging and Small Business Development Program.

Respectfully submitted,



Michael L. Medema
Special Projects Manager

RECOMMENDATION APPROVED



Robert P. Thomas
City Manager

Attachments:

Table of Contents:

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Revised language for subsection A(1)(b) to Section 3.58.020:

A contract for Nonprofessional Services that, by itself, does not qualify as a City Contract but is awarded under the following circumstances: the aggregate value of that contract and of any other contracts for Nonprofessional Services the city has awarded to the same Person within the previous 12 months is \$100,000 or more. Once a contract qualifies as a City Contract under this subsection A(1)(b), it remains a City Contract until it expires or is terminated.

*Clarify existing -
written page 7
in staff report.*

AMENDED

ORDINANCE NO. 2003-082

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

AN ORDINANCE ADDING CHAPTER 3.58 TO THE SACRAMENTO CITY CODE TO ESTABLISH A LIVING WAGE FOR THE CITY OF SACRAMENTO

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

The Sacramento City Code is amended by adding chapter 3.58 to title 3, to read in its entirety as follows:

Chapter 3.58 LIVING WAGE

3.58.010. Legislative Findings.

The city council finds as follows:

- A. In its proprietary capacity, the city awards many contracts to private businesses that provide services to the public and to the city. While providing such services, these businesses should pay their employees a wage, including health-care benefits, that enables the employees and their families to meet basic needs and avoid economic hardship. Likewise, all career employees of the city should be paid a wage, including health-care benefits, that enables them and their families to meet basic needs and avoid economic hardship.
- B. Payment of such a "living wage" will enhance the quality of services provided to the public and the city by promoting workplace stability. It will also reduce the amount of taxpayer-funded social services that must be provided to employees who are city residents.

3.58.020. Definitions.

The following definitions apply in this chapter:

- A. "City Contract" means a contract with the city under which a Covered Employer provides Nonprofessional Services in return for compensation of \$100,000 or more.

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ORDINANCE NO. _____

DATE ADOPTED: _____

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(1) "City Contract" includes the following:

- (a) An existing contract for Nonprofessional Services that did not qualify as a City Contract when awarded but is amended after the effective date of this chapter so that the total compensation is \$100,000 or more. Such a contract will be a City Contract beginning on the effective date of the amendment except as provided below in subsection B of section 3.58.030.
- (b) Two or more contracts for Nonprofessional Services, each of which is for compensation of less than \$100,000, if each contract is awarded to the same Covered Employer or to any of that Covered Employer's Related Persons, and if the aggregate compensation under the contracts is \$100,000 or more during any 12-month period. Once contracts qualify as City Contracts under this subsection B(1)(b), they remain City Contracts until they expire or are terminated.

(2) "City Contract" does not include the following:

- (a) Contracts for professional services of any kind, including but not limited to services rendered by engineers, architects, auditors, banks, consultants, actuaries, and attorneys.
- (b) Contracts awarded by the City Manager in response to an emergency. An emergency exists when the City Manager determines that the services covered by the contract must be provided immediately to safeguard life, health, or property; to permit the continued conduct of city operations or services; or to mitigate further damage.
- (c) Contracts for the purchase or lease of equipment, supplies, or other personal property, even though they include incidental services such as delivery, installation, or maintenance.
- (d) Contracts with nonprofit corporations that are organized under section 501 of the Internal Revenue Code and have fewer than 100 employees, whether full or part time.
- (e) Contracts that are subject to city, state, or federal prevailing-wage laws.

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- (f) Contracts for services provided to city employees and retirees.
- (g) Contracts where, by a two-thirds vote of the members, the Council finds that it is in the best interest of the City not to require compliance with this chapter.

B. "City Manager" means the city manager or his or her designee.

C. "Covered Employee" means an individual who is a full-time or part-time career employee of the city. It also means an individual who performs work directly related to a City Contract, whether the individual works full-time or part-time, is a contingent or contract employee, or is made available to work on the City Contract through a temporary-services agency or similar entity. "Covered Employee" does not include the following:

- (1) Individuals who participate in job-training-and-education programs that have, as their express purpose, the provision of basic job skills and education to participants, with the goal of earning a high-school-equivalency diploma and permanent employment.
- (2) Temporary and seasonal city employees.
- (3) Student interns.
- (4) Individuals participating in specialized-training programs.

D. "Covered Employer" means the following:

- (1) A Person that is a party to a City Contract and has at least 25 employees, whether full or part time, determined by adding the Person's employees and the employees of any Related Person. A Person is a Related Person when any of the following circumstances exists:
 - (a) The Person and the Person that is a party to a City Contract are both corporations and—
 - (i) share a majority of members of their governing boards; or
 - (ii) have two or more officers in common; or
 - (iii) are controlled by the same majority shareholder or shareholders (control means more than 50% of the

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corporation's voting power); or

- (iv) are in a parent-subsidary relationship (such a relationship exists when one corporation directly or indirectly owns shares possessing more than 50% of another corporation's voting power).
- (b) The Person otherwise controls and directs, or is controlled and directed by, the Person that is a party to a City Contract, as determined by the City Manager.
- (2) A subcontractor providing services under a City Contract, if the subcontractor has at least 25 employees, whether full or part time, and the amount of the subcontract is at least 25% of the amount of the City Contract.
- (3) The City of Sacramento.
- E. "Nonprofessional Services" means any services of a nonprofessional character, including but not limited to tree-trimming services, janitorial services, repair services for motor vehicles and office equipment, vehicle towing, window washing, security services, and laundry services.
- F. "Person" means any of the following: any individual and any corporation, limited-liability company, partnership, joint venture, association, labor organization, unincorporated organization, or other entity. "Person" does not include any unit of federal, state, or local government except the City of Sacramento.

3.58.030. Living Wage and Health Benefits

- A. Except as provided in subsection B below, a Covered Employer must pay its Covered Employees no less than the following rates for all hours worked for the City or while performing under a City Contract:
 - (1) If health benefits are provided to Covered Employees and the Covered Employer's contribution for the benefits is at least \$1.50 for each hour the Covered Employee is entitled by this chapter to a living wage, then the rates are as follows:
 - (a) During 2004, \$9.00 an hour.

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- (b) During 2005, the greater of \$9.33 an hour or \$9.00 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco–Oakland–San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2004.
 - (c) During 2006, the greater of \$9.67 an hour or \$9.00 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco–Oakland–San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2005.
 - (d) During 2007, the greater of \$10.00 an hour or \$9.00 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco–Oakland–San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2006.
- (2) If health benefits are not provided to Covered Employees or if health benefits are provided but the Covered Employer's contribution for the benefits is less than \$1.50 for each hour a Covered Employee is entitled by this chapter to a living wage, then the rates are as follows:
- (a) During 2004, \$10.50 an hour.
 - (b) During 2005, the greater of \$10.87 an hour or \$10.50 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco–Oakland–San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2004.
 - (c) During 2006, the greater of \$11.17 an hour or \$10.50 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco–Oakland–San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2005.
 - (d) During 2007, the greater of \$11.50 an hour or \$10.50 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco–Oakland–San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2006.
- (3) For each year after 2004, the City Manager shall determine the appropriate rate as practicable. Each city department that has City Contracts shall give written notice of the rate so determined to the Covered Employers.

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DATE ADOPTED: _____

- B. Notwithstanding subsection A above, the city council may waive, modify, or alter the requirements of this chapter when amending a contract that has a remaining term of ten years or more.

3.58.040. Use of Funds Paid Under City Contracts.

Covered Employers may not directly use city funds to persuade Covered Employees to support or oppose unionization. In particular, but without limiting the generality of the preceding sentence, Covered Employers may not directly use city funds to schedule or hold meetings related to union representation during Covered Employees' working hours. The restrictions imposed by this section do not apply to expenditures made during good-faith collective bargaining or to expenditures required under bona fide collective-bargaining agreements.

3.58.050. No Reduction in Non-Wage Benefits.

Covered Employers shall not fund wage increases required by this chapter and shall not otherwise respond to this chapter by reducing the health, insurance, pension, vacation, or other non-wage benefits of any of their employees.

3.58.060. No Retaliation.

A Covered Employer shall not take any adverse action against a Covered Employee because the Covered Employee does any of the following:

- A. Exercises or asserts his or her rights under this chapter.
- B. Informs or assists other Covered Employees concerning their rights and the Covered Employer's obligations under this chapter.
- C. Complains about the Covered Employer's failure to comply with this chapter.
- D. Seeks to enforce this chapter in accordance with section 3.58.080.

3.58.070. Notification to Covered Employees.

A Covered Employer shall give each existing employee and (at the time of hire) each new employee a copy of the following written notification of this chapter:

This company may enter into a contract to perform services for the City of Sacramento. If you work on such a contract, then you are entitled to be paid a

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ORDINANCE NO. _____

DATE ADOPTED: _____

living wage for each hour so worked. In 2004, the living wage is \$9.00 an hour with health benefits and \$10.50 an hour without health benefits. In 2005, the living wage is at least \$9.33 an hour with health benefits and \$10.87 an hour without health benefits. In 2006, the living wage is at least \$9.67 an hour with health benefits and \$11.17 an hour without health benefits. And in 2007, the living wage is at least \$10.00 an hour with health benefits and \$11.50 an hour without health benefits. For more information, see chapter 3.58 of the Sacramento City Code, which can be viewed at www.cityofsacramento.org.

The notification must be in each language spoken by 10% or more of the Covered Employer's workforce. A Covered Employer shall also inform all employees who earn less than \$12 an hour of their possible right to the federal Earned Income Credit (EIC) and shall make available to those employees any forms required to secure advance EIC payments from the Covered Employer.

3.58.080. Implementation and Enforcement.

A. **Implementation.** This chapter augments the city's procedures for administering its contracts. The city will include a summary of the requirements of this chapter in all requests for proposals and solicitations relating to City Contracts to which it applies. Compliance with this chapter shall be required in all City Contracts to which it applies, and such City Contracts shall provide that violation of this chapter will constitute a material breach and authorize the city to terminate the City Contract and pursue all available legal and equitable remedies.

B. Enforcement.

- (1) **City Enforcement.** The city may investigate and address, in its sole discretion, any alleged violation of this chapter's requirements. But the city's failure to investigate an alleged violation or otherwise enforce any of the provisions of this chapter shall not create any right of action or right to recover damages from the city by any person, including but not limited to an aggrieved employee.
- (2) **Investigative Authority.** The City Manager shall monitor compliance with this chapter and may require Covered Employers to verify compliance by submitting certified payroll records. The City Manager may take such other steps as necessary to determine whether the requirements of this chapter have been satisfied.
- (3) **Private Right of Action.** An employee claiming violation of this chapter is entitled to file an action against an employer in the appropriate court within

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one year after discovery of the alleged violation. The court may award any employee who files suit under this provision, as to the relevant time period, the following:

- (a) For failure to pay the living wage required by this chapter, the difference between the minimum wage and the amount actually paid to the employee.
 - (b) For failure to pay medical benefits, the difference between the living wage (with benefits) required by this chapter and the amount actually paid to the employee.
 - (c) For retaliation for exercise of any rights provided for under this chapter, reinstatement, back pay, and/or any other relief that a court may deem appropriate.
 - (d) The court shall award reasonable attorney's fees and costs to an employee who prevails in any such private action.
- (4) **No Criminal Penalty.** Notwithstanding any contrary provision of this code or any other ordinance, no criminal penalties attach to any violation of this chapter.

3.58.090. Supersession by Collective-Bargaining Agreement:

This chapter does not apply to Covered Employees whose terms and conditions of employment are governed by a bona fide collective-bargaining agreement containing an express waiver of this chapter.

3.58.100. No Reduction in Collective-Bargaining Wage Rates:

This chapter does not require or authorize any Covered Employer to reduce wages set by a collective-bargaining agreement or required under any prevailing-wage law.

3.58.110. Annual Reports.

Beginning in 2005, the City Manager's office shall report to the city council on the following by March 1: the effectiveness of this chapter in carrying out the purposes set forth in section 3.58.010; the cost to the city of compliance with this chapter; and, beginning in 2006, recommendations for increases or decreases in the rates prescribed by section 3.58.030.

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ORDINANCE NO. _____

DATE ADOPTED: _____

B

3.58.120 Audit Report After Three Years

The City Manager shall prepare or cause to be prepared, at the end of three years of operation, a report on the costs and benefits of compliance with this chapter. The city council shall review the report at a regular city council meeting.

3.58.130. Effective Date; Sunset Date.

This chapter applies to all City Contracts entered into, amended, renewed at the city's discretion, or extended at the city's discretion on or after March 1, 2004. This chapter does not apply to contracts entered into on or after the later of March 1, 2007, or 30 days following the city council meeting held in accordance with section 3.58.120. This chapter shall continue to apply to City Contracts entered into, amended, renewed at the city's discretion, or extended at the city's discretion before the date specified in the previous sentence.

DATE PASSED FOR PUBLICATION:

DATE ENACTED:

DATE EFFECTIVE:

MAYOR

ATTEST:

CITY CLERK

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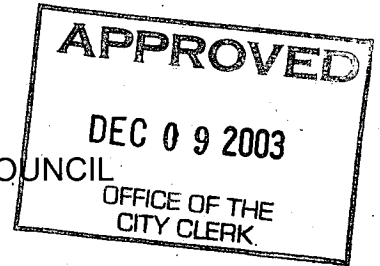
ORDINANCE NO. _____

DATE ADOPTED: _____

RESOLUTION NO. 2003-874

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF: _____



A RESOLUTION TO AUTHORIZE 1 FULL TIME EQUIVALENT STAFF POSITION TO IMPLEMENT THE LIVING WAGE ORDINANCE

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

Whereas the Council of the City of Sacramento adopted a Living Wage Ordinance, and Whereas experience in other jurisdictions that have adopted similar Living Wage Ordinances indicates that the successful implementation of the Living wage ordinance required additional staff.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT

The City Manager is authorized to fund one full time equivalent staff position at a cost of \$60,000 in Fiscal Year 2003/2004 from the General Fund Administrative Contingency Account.

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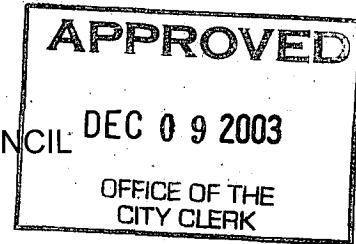
RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO. 2003-875

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF: _____



A RESOLUTION AUTHORIZING THE CITY MANAGER TO CONTRACT WITH THE SACRAMENTO COUNTY DEPARTMENT OF HUMAN ASSISTANCE TO FUND SUPPORT TO ASSIST IN THE IMPLEMENTATION OF THE SACRAMENTO METROPOLITAN CHAMBER OF COMMERCE 'DIRECT CONNECT' PROGRAM

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT:

Whereas the Sacramento Metropolitan Chamber of Commerce has developed the "Direct Connect" Program to assist the working poor improve their standard of living, and

Whereas, the majority of the working poor in the Sacramento Metropolitan area are residents of the City of Sacramento, and

Whereas the successful implementation of the "Direct Connect" Program will significantly increase the workload of the Sacramento County Department of Human Assistance, and

Whereas the Sacramento County Department of Human Assistance is experiencing significant financial difficulties and does not have the capacity to absorb additional caseload.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO THAT

The City Manager is authorized to contract in an amount not to exceed \$60,000 for Fiscal Year 2003/2004 from the General Fund Administrative Contingency account with the Sacramento County Department of Human Assistance to fund staff to assist in the implementation of the Sacramento Metropolitan Chamber of Commerce "Direct Connect" Program.

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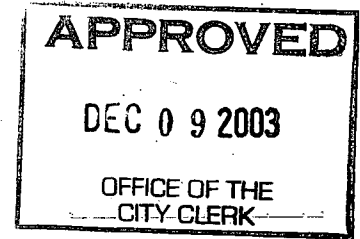
RESOLUTION NO.: _____

DATE ADOPTED: _____

**AMENDED
ORDINANCE NO. 2003-082**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF DECEMBER 9, 2003



**AN ORDINANCE ADDING CHAPTER 3.58 TO THE
SACRAMENTO CITY CODE TO ESTABLISH A LIVING
WAGE FOR THE CITY OF SACRAMENTO**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

The Sacramento City Code is amended by adding chapter 3.58 to title 3, to read in its entirety as follows:

Chapter 3.58 LIVING WAGE

3.58.010. Legislative Findings.

The city council finds as follows:

- A. In its proprietary capacity, the city awards many contracts to private businesses that provide services to the public and to the city. While providing such services, these businesses should pay their employees a wage, including health-care benefits, that enables the employees and their families to meet basic needs and avoid economic hardship. Likewise, all career employees of the city should be paid a wage, including health-care benefits, that enables them and their families to meet basic needs and avoid economic hardship.

- B. Payment of such a "living wage" will enhance the quality of services provided to the public and the city by promoting workplace stability. It will also reduce the amount of taxpayer-funded social services that must be provided to employees who are city residents.

3.58.020. Definitions.

The following definitions apply in this chapter:

A. "City Contract" means a contract with the city under which a Covered Employer provides Nonprofessional Services in return for compensation of \$100,000 or more.

(1) "City Contract" includes the following:

- (a) An existing contract for Nonprofessional Services that did not qualify as a City Contract when awarded but is amended after the effective date of this chapter so that the total compensation is \$100,000 or more. Such a contract will be a City Contract beginning on the effective date of the amendment except as provided below in subsection B of section 3.58.030.
- (b) A contract for Nonprofessional Services that, by itself, does not qualify as a City Contract but is awarded under the following circumstances: the aggregate value of that contract and of any other contracts for Nonprofessional Services the city has awarded to the same Person within the previous 12 months is \$100,000 or more. Once a contract qualifies as a City Contract under this subsection A(1)(b), it remains a City Contract until it expires or is terminated.

(2) "City Contract" does not include the following:

- (a) Contracts for professional services of any kind, including but not limited to services rendered by engineers, architects, auditors, banks, consultants, actuaries, and attorneys.
- (b) Contracts awarded by the City Manager in response to an emergency. An emergency exists when the City Manager determines that the services covered by the contract must be provided immediately to safeguard life, health, or property; to permit the continued conduct of city operations or services; or to mitigate further damage.
- (c) Contracts for the purchase or lease of equipment, supplies, or other personal property, even though they include incidental services such as delivery, installation, or maintenance.
- (d) Contracts with nonprofit corporations that are organized under section 501 of the Internal Revenue Code and have fewer than 100 employees, whether full or part time.
- (e) Contracts that are subject to city, state, or federal prevailing-wage

laws.

- (f) Contracts for services provided to city employees and retirees.
- (g) Contracts where, by a two-thirds vote of the members, the Council finds that it is in the best interest of the City not to require compliance with this chapter.

B. "City Manager" means the city manager or his or her designee.

C. "Covered Employee" means an individual who is a full-time or part-time career employee of the city. It also means an individual who performs work directly related to a City Contract, whether the individual works full-time or part-time, is a contingent or contract employee, or is made available to work on the City Contract through a temporary-services agency or similar entity. "Covered Employee" does not include the following:

- (1) Individuals who participate in job-training-and-education programs that have, as their express purpose, the provision of basic job skills and education to participants, with the goal of earning a high-school-equivalency diploma and permanent employment.
- (2) Temporary and seasonal city employees.
- (3) Student interns.
- (4) Individuals participating in specialized-training programs.

D. "Covered Employer" means the following:

- (1) A Person that is a party to a City Contract and has at least 25 employees, whether full or part time, determined by adding the Person's employees and the employees of any Related Person. A Person is a Related Person when any of the following circumstances exists:
 - (a) The Person and the Person that is a party to a City Contract are both corporations and—
 - (i) share a majority of members of their governing boards; or
 - (ii) have two or more officers in common; or

- (iii) are controlled by the same majority shareholder or shareholders (control means more than 50% of the corporation's voting power); or
 - (iv) are in a parent-subsidary relationship (such a relationship exists when one corporation directly or indirectly owns shares possessing more than 50% of another corporation's voting power).
 - (b) The Person otherwise controls and directs, or is controlled and directed by, the Person that is a party to a City Contract, as determined by the City Manager.
- (2) A subcontractor providing services under a City Contract, if the subcontractor has at least 25 employees, whether full or part time, or the amount of the subcontract is at least 25% of the amount of the City Contract.
- (3) The City of Sacramento.
- E. "Nonprofessional Services" means any services of a nonprofessional character, including but not limited to tree-trimming services, janitorial services, repair services for motor vehicles and office equipment, vehicle towing, window washing, security services, and laundry services.
- F. "Person" means any of the following: any individual and any corporation, limited-liability company, partnership, joint venture, association, labor organization, unincorporated organization, or other entity. "Person" does not include any unit of federal, state, or local government except the City of Sacramento.

3.58.030. Living Wage and Health Benefits

- A. Except as provided in subsection B below, a Covered Employer must pay its Covered Employees no less than the following rates for all hours worked for the City or while performing under a City Contract:
 - (1) If health benefits are provided to Covered Employees and the Covered Employer's contribution for the benefits is at least \$1.50 for each hour the Covered Employee is entitled by this chapter to a living wage, then the rates are as follows:

- (a) During 2004, \$9.00 an hour.
 - (b) During 2005, the greater of \$9.33 an hour or \$9.00 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco–Oakland–San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2004.
 - (c) During 2006, the greater of \$9.67 an hour or \$9.00 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco–Oakland–San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2005.
 - (d) During 2007, the greater of \$10.00 an hour or \$9.00 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco–Oakland–San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2006.
- (2) If health benefits are not provided to Covered Employees or if health benefits are provided but the Covered Employer's contribution for the benefits is less than \$1.50 for each hour a Covered Employee is entitled by this chapter to a living wage, then the rates are as follows:
- (a) During 2004, \$10.50 an hour.
 - (b) During 2005, the greater of \$10.87 an hour or \$10.50 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco–Oakland–San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2004.
 - (c) During 2006, the greater of \$11.17 an hour or \$10.50 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco–Oakland–San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2005.
 - (d) During 2007, the greater of \$11.50 an hour or \$10.50 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco–Oakland–San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2006.
- (3) For each year after 2004, the City Manager shall determine the appropriate rate as practicable. Each city department that has City Contracts shall give

written notice of the rate so determined to the Covered Employers.

- B. Notwithstanding subsection A above, the city council may waive, modify, or alter the requirements of this chapter when amending a contract that has a remaining term of ten years or more.

3.58.040. Use of Funds Paid Under City Contracts.

Covered Employers may not directly use city funds to persuade Covered Employees to support or oppose unionization. In particular, but without limiting the generality of the preceding sentence, Covered Employers may not directly use city funds to schedule or hold meetings related to union representation during Covered Employees' working hours. The restrictions imposed by this section do not apply to expenditures made during good-faith collective bargaining or to expenditures required under bona fide collective-bargaining agreements.

3.58.050. No Reduction in Non-Wage Benefits.

Covered Employers shall not fund wage increases required by this chapter and shall not otherwise respond to this chapter by reducing the health, insurance, pension, vacation, or other non-wage benefits of any of their employees.

3.58.060. No Retaliation.

A Covered Employer shall not take any adverse action against a Covered Employee because the Covered Employee does any of the following:

- A. Exercises or asserts his or her rights under this chapter.
- B. Informs or assists other Covered Employees concerning their rights and the Covered Employer's obligations under this chapter.
- C. Complains about the Covered Employer's failure to comply with this chapter.
- D. Seeks to enforce this chapter in accordance with section 3.58.080.

3.58.070. Notification to Covered Employees.

A Covered Employer shall give each existing employee and (at the time of hire) each new employee a copy of the following written notification of this chapter:

This company may enter into a contract to perform services for the City of Sacramento. If you work on such a contract, then you are entitled to be paid a living wage for each hour so worked. In 2004, the living wage is \$9.00 an hour with health benefits and \$10.50 an hour without health benefits. In 2005, the living wage is at least \$9.33 an hour with health benefits and \$10.87 an hour without health benefits. In 2006, the living wage is at least \$9.67 an hour with health benefits and \$11.17 an hour without health benefits. And in 2007, the living wage is at least \$10.00 an hour with health benefits and \$11.50 an hour without health benefits. For more information, see chapter 3.58 of the Sacramento City Code, which can be viewed at www.cityofsacramento.org.

The notification must be in each language spoken by 10% or more of the Covered Employer's workforce. A Covered Employer shall also inform all employees who earn less than \$12 an hour of their possible right to the federal Earned Income Credit (EIC) and shall make available to those employees any forms required to secure advance EIC payments from the Covered Employer.

3.58.080. Implementation and Enforcement.

- A. Implementation. This chapter augments the city's procedures for administering its contracts. The city will include a summary of the requirements of this chapter in all requests for proposals and solicitations relating to City Contracts to which it applies. Compliance with this chapter shall be required in all City Contracts to which it applies, and such City Contracts shall provide that violation of this chapter will constitute a material breach and authorize the city to terminate the City Contract and pursue all available legal and equitable remedies.
- B. Enforcement.
- (1) City Enforcement. The city may investigate and address, in its sole discretion, any alleged violation of this chapter's requirements. But the city's failure to investigate an alleged violation or otherwise enforce any of the provisions of this chapter shall not create any right of action or right to recover damages from the city by any person, including but not limited to an aggrieved employee.
 - (2) Investigative Authority. The City Manager shall monitor compliance with this chapter and may require Covered Employers to verify compliance by submitting certified payroll records. The City Manager may take such other steps as necessary to determine whether the requirements of this chapter have been satisfied.

- (3) Private Right of Action. An employee or interested party claiming violation of this chapter is entitled to file an action against an employer in the appropriate court within one year after discovery of the alleged violation. The court may award any employee who files suit under this provision, as to the relevant time period, the following:
- (a) For failure to pay the living wage required by this chapter, the difference between the minimum wage and the amount actually paid to the employee.
 - (b) For failure to pay medical benefits, the difference between the living wage (with benefits) required by this chapter and the amount actually paid to the employee.
 - (c) For retaliation for exercise of any rights provided for under this chapter, reinstatement, back pay, and/or any other relief that a court may deem appropriate.
 - (d) The court shall award reasonable attorney's fees and costs to an employee who prevails in any such private action.
- (4) No Criminal Penalty. Notwithstanding any contrary provision of this code or any other ordinance, no criminal penalties attach to any violation of this chapter.

3.58.090. Supersession by Collective-Bargaining Agreement.

This chapter does not apply to Covered Employees whose terms and conditions of employment are governed by a bona fide collective-bargaining agreement containing an express waiver of this chapter.

3.58.100. No Reduction in Collective-Bargaining Wage Rates.

This chapter does not require or authorize any Covered Employer to reduce wages set by a collective-bargaining agreement or required under any prevailing-wage law.

3.58.110. Annual Reports.

Beginning in 2005, the City Manager's office shall report to the city council on the following by March 1: the effectiveness of this chapter in carrying out the purposes set forth in

section 3.58.010; the cost to the city of compliance with this chapter; and, beginning in 2006, recommendations for increases or decreases in the rates prescribed by section 3.58.030.

3.58.120 Audit Report After Three Years

The City Manager shall prepare or cause to be prepared, at the end of three years of operation, a report on the costs and benefits of compliance with this chapter. The city council shall review the report at a regular city council meeting.

3.58.130. Effective Date.

This chapter applies to all City Contracts entered into, amended, renewed at the city's discretion, or extended at the city's discretion on or after March 1, 2004.

DATE PASSED FOR PUBLICATION: December 2, 2003
DATE ENACTED: December 9, 2003
DATE EFFECTIVE: March 1, 2004

Heather Fargo

MAYOR

ATTEST:

Shirley Concolino

CITY CLERK



POWER INN BUSINESS
& TRANSPORTATION
ASSOCIATION

December 8, 2003

Councilmember Dave Jones
City Hall
915 I Street, #205
Sacramento, CA 95814

Sponsors

- A. Teichert & Son, Inc.
- Browning-Ferris Industries
- BLT Enterprises
- Depot Park
- City of Sacramento
- Granite Park Partners
- Lowe's
- World of Good Tastes

Friends

- Illied Domecq Quick Service
- Buzz Oates Real Estate
- Crystal Cream & Butter Co.
- Lawnman, Inc
- L and D Landfill
- Team Power Forklifts

RE: Living Wage Ordinance

Dear Dave,

The Power Inn Business & Transportation Association has closely followed progression of the proposed Living Wage Ordinance through conversation and correspondence with staff. Staff advised us updated amendments would be placed on the City website two weeks prior to it being agendized. Expecting it to be on the December 9, 2003 agenda, we continued to look for staff amendment information on the City website and have found none.

In fact, the proposed ordinance is on tomorrow's agenda. We have been unable to obtain staff recommendation in time for our group to meet and review the proposed ordinance. Will the City Council consider postponing the proposed Living Wage Ordinance until community groups have been given time to review and comment? The BTA has several member businesses that will be affected by the ordinance.

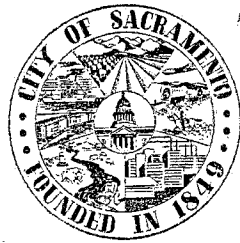
Sincerely,

Trong Nguyen
Chair
Power Inn Business & Transportation Association

Cc: Mayor Heather Fargo
~~City Councilmembers~~
BTA Board of Directors
Becky Heieck, BTA Executive Director

Executive Director

Becky Heieck



3.7

12.2

DEPARTMENT OF
FINANCE

FINANCE ADMINISTRATION

CITY OF SACRAMENTO
CALIFORNIA

SACRAMENTO CITY HALL
730 I STREET
ROOM 215
SACRAMENTO, CA
95814-2684

PH: 916-808-1240
FAX: 916-808-5755
TDD (ONLY) 916-264-7227

PFP LIVING WAGE ORDINANCE

November 25, 2003

PASSED FOR
PUBLICATION
& CONTINUED
TO 12-9-03

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Living Wage Ordinance

LOCATION/COUNCIL DISTRICT: Citywide

RECOMMENDATION:

It is recommended that the item be passed for publication of title and continued to December 9, 2003

CONTACT PERSON: Michael L. Medema, Special Projects Manager 808-1915

FOR CITY COUNCIL MEETING OF: December 2, 2003

SUMMARY:

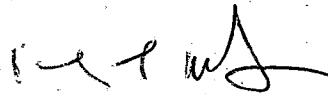
This item is presented at this time for approval of publication of title pursuant to City Charter, Section 32.

City Council
December 2, 2003
RE: Living Wage Ordinance PFP

BACKGROUND:

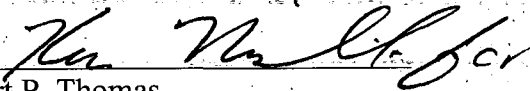
This item is presented at this time for approval of publication of title pursuant to City Charter, Section 32. Prior to publication of an item in a local paper to meet legal advertising requirements, the City Council must first pass the item for publication and for advertising the meeting date. Attached is the Living Wage Ordinance.

Respectfully submitted,



Michael L. Medema
Special Projects Manager

RECOMMENDATION APPROVED



Robert P. Thomas
City Manager

Attachment:

ORDINANCE NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

AN ORDINANCE ADDING CHAPTER 3.58 TO THE SACRAMENTO CITY CODE TO ESTABLISH A LIVING WAGE FOR THE CITY OF SACRAMENTO

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

The Sacramento City Code is amended by adding chapter 3.58 to title 3, to read in its entirety as follows:

Chapter 3.58 LIVING WAGE

3.58.010. Legislative Findings.

The city council finds as follows:

- A. In its proprietary capacity, the city awards many contracts to private businesses that provide services to the public and to the city. While providing such services, these businesses should pay their employees a wage, including health-care benefits, that enables the employees and their families to meet basic needs and avoid economic hardship. Likewise, all career employees of the city should be paid a wage, including health-care benefits, that enables them and their families to meet basic needs and avoid economic hardship.
- B. Payment of such a "living wage" will enhance the quality of services provided to the public and the city by promoting workplace stability. It will also reduce the amount of taxpayer-funded social services that must be provided to employees who are city residents.

3.58.020. Definitions.

The following definitions apply in this chapter:

- 1 -

FOR CITY CLERK USE ONLY

ORDINANCE NO. _____

DATE ADOPTED: _____

A. "City Contract" means a contract with the city under which a Covered Employer provides Nonprofessional Services in return for compensation of \$100,000 or more.

(1) "City Contract" includes the following:

- (a) An existing contract for Nonprofessional Services that did not qualify as a City Contract when awarded but is amended after the effective date of this chapter so that the total compensation is \$100,000 or more. Such a contract will be a City Contract beginning on the effective date of the amendment.

Exception: Amendment of Existing Contracts with a Remaining Term of More than Ten Years: Pursuant to Section 3.58.030 below, the City Council may, in its sole discretion, waive, modify or alter the requirements of this chapter when amending a contract entered into prior to the effective date of this chapter that has a remaining term of ten years or more.

- (b) Two or more contracts for Nonprofessional Services, each of which is for compensation of less than \$100,000, if each contract is awarded to the same Covered Employer or to any of that Covered Employer's Related Persons, and if the aggregate compensation under the contracts is \$100,000 or more during any 12-month period. Once contracts qualify as City Contracts under this subsection B(1)(b), they remain City Contracts until they expire or are terminated.

(2) "City Contract" does not include the following:

- (a) Contracts for professional services of any kind, including but not limited to services rendered by engineers, architects, auditors, banks, consultants, actuaries, and attorneys.
- (b) Contracts awarded by the City Manager in response to an emergency. An emergency exists when the City Manager determines that the services covered by the contract must be provided immediately to safeguard life, health, or property; to permit the continued conduct of city operations or services; or to mitigate further damage.
- (c) Contracts for the purchase or lease of equipment, supplies, or other personal property, even though they include incidental services such as delivery, installation, or maintenance.

FOR CITY CLERK USE ONLY

ORDINANCE NO. _____

DATE ADOPTED: _____

- (d) Contracts with nonprofit corporations that are organized under section 501 of the Internal Revenue Code and have fewer than 100 employees, whether full or part time.
- (e) Contracts that are subject to city, state, or federal prevailing-wage laws.
- (f) Contracts for services provided to city employees and retirees.
- (g) Contracts where, by a two-thirds vote of the members, the Council finds that it is in the best interest of the City not to require compliance with this chapter.

B. "City Manager" means the city manager or his or her designee.

C. "Covered Employee" means an individual who is a full-time or part-time career employee of the city. It also means an individual who performs work directly related to a City Contract, whether the individual works full-time or part-time, is a contingent or contract employee, or is made available to work on the City Contract through a temporary-services agency or similar entity. "Covered Employee" does not include the following:

- (1) Individuals who participate in job-training-and-education programs that have, as their express purpose, the provision of basic job skills and education to participants, with the goal of earning a high-school-equivalency diploma and permanent employment.
- (2) Temporary and seasonal City employees.
- (3) Student interns.
- (4) Individuals participating in specialized-training programs.

D. "Covered Employer" means the following:

- (1) A Person that is a party to a City Contract and has at least 25 employees, whether full or part time, determined by adding the Person's employees and the employees of any Related Person. A Person is a Related Person when any of the following circumstances exists:
 - (a) The Person and the Person that is a party to a City Contract are both corporations and—

FOR CITY CLERK USE ONLY

ORDINANCE NO. _____

DATE ADOPTED: _____

5

- (i) share a majority of members of their governing boards; or
 - (ii) have two or more officers in common; or
 - (iii) are controlled by the same majority shareholder or shareholders (control means more than 50% of the corporation's voting power); or
 - (iv) are in a parent-subsidary relationship (such a relationship exists when one corporation directly or indirectly owns shares possessing more than 50% of another corporation's voting power).
- (b) The Person otherwise controls and directs, or is controlled and directed by, the Person that is a party to a City Contract, as determined by the City Manager.
- (2) A subcontractor providing services under a City Contract, if the subcontractor has at least 25 employees, whether full or part time, and the amount of the subcontract is at least 25% of the amount of the City Contract.
- (3) The City of Sacramento.

F. "Nonprofessional Services" means any services of a nonprofessional character, including but not limited to tree-trimming services, janitorial services, repair services for motor vehicles and office equipment, vehicle towing, window washing, security services, and laundry services.

G. "Person" means any of the following: any individual and any corporation, limited-liability company, partnership, joint venture, association, labor organization, unincorporated organization, or other entity. "Person" does not include any unit of federal, state, or local government except the City of Sacramento.

3.58.030. Living Wage and Health

A. Except as provided in subsection B below, a Covered Employer must pay its Covered Employees no less than the following rates for all hours worked for the City or while performing under a City Contract:

FOR CITY CLERK USE ONLY

ORDINANCE NO. _____

DATE ADOPTED: _____

1. If health benefits are provided to Covered Employees and the Covered Employer's contribution for the benefits is at least \$1.50 for each hour the Covered Employee is entitled by this chapter to a living wage, then the rates are as follows:
 - a. During 2004, \$9.00 an hour.
 - b. During 2005, the greater of \$9.33 an hour or \$9.00 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco–Oakland– San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2004.
 - c. During 2006, the greater of \$9.67 an hour or \$9.00 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco–Oakland– San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2005.
 - d. During 2007, the greater of \$10.00 an hour or \$9.00 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco–Oakland– San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2006.

2. If health benefits are not provided to Covered Employees or if health benefits are provided but the Covered Employer's contribution for the benefits is less than \$1.50 for each hour a Covered Employee is entitled by this chapter to a living wage, then the rates are as follows:
 - a. During 2004, \$10.50 an hour.
 - b. During 2005, the greater of \$10.87 an hour or \$10.50 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco–Oakland–San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2004.
 - c. During 2006, the greater of \$11.17 an hour or \$10.50 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco–Oakland–San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2005.

FOR CITY CLERK USE ONLY

ORDINANCE NO. _____

DATE ADOPTED: _____

- d. During 2007, the greater of \$11.50 an hour or \$10.50 adjusted by the increase in the Consumer Price Index for All Urban Consumers, San Francisco–Oakland–San Jose area (1982-1984=100) from January 1, 2004, through December 31, 2006.
- 3. For each year after 2004, the City Manager shall determine the appropriate rate as practicable. Each city department that has City Contracts shall give written notice of the rate so determined to the Covered Employers.
- B. Amendment of Contracts with a Remaining Term of Ten Years or More: Notwithstanding Subsection A above, the City Council shall have the authority to waive modify or alter the requirements of this chapter when amending a contract that has a remaining term of ten years or more.

3.58.040. Use of Funds Paid Under City Contracts.

Covered Employers may not directly use city funds to persuade Covered Employees to support or oppose unionization. In particular, but without limiting the generality of the preceding two sentences, Covered Employers may not directly use city funds to schedule or hold meetings related to union representation during Covered Employees' working hours. The restrictions imposed by this section do not apply to expenditures made during good-faith collective bargaining or to expenditures required under bona fide collective-bargaining agreements.

3.58.050. No Reduction in Non-Wage Benefits.

Covered Employers shall not fund wage increases required by this chapter and shall not otherwise respond to this chapter by reducing the health, insurance, pension, vacation, or other non-wage benefits of any of their employees.

3.58.060. No Retaliation.

A Covered Employer shall not take any adverse action against a Covered Employees because the Covered Employee does any of the following:

- A. Exercises or asserts his or her rights under this chapter.
- B. Informs or assists other Covered Employees concerning their rights and the Covered Employer's obligations under this chapter.
- C. Complains about the Covered Employer's failure to comply with this chapter.

FOR CITY CLERK USE ONLY

ORDINANCE NO. _____

DATE ADOPTED: _____

D. Seeks to enforce this chapter in accordance with section 3.58.080.

3.58.070. Notification to Covered Employees.

A Covered Employer shall give each existing employee and (at the time of hire) each new employee a copy of the following written summary of this chapter:

If you work on such a contract, then you are entitled to be paid a living wage for each hour so worked. In 2004, the living wage is \$9.00 an hour with health benefits and \$10.50 an hour without health benefits. In 2005, the living wage is at least \$9.33 an hour with health benefits and \$10.87 an hour without health benefits. In 2006, the living wage is at least \$9.67 an hour with health benefits and \$11.17 an hour without health benefits. And in 2007, the living wage is at least \$10.00 an hour with health benefits and \$11.50 an hour without health benefits. For more information, see chapter 3.58 of the Sacramento City Code, which can be viewed at www.cityofsacramento.org.

The summary must be in each language spoken by 10% or more of the Covered Employer's workforce. A Covered Employer shall also inform all employees who make less than \$12 an hour of their possible right to the federal Earned Income Credit (EIC) and shall make available to those employees any forms required to secure advance EIC payments from the Covered Employer.

3.58.080. Implementation and Enforcement.

A. Implementation. This chapter augments the city's regular procedures for administering its contracts. The city will include a summary of the requirements of this chapter in all requests for proposals and solicitations relating to City Contracts to which it applies. Compliance with this chapter shall be required in all City Contracts to which it applies, and such City Contracts shall provide that violation of this chapter will constitute a material breach and authorize the city to terminate the City Contract and pursue all available legal and equitable remedies.

B. Enforcement.

1. City Enforcement. The City may, in its sole discretion, investigate and address any alleged violation of this Chapter's requirements. However, the City's failure to investigate an alleged violation or otherwise enforce any of the provisions of this Chapter shall not create any right of action or right to recover damages from the City by any person, including but not limited to an aggrieved employee.

FOR CITY CLERK USE ONLY

ORDINANCE NO. _____

DATE ADOPTED: _____

2. Investigative Authority: The City Manager shall monitor compliance, and shall have the discretion to require the submittal of certified payroll records by Covered Employers to verify compliance with this chapter, and to take such other steps as necessary to determine whether the requirements of this chapter have been satisfied.

3. Private Right of Action. An employee claiming violation of this Chapter shall have the right to file an action against an employer in the appropriate court, within one year after discovery of the alleged violation. The court may award any employee who files suit pursuant to this provision, as to the relevant period of time, the following:
 - a. For failure to pay the minimum wage required by this Chapter, the difference between the minimum wage required herein and the amount actually paid to the employee.
 - b. For failure to pay medical benefits, the difference between the minimum wage required by this Ordinance with benefits and the amount actually paid to the employee.
 - c. For retaliation for exercise of any rights provided for under this Ordinance, reinstatement, back pay, and/or any other relief that a court may deem appropriate.
 - d. The court shall award reasonable attorney's fees and costs to an employee who prevails in any such private action.

3. No criminal penalty: Notwithstanding any provision of this code or any other ordinance to the contrary, no criminal penalties shall attach for any violation of this Chapter.

3.58.090. Supersession by Collective-Bargaining Agreement.

This chapter does not apply to Covered Employees whose terms and conditions of employment are governed by a bona fide collective-bargaining agreement containing an express waiver of this chapter.

3.58.100. No Reduction in Collective-Bargaining Wage Rates.

This chapter does not require or authorize any Covered Employer to reduce wages set by a collective-bargaining agreement or required under any prevailing-wage law.

FOR CITY CLERK USE ONLY

ORDINANCE NO. _____

DATE ADOPTED: _____

3.58.110. Annual Reports.

Beginning in 2005, the City Manager's office shall report to the city council on the following by March 1: the effectiveness of this chapter in carrying out the purposes set forth in section 3.58.010; the cost to the city of compliance with this chapter; and, beginning in 2006, recommendations for increases or decreases in the rates prescribed by section 3.58.030.

3.58.120 Audit Report After Three Years

The City Manager shall prepare, or cause to be prepared, a report on the costs and benefits of compliance with this chapter at the end of three years of operation. The Council shall review the report at a regular Council meeting.

3.58.110. Effective Date; Sunset Date.

This chapter, shall apply to all City Contracts entered into or amended, or renewed or extended (but only if the city has discretion to renew or extend), on or after March 1, 2004. The requirements of this Chapter shall not apply to contracts entered into on or after March 1, 2007 or thirty (30) days following the Council meeting held pursuant to Section 3.58.120, whichever is later. The requirements of this chapter shall continue to apply to City Contracts entered into, amended or renewed or extended prior to the date specified in the previous sentence.

DATE PASSED FOR PUBLICATION:

DATE ENACTED:

DATE EFFECTIVE:

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

ORDINANCE NO. _____

DATE ADOPTED: _____

Proposed Sacramento Living Wage Ordinance

Side-by-Side Comparison of Original and Revised Proposals

March 4, 2003

#6

Cont from
3/4/03
to 5/13/03
12/9/03 12.02

What follows is a comparison of the major provisions of the original and modestly revised living wage proposals. When reading any changes noted on the right hand column, you may assume that whatever is not mentioned has remained unchanged. It should also be noted that "No change" means only no *substantive* change, as the order and style may have changed. Most changes – technical and more substantive – were made in response to the concerns of City Staff and the City Attorney's January 31, 2003 memo.

Original Proposal

Revised Proposal

Wages and Health Benefits

| | |
|---|-----------|
| \$10.00 if health benefits are provided, \$12.84 if not | No change |
|---|-----------|

Types of City Relationships Covered

A. City Employees

| | |
|-------------|---------|
| Not covered | Covered |
|-------------|---------|

B. City Service Contractors and Subcontractors

| | |
|---|-----------|
| <ul style="list-style-type: none">• Service contracts worth over \$25,000 annually, provided that the firm has 15 employees or 2 employees in the case of custodial, landscape and recycling.• Subcontractors covered if performing work directly related to city service contract | No change |
|---|-----------|

C. City Financial Assistance

| | |
|---|---|
| <ul style="list-style-type: none"> • Any grant, loan, tax abatement, bond financing, etc. of at least \$100,000, provided the firm has at least 15 employees or 2 employees in the case of custodial, landscape and recycling. • Coverage extends to contractors or subcontractors of these firms that provide services on-site at the property that is the subject of the City Financial Assistance. • Tenants are not covered. | <p>Makes an exception to the exclusion of tenants only in the case of a restaurant on-site at the property that is the subject of City Financial Assistance</p> |
|---|---|

D. City Leases

| | |
|---|---|
| <ul style="list-style-type: none"> • Lease of city property where services are being rendered by employees, provided any of the following: (1) site is visited by the public on a frequent basis; (2) the lessee anticipates annual gross revenues of at least \$25,000 from business conducted on the premises; (3) the lessee will employ at least 15 employees or 2 in the case of custodial, landscaping, or recycling services. • Contractors/subcontractors and subleases located in or providing services at the leased site are covered. • Unclear exemptions for retail | <ul style="list-style-type: none"> • Coverage of contractors/subcontractors and tenants of lessees limited to those that meet the employee number thresholds indicated for the lessee itself • Exemption for retail removed |
|---|---|

Types of Employees Covered

| | |
|---|------------------|
| <ul style="list-style-type: none"> • Full time, part time, temporary • Must be performing work that is the subject of the city contract, financial assistance or lease and are only covered for the hours they are performing the City work | <p>No change</p> |
|---|------------------|

Other Labor Standards

A. Anti-retaliation

| | |
|--|------------------|
| <p>Prohibits firing or discriminating against an employee who asserts his/her rights under the ordinance</p> | <p>No change</p> |
|--|------------------|

B. Responsible Contractor Standards/Compliance with Applicable Laws

| | |
|--|---|
| <ul style="list-style-type: none">• Prior to awarding a city contract, lease or financial assistance, the City must determine whether prospective employer is capable to perform duties• Employers must comply with federal, state and local laws and inform the City if investigated by any government agency for non-compliance | <ul style="list-style-type: none">• Breaks these provisions into two different sections and makes clearer how to determine eligibility (creates a certification process) and compliance with laws (creates Pledge of Compliance)• City may declare material breach if it determines the Pledge of Compliance has been violated |
|--|---|

C. Restriction of Use of City Funds

| | |
|--|-----------|
| Prohibits the use of city funds to promote or deter employees from joining a union | No change |
|--|-----------|

D. Worker Retention

| | |
|--|---|
| New service contractors must offer work to predecessor contractor's workforce for at least 90 days (including City's workforce in the case of newly privatized services) | No change except the required length of employment to be considered for retention is reduced from one year to three months. |
|--|---|

E. Card Check/Labor Peace

| | |
|---|---|
| Covered Employers must enter into a Labor Peace Agreement with any interested union that includes: a card check agreement, binding arbitration on collective bargaining agreements and a "no strike" commitment from the union. | This language was softened to simply require the city to consider a firm's labor record – and its vulnerability to labor unrest – when making decisions to grant contracts and leases and award assistance. |
|---|---|

F. Paid Days Off

| | |
|--|--|
| This benefit was alluded to, but not clearly included. | Requires Covered Employers to provide 12 paid days off a year (paid holidays may be included toward the 12 days) |
|--|--|

Exemptions and Exclusions

| | |
|---|--|
| <p>Any non-profit firm in which the highest paid employee makes less than six times that of the firm's lowest paid employee</p> | <p>Adds exclusion of contracts covered by prevailing wage laws (such as construction contracts); contracts for professional services; and contracts let under circumstances that the mayor deems an emergency; and provides an exemption for the Sacramento Local Conservation Corps and similar education and training programs</p> |
|---|--|

Implementation and Enforcement

A. Obligations of Covered Employers

| | |
|---|--|
| <ul style="list-style-type: none"> • Shall submit a Declaration of Compliance with any proposal for City business and shall insure compliance of any contractors/subcontractors/leaseholders • Shall maintain a list of employees, address, hire date, job classification and rate of pay and benefits and submit list to City quarterly • Shall notify current and new employees of their rights under the ordinance • Shall permit access to worksites and relevant payroll records at City's request | <ul style="list-style-type: none"> • Removed Declaration of Compliance • Decreased reporting of employee information to City from quarterly to semi-annually |
|---|--|

B. The Role of Courts and City

| | |
|--|------------------|
| <ul style="list-style-type: none"> • Aggrieved employees may bring court action against employer and shall be awarded back pay, damages and other equitable relief. Court may also direct City to terminate contract/assistance/lease, debar firm for three years, and collect fines. • City must include summary of requirements in all bid documents and inform firms that violation will constitute a material breach which may lead to termination of contract/assistance/lease and the City may pursue all available legal remedies | <p>No change</p> |
|--|------------------|

Other Clarifications

The original draft was silent or unclear on a handful of technical points that the drafters of the revised proposal sought to clarify for the benefit of the Council's consideration;

1. Calculating thresholds to determine if a firm is covered

The original proposal did not make clear how coverage would be determined if a single company – or a subsidiary of that company – had several contracts *for the same service* that together add up to the dollar value threshold of \$25,000 but that taken alone do not meet the threshold. The revised ordinance clarifies that contracts from the same company for the same services shall be aggregated to determine if they meet the coverage thresholds. The same applies to a firm that receives City Financial Assistance in several chunks.

2. Determining number of employees

The original ordinance draft used employee thresholds to limit coverage, but did not clarify how number of employees were to be determined. The revised draft makes this clear (See Section .119).

3. Duration of coverage

The revised version makes this important clarification: The requirements of this chapter shall apply to a Covered Employer for the duration of the City Contract, City Lease or City Financial Assistance involved. Where City Financial Assistance does not have a defined duration, or is received in a lump sum, its duration shall be deemed to be five years.

4. Effective Date

The original ordinance did not include an effective date. The revised version indicates that this chapter shall take effect 60 days after its enactment and shall apply to any City Contract, City Lease or City Financial Assistance Award entered into, awarded, renewed, or extended after that effective date. *Provided, however, that Covered Employers shall not be required to begin paying the wages and benefits established by this chapter, or to comply with the chapter's other requirements, until January 1, 2004.* Provided further that the requirements of this chapter shall apply to renewals or extensions only where the City has the discretion not to renew or extend the agreement.

#6

To: Interested Parties
From: Sacramento Living Wage Coalition
Re: Response to City Staff report on change in scope of proposed ordinance

March 4, 2003

In a lengthy memo to Council released March 3, 2003 (dated March 4, 2003) regarding the March 4, 2003 Council "Workshop Regarding Programs to Assist the Working Poor", City Staff include a section on "Financial Considerations". This section claims that the revised ordinance presented to the City and Council "expands the scope of workers covered and city administrative requirements from the original proposed ordinance" and insists that these changes justify *an additional economic analysis*. We believe that the changes are substantially overstated and no additional analysis is needed.

The revised proposal was submitted by the Living Wage Coalition to address some of the drafting weaknesses of the original proposal – many of which were indicated by City Attorney Sam Jackson in a January 31 memo. The most significant change that was made – the extension of the living wage to City Employees – was added due to both the belief of Coalition members that these workers deserve a living wage AND the stated concerns of City Staff and others prior to and at the January 9, 2003 Council Workshop.

In any case, this memo specifically addresses the 6 points Mr. Medema's presents as justification for yet another expensive and time-consuming economic analysis. We do not believe such an analysis would provide any new useful information, as 1) The ERA study already estimated the cost of adding City Employees, 2) the original report was of limited use in predicting with any certainty or soundness the cost of private sector coverage and pass-through costs to the city, and 3) other than the coverage of City employees, the proposed changes DO NOT represent significant new areas of coverage that would likely change the economic impact.

A point-by-point discussion of Medema's points follows:

1. The revised ordinance "required combining contracts or assistance to affiliates and subsidiaries of businesses with contracts or receiving assistance [sic]."

This point apparently refers to Section _ .020 (a) (ii) and (b) (ii).

These provisions are an attempt to clarify just how to determine whether a firm has met the dollar amount thresholds for coverage. The original proposal did not make clear how coverage would be determined if a single company – or a subsidiary of that company – had several contracts for the same service that taken together add up to the dollar value threshold of \$25,000 (or \$100,000 for City Financial Assistance) but, when considered separately, do not meet the threshold. The revised ordinance intends to clarify that contracts from the same company for the same services shall be aggregated to determine if they meet the coverage thresholds.

The reference to "affiliate or subsidiary" was added to protect against attempts by unscrupulous firms to avoid living wage coverage simply by playing a corporate "shell game" - submitting several smaller bids or bids from related companies in order to stay under the threshold for coverage. We certainly do not expect this to be a common occurrence, and do not imagine that its addition has major implications for an economic analysis.

However, if the City is sufficiently concerned that this provision implies a substantially new set of covered firms and employees, we would be amenable to removing the "affiliates and subsidiary" language and/or making clearer that this provision only intends to apply to firms bundling contracts *for the same services*.

2. The revised ordinance "includes all businesses with the city including providers of goods."

This is simply not true. The ordinance intends to cover *service* contractors only, which is made perfectly clear in Section . . .020 (a) (i) which reads:

- (a) "City Contract" means:
- (i) *Any contract between the City and any other Person to provide services to the City or its residents where the annual value of payments under the contract is \$25,000 or more*

Perhaps the confusion arises from a reading of Section . . .020 (e) which itself does not specify contract type. However, as you can see below, the reason for this is that *this definition subsumes the definition of "City Contract,"* which, as seen above, clearly refers to services only.

- (e) *"Contractor" means any Person having at least 15 employees or, in the case of a Person performing custodial, landscaping, or recycling services, that has at least 2 employees, and that is a party to a City Contract, is a subcontractor that provides services relating to performing a City Contract.*

In any case, even if this definition does not please City Staff, it has never been the intent of this Coalition to include coverage of contracts for the provision or purchase of goods. Indeed, none of the more than 100 living wage laws on the books nationwide does this. We would certainly be amenable to further clarification if the City feels it is necessary. That said, *there is certainly no call to perform any additional economic analysis with respect to this misinterpretation.*

3. The revised ordinance "includes leases and certain subleases of City property paying market rents which may include users of the City Convention Center, Community Center Theater, Memorial Auditorium, park and recreation facilities, and the Community Centers."

First of all, the coverage of City leased property is not a new provision, as it was included in the original ordinance (See Section 2 (m) "Proprietary lease or license").

Second, despite the City's presentation, both the original and revised proposal include substantial limitations on the coverage of City Leases that would certainly limit coverage of the majority of entities they raise concerns about here. For reference, the definition of "City Lease" is included here (Section . .020 (c)):

"City Lease" means any lease, concession agreement, or other agreement authorizing any Person to occupy, use, control or do business at property owned or controlled by the City, but only where any of the following applies: (1) at least a portion of the occupied premises is visited by substantial numbers of the public on a frequent basis; or (2) the lessee anticipates annual gross revenues of at least twenty five thousand dollars (\$25,000) from business conducted on the premises; or (3) the lessee anticipates that it will employ at least fifteen (15) employees or, in the case of a Person performing custodial, landscaping, or recycling services, at least two 2 employees.

4. The revised ordinance "potentially includes all workers of businesses covered regardless of their work location and work performed."

The ordinance covers only those workers who are performing work that is the subject of the City Contract, City Financial Assistance or City Lease and only for the hours they are performing that City work. Since the proposed ordinance is clear on this point, we are confused by this claim. See below:

Section . .030. Living Wage and Health Benefits.

(a) A Covered Employer must pay Employees no less than a Living Wage for all hours worked for the City, performing a City Contract, or at a site or project that is the subject of City Financial Assistance or a City Lease, and must provide Health Benefits.

This limited coverage is further reflected in several other places in the proposed ordinance, such as Section . .020 (d) and (e):

(d) "Beneficiary" means any Person that has at least 15 employees or, in the case of a Person performing custodial, landscaping, or recycling services, that has at least 2 employees, and that:

(iv) Is a contractor or subcontractor of a recipient of City Financial Assistance or a City Lease and provides services on-site at the property that is the subject of the City Financial Assistance or City Lease.

(e) "Contractor" means any Person having at least 15 employees or, in the case of a Person performing custodial, landscaping, or recycling services, that has at least 2 employees, and that is a party to a City Contract, is a subcontractor that provides services relating to performing a City Contract.

It is true, however, that geography per se (e.g. city/county boundaries) has nothing to do with coverage under the law. This makes perfect sense (and is the pattern of living wage laws nationally), so that firms cannot attempt to escape coverage by moving their workforce out of town.

5. The revised ordinance “includes full-time, part-time, and seasonal city employees.”

Yes, this is true. As stated above, the decision to add coverage of direct City employees was a result of both the judgment of Coalition members and of City Staff themselves – if public comments prior to and including the January 9th Council workshop and the scope of the ERA analysis are any indication. However, this change would not require additional economic analysis since this analysis was part of the ERA report.

6. The revised ordinance “expands the city administration requirement.”

Again, this is simply not the case. A side-by-side comparison of the primary role of the city in implementation and enforcement vis a vis Covered Employers and the courts is below. It is clear, here, that the City’s role was actually slightly *decreased* in the revised proposal.

A. Obligations of Covered Employers

| | |
|---|--|
| <ul style="list-style-type: none"> • Shall submit a Declaration of Compliance with any proposal for City business and shall insure compliance of any contractors/subcontractors/leaseholders • Shall maintain a list of employees, address, hire date, job classification and rate of pay and benefits and submit list to City quarterly • Shall notify current and new employees of their rights under the ordinance • Shall permit access to worksites and relevant payroll records at City’s request | <ul style="list-style-type: none"> • Removed Declaration of Compliance • Decreased reporting of employee information to City from quarterly to semi-annually |
|---|--|

B. The Role of Courts and City

| | |
|--|------------------|
| <ul style="list-style-type: none"> • Aggrieved employees may bring court action against employer and shall be awarded back pay, damages and other equitable relief. Court may also direct City to terminate contract/assistance/lease, debar firm for three years, and collect fines. • City must include summary of requirements in all bid documents and inform firms that | <p>No change</p> |
|--|------------------|

| | |
|---|--|
| violation will constitute a material breach which may lead to termination of contract/assistance/lease and the City may pursue all available legal remedies | |
|---|--|

Perhaps the City Staff refer to a more obscure provision from Section __. __.050 (a-d) “Responsible Contractor Standards” that requires the city to develop a questionnaire to determine whether applicant firms are fit for the job. The original proposal also called on the City to make such a determination (see “Contractor Standards” (a) and (b)), but did not make clear a process for the City to undertake that assessment and certification.

First, surely City Staff would not recommend having a provision in a law with no clear means to carry it out. Such vague provisions only require additional time and resources of the City as they struggle to carry out their responsibilities under the law. Second, the ordinance clearly leaves it to the City’s discretion to determine how rigorous or cursory to make such a questionnaire and certification process. In any case, there is certainly no argument that this provision would substantially change the original estimate of administrative costs, especially given the general nature of that estimate.

The only other thing the Coalition can speculate forms the basis of City Staff’s claim of “expanded city administration requirements” may be found in Section __. __.60 (f) “Compliance with Applicable Laws”. This subsection provides the teeth for the section (which itself does not require any extra work on the part of the City) that aims to insure that firms doing business with the City are not scofflaws – in violation of other federal, state or local laws. This provision was included in the original ordinance, but lacked any language on how the City was to behave if firms were found to be in violation of other local state and federal laws. The revised ordinance simply provides that upon being made aware of a violation, the City issues a written notification to the Covered Employer and may declare a material breach if the firm fails to correct the violation.

Again, it seems disingenuous to include a provision that cannot be implemented in any way. And in fact, this section does not require the City to go out and *look* for evidence that a company is out of compliance with other federal, state or local laws. It simply allows the City to act on such information if it comes to the City’s attention.

#6

Sacramento Living Wage Ordinance Summary of Key Provisions

March 2003

Who is covered by the ordinance?

A. Employers covered:

- **City of Sacramento**

- **Service Contracts:**

Firms that receive city service contracts of \$25,000/year or more and have 15 or more employees company-wide or 2 employees in the case of custodial, landscape and recycling services. Subcontractors of these contractors are covered if they are providing services related to the City contract.

- **Financial Assistance:**

Firms that receive financial assistance from or through the City (including grants, loans, tax abatements or tax increment financing), in the amount of \$100,000 or more and have 15 or more employees company-wide, or 2 employees in the case of custodial, landscape and recycling services. Contractors and subcontractors of these firms are covered if they meet these employee thresholds and are providing services on-site at the property that is the subject of the City financial assistance. Tenants of these firms are not covered, except in the case of a restaurant located on-site at the city-funded project.

- **City Leases:**

Firms that occupy, use, control or do business at property owned or controlled by the City, but only where any of the following apply: (1) at least a portion of the occupied premises is visited by substantial numbers of the public on a frequent basis; (2) the lessee anticipates annual gross revenues of at least twenty five thousand dollars (\$25,000) from business conducted on the premises. (3) the lessee will employ at least 15 employees or 2 in the case of custodial, landscaping, or recycling services. Tenants/subleases of these firms that use or occupy property that is the subject of the City Lease are covered if they meet these employee thresholds.

- **Exemptions:** Non-profit firms where the highest paid employee makes less than six times that of the lowest paid employee; contractors providing “professional services” (such as auditors, lawyers, accountants); contracts let under circumstances that the mayor deems an emergency; certain education and training programs.

B. Workers covered:

- Direct employees of the City of Sacramento
- Only those workers who are performing work that is the subject of the city contract, financial assistance or lease and only for the hours they are performing the City work
- Full-time, part-time and temporary workers

What is the living wage?

The required wage is \$10.00/hr with health benefits or \$12.84 if health benefits are not provided. The wage will be indexed annually to reflect changes in the Consumer Price Index.

Other Labor Standards

- **Paid days off:**

Requires employers to provide 12 paid days off a year (this may include paid holidays).

- **Anti-retaliation:**

Prohibits firing or discriminating against an employee who asserts his/her rights under the ordinance.

- **Worker Retention:**

New service contractors must offer work to predecessor contractor’s workforce (if same work is to be performed) for at least 90 days. This applies to City employees in the case of newly privatized services.

- **Protection Against Disruption of Essential Services through Labor Unrest:**

Requires the City to consider a firm's labor record – and its vulnerability to labor unrest – when making decisions to grant contracts and leases and award assistance.

- **Responsible Contractor Standards:**

Prior to awarding a city contract, lease or financial assistance, the City must certify whether prospective employer is capable to perform duties.

- **Compliance with Applicable Laws:**

Employers must sign a pledge that they are in compliance with other federal, state and local laws and inform the City if investigated or found in non-compliance. City may declare a material breach if non-compliance is discovered.

- **Restriction on the Use of City Funds:**

Prohibits the use of city funds to promote or deter employees from joining a union.

Implementation and Enforcement

- **Private Civil Enforcement:**

Employees aggrieved by a violation of this chapter may commence a civil action in a court of competent jurisdiction for enforcement of the requirements of this law.

- **Inclusion of Language in City documents:**

City documents soliciting contracts, leases shall contain language informing firms that the living wage ordinance may apply to their contract, financial assistance agreement or lease. City must include summary of requirements in all bid documents and inform firms that violations will constitute a material breach which may lead to termination of contract/assistance/lease and the City may pursue all available legal remedies.

- **Posting of information:**

Employers must inform workers of their rights under this ordinance.

- **Record keeping and reporting:**

To be eligible to do business with the City, employers must submit a Certification Agreement to insure compliance and shall insure that any contractors, subcontractors, or sublessees are identified and also submit this. Employers must maintain payroll records with a list of employees, address, hire date, job classification and rate of pay and benefits and submit records for one payroll

period to the City semi-annually and shall permit access to worksites and relevant payroll records at City's request.

Other Details to Note

- **Duration of Coverage:**

The requirements apply to an employer for the duration of the contract, lease or financial assistance involved. Where the financial assistance does not have a defined duration, or is received in a lump sum, its duration shall be deemed to be five years.

- **Effective Date:**

This ordinance will take effect 90 days after passage and shall apply to any City Contract, City Lease or City Financial Assistance Award entered into, awarded, renewed, or extended after that effective date. However the living wage and other requirements will not take effect until January 1, 2004.

Sacramento Living Wage Speakers List - March 4, 2003

- ✓ John Borsos - Living Wage Campaign
- ✓ Father Michael Kiernan (Sacramento Catholic Diocese), with Reverend Clem Meredith (St. Stephen's) and Reverend Keith Harris.
- ✓ Earl Withycombe - Environmental Council of Sacramento
- ✓ Julie Padilla - Small Business Owner/ Member - Hispanic Chamber
- ✓ Joan Lee - Grey Panthers
- ✓ Jen Kern - ACORN
- ✓ David DeLuz - NAACP
- ✓ Regina Schanning - Resources for Independent Living
- ✓ Ruth Holbrook
- ✓ Emanuel Gale - CSUS

22 + 2 = 24

San Jose
Oakland
Los Angeles