



CITY OF PALO ALTO OFFICE OF THE CITY CLERK

October 29, 2018

The Honorable City Council
Palo Alto, California

SECOND READING: Adoption of an Ordinance Amending Chapter 4.62 (Citywide Minimum Wage) of the Palo Alto Municipal Code to Correct and Clarify That the First Consumer Price Index (CPI) Adjustment to the Minimum Wage Will Occur in 2020 (FIRST READING: October 15, 2018 PASSED: 8-0 Kniss Absent)

The attached Ordinance was first heard by the City Council on October 15, 2018, where it passed 8-0, Kniss absent, with no changes. It is now before the City Council for second reading.

ATTACHMENTS:

- Attachment A: Minimum Wage Ordinance (PDF)

Department Head: Beth Minor, City Clerk

Attachment A

Not Yet Approved

Ordinance No. _____

Ordinance of the Council of the City of Palo Alto Amending Section 4.62.030 (Minimum Wage) of Chapter 4.62 (Citywide Minimum Wage) of Title 4 (Business License & Regulations) of the Palo Alto Municipal Code to Correct the Commencement Date of Annual Adjustments Relative to the Consumer Price Index

The Council of the City of Palo Alto ORDAINS as follows:

SECTION 1. Section 4.62.030 (Minimum Wage) of Chapter 4.62 (Citywide Minimum Wage) of the Palo Alto Municipal Code is hereby amended as follows:

4.62.030 Minimum wage.

(a) Employers shall pay employees no less than the minimum wage set forth in this section for each hour worked within the geographic boundaries of the City of Palo Alto.

(b) The minimum wage shall be an hourly rate of eleven dollars (\$11.00) through December 31, 2016. On January 1, 2017, the minimum wage shall be an hourly rate of twelve dollars (\$12.00). On January 1, 2018, the minimum wage shall be an hourly rate of thirteen dollars and fifty cents (\$13.50). On January 1, 2019, the minimum wage shall be an hourly rate of fifteen dollars (\$15.00). To prevent inflation from eroding its value, beginning on January 1, ~~2019~~2020, and each January 1st thereafter, the minimum wage shall increase by an amount corresponding to the increase, if any, in the cost of living, not to exceed 5%. The prior year's increase in the cost of living shall be measured by the percentage increase, if any, as of August of the immediately preceding year of the Bay Area Consumer Price Index (Urban Wage Earners and Clerical Workers, San Francisco-Oakland-San Jose, CA for All Items) or its successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase rounded to the nearest multiple of five cents (\$.05). If there is no net increase in the cost of living, the minimum wage shall remain unchanged for that year. The adjusted minimum wage shall be announced by October 1st of each year, or as soon as practicable thereafter if the Consumer Price Index for August has not yet been published, and shall become effective as the new minimum wage on January 1st of each year.

(c) A violation for unlawfully failing to pay the minimum wage shall be deemed to continue from the date immediately following the date that the wages were due and payable as provided in Part 1 (commencing with Sec. 200) of Division 2 of the California Labor Code, to the date immediately preceding the date the wages are paid in full.

SECTION 2. If any section, subsection, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion or sections of the Ordinance. The Council hereby declares that it should have adopted the Ordinance and each section, subsection, sentence, clause or phrase thereof irrespective of the

Not Yet Approved

fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

SECTION 3. The Council finds that this Ordinance is exempt from the provisions of the California Environmental Quality Act ("CEQA"), pursuant to Section 15061 of the CEQA Guidelines, because it can be seen with certainty that there is no possibility that the Ordinance will have a significant effect on the environment.

SECTION 4. This Ordinance shall be effective on the thirty-first day after the date of its adoption.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Assistant City Attorney

City Manager

Director of Administrative Services