

Consideration of a Periodic Adjustment to the Living Wage Hourly Rate

October 15, 2024

Recommended Action

Consider options and provide direction to staff on a potential periodic adjustment to the Living Wage hourly rate and by what amount, to be effective July 1, 2025

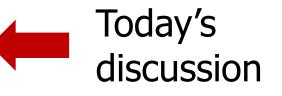
Minimum Wage vs Living Wage

- Minimum wage is a general law regulating all employment in a covered jurisdiction and is the lowest allowable rate of pay per hour that can be paid to an employee.
- Living wage rates most commonly apply only as a condition of a government contract. Whether to have a living wage policy is at a jurisdiction's discretion.

LWO Amendments

Amendments approved in June 2024 include:

- A) Automatically increasing the hourly rate annually (COLA) by the same percentage as the October CPI-U, with no specified cap, and;
- B) Allowing for a periodic review and potential adjustment to hourly rate to be conducted at least every four years that is separate from and in addition to the automatic COLA increase.



Potential Impacts

- Community-based Organizations (CBO's)
- Sonoma County Fair & Exposition Inc. (Fair)
- Departments
- County employees

Options for Consideration

Effective date for all options is July 1, 2025

- 1. Increase rate based on CPI; no periodic adjustment. Estimated rate would be \$18.73
- 2. <u>Staff recommendation</u>: Increase to \$22.00, calculated using rates for Petaluma and Sebastopol and adding a 3.5% COLA; (2A: potential phase-in of 22% rate increase over multiple years)
- 3. Increase to \$23.40, calculated using Santa Cruz County's rate and adding a 3.5% COLA; (3A potential phase-in of 29% rate increase over multiple years)

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