



Legislation Details (With Text)

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Title: Amendments to Living Wage Ordinance - Second Read
Sponsors: County Administrator

Indexes:

Attachments: 1. Summary Report, 2. Attach 1 - Summary of substantive, Board consensus amendments, 3. Attach 2 - red-lined version of the amended Living Wage Ordinance, 4. 2nd Read_Ordinance to Amend LWO.pdf, 5. Attach 3 - Clean version of the amended Living Wage Ordinance

Date	Ver.	Action By	Action	Result
6/4/2024	1	Board of Supervisors		

To: Sonoma County Board of Supervisors
Department or Agency Name(s): County Administrator’s Office
Staff Name and Phone Number: Yvonne Shu 565-1739, Christel Querijero 565-7071
Vote Requirement: Majority
Supervisory District(s): Countywide

Title:
Amendments to Living Wage Ordinance - Second Read

Recommended Action:
Adopt an Ordinance to amend Sonoma County Code Chapter 2, Article XXVI, “Living Wage.” (Second Read)

Executive Summary:
At the March 26, 2024 meeting, the Board of Supervisors adopted a Resolution introducing, reading the title of, and waiving further reading of the proposed ordinance to amend Sonoma County Code Chapter 2, Article XXVI - Living Wage, The County’s Living Wage Ordinance, incorporating the following changes:

1. Continue to apply Living Wage Ordinance (LWO) wage rates to County employees, but otherwise remove them from LWO coverage;
2. Exempt emergency contracts;
3. Revise the formula and process for LWO wage rate adjustments;
4. Expand application to include certain lessees, licensees, concessionaires, and other users of County real property except at the Fair;
5. (New) With regard to application of LWO at the Fair:
 - a. Fair temporary/seasonal employees to be paid the living wage rate only,
 - b. Full LWO applicability to Fair lessees and service providers,
 - c. Fair vendors or concessionaires are exempt, and
 - d. Fair permanent employees are exempt.
6. Add a requirement of 12 days paid time off;
7. Add a best-efforts requirement for offering work hours to existing part-time employees;

8. Establish incentives for covered employers to retain existing employees during contract transitions; and
9. Repeal the existing labor neutrality provision contained in the LWO.

The expectation is that the revised ordinance will be adopted today, and the revised ordinance will go into effect in 30 days.

Discussion:

Background

The County's [Living Wage Ordinance](https://library.municode.com/ca/sonoma_county/codes/code_of_ordinances?nodeId=CH2AD_ARTXXVILIWA_S2-373SHTI) (https://library.municode.com/ca/sonoma_county/codes/code_of_ordinances?nodeId=CH2AD_ARTXXVILIWA_S2-373SHTI) (LWO) went into effect on January 1, 2016. Whether to enact living wage requirements (typically, via local legislation) is at the discretion of local jurisdictions; only some jurisdictions have a living wage ordinance. A living wage is different from a minimum wage.

Minimum wage is a general law regulating all employment in a covered jurisdiction and must be paid by all employers in a jurisdiction. It is the lowest allowable rate of pay per hour that can be paid to an employee. In contrast, living wage requirements most commonly apply only as a condition of a government contract. The current applicable State minimum wage is \$16.00 per hour. The County's current living wage rate is \$18.10 per hour.

The Board of Supervisors agreed to changes to the LWO over multiple meetings. The substantive amendments are summarized in Attachment 1.

The most recent Board direction occurred at the March 26, 2024 meeting; these changes were incorporated on the same day, enabling a First Read to occur. The discussion focused on the LWO applicability to the Fair. Your Board elected to proceed with amendments to effect the following:

- Fair temporary/seasonal employees are to be paid the living wage rate only
- The LWO applies fully to Fair lessees and service providers
- Fair vendors or concessionaires are exempt from the LWO

Fair permanent employees, as County employees, would be exempt from the LWO, other than as to the living wage rate requirement being retained under the proposed amendments. Additionally, the Board directed that clarification language regarding the applicability of the LWO to rental car operators at the airport be added.

Implementation Considerations

The County recognizes that there are opportunities for improvement, efficiency, and modernization in its procurement process and systems. Further, there is no staffing for procurement or LWO-specific monitoring.

To the extent that any covered lessees or concessionaires attempt to avoid LWO requirements by utilizing complex corporate arrangements, staff may be challenged to understand those structures and how to ensure meaningful and lawful application of the LWO. Additionally, a comprehensive communication plan for County departments, contractors, leaseholders, concessionaires will need to be developed.

The County Administrator's Office and Public Infrastructure's Purchasing Division will partner together to implement updates related to adoption of the revised Living Wage Ordinance, including:

- Coordinating with County Counsel to update relevant forms, templates and lease agreements;
- Developing a communication plan and resources for County departments, contractors, leaseholders,

concessionaires;

- Revising the LWO questionnaire for contractors;
- Including key LWO provisions on the covered employer “model language” information sheet;
- Establishing an LWO enforcement/complaint hotline; and
- Establishing a process for spot checks.

Strategic Plan:

N/A

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

Yes

The racial equity analysis was included as an attachment to the [6/12/23 Board item <https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6252505&GUID=CF365D21-E62C-4178-8F19-52260A73F1D0&Options=&Search=>](https://sonoma-county.legistar.com/LegislationDetail.aspx?ID=6252505&GUID=CF365D21-E62C-4178-8F19-52260A73F1D0&Options=&Search=>). Staff used the Government Alliance on Race and Equity’s (GARE) Equity Toolkit to provide a general equity analysis of the existing LWO. The County does not have an accurate way to collect the data needed for the detailed level of analysis required to understand local impact of the LWO on an individual or neighborhood basis, or as to how LWO impacts persons conducting business with the County. However, anecdotal feedback gathered from community-based organizations (CBO) and departments indicates that the County can simplify and clarify LWO and other procurement processes, which would help to lower transactional costs and burdens associated with contracting with or obtaining assistance from the County. This could potentially expand the pool and diversity of local organizations that would consider working with the County.

Prior Board Actions:

- 3/26/24 Adopted a Resolution introducing, reading the title of, and waiving further reading of the proposed ordinance amending Sonoma County Code Chapter 2, Article XXVI - Living Wage, The County’s Living Wage Ordinance (First Read). Provided direction on specific application of the LWO at the Fair.
- 12/12/23 Adopted resolution to increase the living wage hourly rate by 2.8% to \$18.10.
- 10/24/23 Discussed further changes to the proposed, amended ordinance.
- 9/12/23 Adopted a Resolution introducing, reading the title of, and waiving further reading of the proposed ordinance amending Sonoma County Code Chapter 2, Article XXVI - Living Wage, The County’s Living Wage Ordinance.
- 6/12/23 Provided direction to staff on Cost of Living Adjustment parameters, whether lessees and concessionaires should be covered under the LWO and how; and whether to add a paid time off requirement or other provision. Established periodic LWO rate review. Confirmed initial draft of proposed amendments.
- 4/18/23 Adopted an uncodified ordinance to allow for a supplemental increase of 2.26% to the living wage hourly rate, for the required living wage rate to be \$17.65 per hour, effective July 1, 2023. (Second Read)
- 3/21/23 Adopted a resolution introducing, reading the title of, and waiving further reading of an uncodified ordinance to except certain requirements under the County’s existing Living Wage Ordinance and to allow for an increase to the living wage hourly rate by 2.26%, for the required living wage rate to be \$17.65 per hour, effective July 1, 2023. (First Read).
- 12/6/22 Adopted resolution to increase the living wage hourly rate by 2.74% to \$17.25
- 10/18/22 Received recommendations from the Living Wage Ad Hoc on proposed changes to the Living

Wage Ordinance

- 12/14/21 Adopted resolution to increase the living wage hourly rate to \$16.75 and approved Living Wage Ordinance work plan
- 9/21/21 Directed staff on areas of further analysis and evaluation for the Living Wage Ordinance

FISCAL SUMMARY

Narrative Explanation of Fiscal Impacts:

None

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Attachment 1 - Summary of substantive, Board consensus amendments

Attachment 2 - Red-lined version of the amended Living Wage Ordinance

Attachment 3 - Clean version of the amended Living Wage Ordinance

Related Items "On File" with the Clerk of the Board:

N/A