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Highlights of the Finance Committee Meeting of May 3, 2016

CITY OF SAN LEANDRO

FINANCE COMMITTEE

May 3, 2016
5:00 - 6:30p.m.

San Leandro City Hall
835 East 14th Street
San Leandro, California
(Sister Cities Gallery)

HIGHLIGHTS

1. CALL TO ORDER

Mayor Cutter called the meeting to order at 5:00 p.m.

1.A. Attendance

Committee members present: Mayor Cutter, Councilmember Prola, Councilmember Lee

City staff present: City Manager Zapata, Acting Assistant City Manager Kay, City Attorney Pio Roda, Finance Director Baum, Community Development Director Battenberg, Deputy City Manager Engelbart, Budget/Compliance Manager Perini, Katie Bowman, Project Specialist

Public present: Emily Griego, Jennifer Lin, Jenny Divish, Simone Williams, Joey Garcia, Lee Thomas

1.B. Announcements

None.

2. DISCUSSION ITEMS

2.A. Update of Statewide Minimum Wage

Mayor Cutter agrees with statewide minimum wage and would like the State's new minimum wage be the City's guide however if that is not what the Committee would like to do, she will work with the Committee.

Councilmember Prola feels it is Council's obligation to assist the citizens of San Leandro by raising the minimum wage faster than the State's plan. The State's plan does not raise the minimum wage to \$15/hr until 2022.

Councilmember Lee stated that he recently visited the City of Oakland's Chinatown and it is disappearing. Councilmember Lee referenced an article sent to him by the Chinatown Chamber of Commerce and the article states businesses are cutting their hours and/or closing down. This is due to the increase of the minimum wage. Councilmember Lee would like to give the statewide minimum wage a chance to succeed.

Councilmember Prola stated that the City of Oakland polled businesses, including those in Chinatown, and there are other issues that contribute to the closing of businesses. These issues include rent increases, turnover of employees, and bad management.

Mayor Cutter would like to present to the entire Council options to consider. This will provide the entire Council an opportunity to review every option and provide input.

City Manager Zapata stated that the earliest this item can be placed on the Council Agenda would be in June.

Mayor Cutter suggested bringing the item to the June 13, 2016 Work Session for public input and then bringing it to the following Council meeting, June 20, 2016, for vote. This would give the public an opportunity to speak at two meetings.

Councilmember Prola stated that public notice should be placed in the San Leandro Times and the East Bay Times, in multiple languages.

City Manager Zapata stated that there is information available based on the Committee's request of staff from the prior meeting. Staff met with Jennifer Lin from the East Bay Alliance regarding the definition of large businesses. Staff will provide an informational packet at the Council meeting that will include information from all of the Finance Committee meetings on this topic. Mr. Zapata recommends presenting a timeline of meeting dates, times, general information and summary of discussions of those meetings in the informational packet. Mr. Zapata also recommends showing the public that discussions have taken place in at least four Finance Committee meetings. Mr. Zapata would like to make certain that there is not already an agenda item for the June 13th Work Session.

Deputy City Manager Engelbart stated that there was an item however he has heard that it may be postponed; Mr. Engelbart will verify.

Acting Assistant City Manager Kay presented information to break down small and large businesses. This information provides business size by industry category but not whether the business is national or local.

Project Specialist Bowman provided an overview of the information provided. . The largest number of San Leandro businesses are small businesses. 91% of businesses have 25 or less employees, but 40% of employees work for those for businesses.

City Attorney Pio Roda stated that State law permits each jurisdiction the right to treat minimum wage independently.

City Attorney Pio Roda provided information, received from Jennifer Lin of East Bay Alliance, regarding a proposal to define large businesses as those that have more than 25 employees globally or more than 10 establishments globally. This information was requested at the prior meeting. A memo was provided to the Committee.

Councilmember Prola asked Mr. Pio Roda about the City of Berkeley's proposed minimum wage and whether it passed or not. Mr. Pio Roda will follow up and provide that information to the Committee.

City Manager Zapata recommended placing an ad in the San Leandro times, issuing a Press Release and posting on Next Door.

2.B. Public Opinion Survey for November Revenue Measures (Godbe Research)

City Manager Zapata reminded the Committee of the prior month's meeting on increasing revenue to fund enhanced services and the Committee's direction to move forward with a public opinion survey. The cost of the survey is within the City Manager's authorization and therefore Godbe Research has been hired to begin the process.

Deputy City Manager Engelbart stated that a kick-off meeting with Godbe has taken place and Godbe is in the process of finalizing the survey questionnaire. The questionnaire is based on the Committee's comments and direction. The survey will include approximately 500 citizens and will ensure that it covers all demographics. Godbe will contact participants via emails and phone calls. The process will be about 6 weeks. Mr. Engelbart stated that once the questions are provided, he will provide an in-depth email to the Committee within the following week. There will be a Spanish and Chinese version of the survey as well.

Mr. Engelbart stated there are four categories for the survey: Cannabis Business Tax, modifications to the Transient Occupancy Tax and modifications to the business tax.

According to City Manager Zapata, the survey will provide useful data on how the citizens feel about the measures and how they might vote.

Deputy City Manager Engelbart stated that based on the survey, Council may determine if the vote will be 2/3 or 50%+1.

City Attorney Pio Roda clarified the difference between a general purpose 50%+1 or a specific need required a 2/3 vote. Once the measures are on the ballot neither the Council nor City staff can speak in favor of the measures however they can provide factual information on the measures.

City Manager Zapata stated that in the past Council approved an ad hoc Committee for Measure HH and promoted an information campaign.

3. PUBLIC COMMENTS

Jennifer Lin thanked the staff and Council for continuing to speak on the minimum wage. Ms. Lin spoke on the memo that was provided regarding the definition of large businesses. Ms. Lin also asked that franchises and chains be included in the minimum wage ordinance.

4. COMMITTEE MEMBER COMMENTS

None.

5. ADJOURN

The meeting was adjourned at 5:55 p.m.