



Legislation Text

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Highlights of the Finance Committee Meeting of December 15, 2015

CITY OF SAN LEANDRO

FINANCE COMMITTEE

December 15, 2015
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 5:00p.m.

1.A. Attendance

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

City staff present: City Manager Zapata, City Attorney Pio Roda, Finance Director Baum, Assistant Finance Director Fuentes, Budget/Compliance Manager Perini, Assistant to the City Manager Engelbart; Engineering & Transportation Director Cooke

Public present: Bella Comelo, Jenny Lin, Mia Ousley, Agustin Ramirez, Fred Pecker

1.B. Announcements

None.

2. DISCUSSION ITEMS

2.A. Minimum Wage Update

Assistant to the City Manager Engelbart provided a matrix of the minimum wage amounts and laws of the various jurisdictions within the Bay Area. Mr. Engelbart provided a brief summary, which included the recent changes in both the City of Oakland and Emeryville. Councilmember Lee thanked staff for their work on gathering the information and requested to see the density of the businesses within the

various cities shown in the matrix vs. the business within the City of San Leandro. Councilmember Lee would also like a better understanding of how many large businesses are in the City and how many small businesses provide minimum wage salaries. In addition, Councilmember Lee requested information on the cost of living, including housing prices.

Mayor Cutter also requested information on population of the cities.

Vice Mayor Prola provided information regarding El Cerrito minimum wage increase.

Fred Pecker of ILWU Local 6 acknowledges and appreciates the City for assisting in making certain the wages for the employees of ACI [Alameda County Industries] were fair. Mr. Pecker stressed the importance of adding the Consumer Price Index to the minimum wage as the cost of living is high in the Bay Area and if employees are able to live locally, they are going to spend their money on local businesses.

Leroy Henny, Jr. a sorter and union steward at ACI expressed his appreciation of the leaders of the City of San Leandro and the City's Living Wage Ordinance. Mr. Henny supports raising the minimum wage as this would allow employees to spend money locally. Mr. Henny himself recently purchased a vehicle in San Leandro and encourages others to shop in the city as well.

Jennifer Lin, East Bay Alliance for Assisting Economy, stated her group was part of a coalition that assisted with the minimum wage increase in Oakland and other cities mentioned in the matrix. On January 1, 2016, the State minimum wage will increase to \$10/hour and if a person worked 40 hours per week, they would earn \$20,000/year. In order to afford a one bedroom apartment in the Bay Area would have a person working 92 hours a week. Cost of food, housing, medicine has increased and Ms. Lin is in support of increasing the City's minimum wage as well as having CPI indexing for minimum wage. Ms. Lin also stated that ethnic businesses should not be afraid of an increase to minimum wage. It is shown that small/ethnic businesses in the City of Oakland have shown either an increase to business or no impact at all. Also, when a survey was performed on what challenges were being faced by these businesses, the minimum wage did not make the list.

Mia Ousley, resident, thanked the City for looking and moving forward with increase to the minimum wage. A minimum wage increase would have a positive effect on the economy. For a single mother to have a decent life she must make \$60k a year, which is more than \$15/hr.

Doug Jones, member of the Founding Coalition to Save San Leandro Hospital and veteran of measure A Oversight Committee, stated that it is important to know that 95% of the people working in San Leandro, making less than \$15/hour, do not live in San Leandro. Therefore, by increasing the minimum wage, we would ensure that these employees would visit local restaurants for lunch and/or go shopping in San Leandro. Mr. Jones supports increasing the minimum with CPI increases.

Helena Swater, resident, also spoke in favor of increasing minimum wage. Ms. Swater, stated that it is very difficult to feed a decent meal to a family of 3 on the current minimum wage and therefore supports an increase.

Augustin Ramirez, ILWU member and employee of ACI, stated that employees that earn a decent wage are content with their jobs.

Mr. Hudson, from local 2850, supports the increase of minimum wage. Low wage workers can make a decent wage and need to increase by CPI like Oakland and Emeryville,

Bella Comelo has polled small business owners and a majority supports the increase

Spanish speaking translation: Blanca spoke in support of the increase of minimum wage. Blanca's granddaughter, a San Leandro High student, works and makes \$9/hour and that is not enough. The school allows students with good grades to work and they are trying to save money so they can attend school after graduation.

Mayor Cutter would like staff to reach out to businesses to find out if there are special circumstances, through state law, that must be accounted for, e.g. mechanics if they do not make twice the amount of minimum wage, the owner of the company must pay for tools. Also, tips need to be looked at. The outreach can be done via Business License mail out in a form of a survey that can be mailed back.

Vice Mayor Prola, stated that there are lots of misconceptions of minimum wages. Most minimum wage earners are not teenagers. Cities that have opposed an increase of the minimum wage found that their businesses continued to thrive. Vice Mayor Prola would like to see a draft ordinance, like Berkeley's, and allow Council to review and either add or delete. It is important that the City of San Leandro increase the minimum wage and would like to see \$15/hr for large business by 2018 and for small business by 2019. Vice Mayor Prola would also like to see a CPI increase and questioned whether sick leave should be included. There are many homeless people that are working but are forced to live in their cars as the average rent in San Leandro is \$1,500/month.

Mayor Cutter stated that she does not support including a CPI increase as businesses may not be able to afford it. Mayor Cutter also stated that City employees do not receive an increase based on CPI and that is something that would have to be discussed during negotiations. Mayor Cutter wants to be fair to all businesses. What would be the cut off, if any? Small vs. large business (#employees).

Vice Mayor Prola stated that a minimum wage increase would benefit women and minorities. Studies have shown that 31% Latinos, 22% Asian, 20% African American, and 21% women are minimum wage earners. Vice Mayor Prola stated the goal is for small business to grow. Unfortunately, non-English speaking communities are being exploited and it is important to aid them with fair wages. Councilmember Lee agreed.

Mayor Cutter stated that if anyone in the audience has additional information, please send directly to her and she will provide to the Committee. Mayor Cutter would like a survey sent to the San Leandro business. Facts and education are necessary.

City Manager Zapata confirmed what the Committee is requesting of staff and stated that a working ordinance will be provided.

Mayor Cutter would like to get responses back before January meeting.

Mia Ousley, asked if survey can be sent out with the business license renewals. Mary Ann Perini, Budget and Compliance Manager, stated that unfortunately, business license renewals were already in the mail.

2.B. City Debt Service Obligations

City Manager Zapata, provided an overview of the City's debt service. Mr. Zapata stated in the past, this report had not been provided to the Finance Committee but would be going forward.

Finance Director Baum provided a brief summary of the report provided and sated that the City of San Leandro has been conservative of the debt issuance. The City's current debt obligations are for Fire Engine Leases, Certificates of Participation, and most currently Pension Obligation Bond. Although this information has not been brought separately, it is included in both the Adopted Budget document as well as the Comprehensive Annual Financial Report (CAFR).

Finance Director Baum also reviewed the current loans the City is repaying including a loan to the Shoreline Fund from the General Fund for improvements to the Marina and Golf course. Not included however, is the loan for the Water Pollution Control Plant Improvement project.

City Manager Zapata stated that the debts being reported are funded debts and are being paid for and will end. These types of debts can assist with non-mandated projects, e.g. ADA requirement projects. There are many projects listed as Capital Improvement Projects that cannot be completed due to lack of funds.

Vice Mayor Prola stated that currently the debt ratio is low if we are going to borrow money, this is the time to do it because interest rate is low but by next year, they should go up.

Councilmember Lee agrees however stated that there are projects currently listed as Capital Improvement that be pulled as the technology is outdated.

Mayor Cutter agrees and stated that when the needs of all neighborhoods must be carefully reviewed.

City Manager Zapata stated that with Measure HH, a supplement to BB, the City is increasing the improvements to roads. Recreation & Human Services Director, Jeanette Dong, worked with Alameda County and was able to obtain \$100,000 to assist with homeless. Other projects being looked at are: retrofits of lighting, safety, parks, and public art. Projects that ensure quality of life and sustainability

Mayor Cutter inquired about the replacement of the neighborhood street lights: Engineering and Transportation Director Keith Cooke stated that Debbie Pollart, Director of Public Works, is looking into that project.

3. PUBLIC COMMENTS

None.

4. COMMITTEE MEMBER COMMENTS

None.

5. ADJOURN

The meeting was adjourned at 6:18 p.m.