



COUNCIL REFERRAL MEMORANDUM

DATE: March 16, 2020

TO: Mayor and Council

FROM: Al Mendall, Elisa Márquez and Mark Salinas

SUBJECT: Delay implementation of the Hayward minimum wage increase currently scheduled for July 1, 2020 due to the COVID-19 pandemic.

RECOMMENDATION:

We recommend that the City Council instruct staff bring an item to Council to delay implementation of the minimum wage increase currently scheduled for July 1, 2020 until January 1, 2021. Furthermore, we recommend that future increases should also be delayed by six months so that they occur on January 1st in 2022, 2023 and beyond to align the Hayward increases with the state's minimum wage increase schedule.

If this referral is approved by Council, Hayward staff should immediately halt noticing of the July 1, 2020 increase, pending a Council decision on this matter. Furthermore, given the immediate impact of COVID-19 on local business and the limited time before July 1, 2020, staff should do everything possible to bring this item back to the full Council by the April 7th Council meeting.

DISCUSSION:

Since Council's unanimous action to increase the Hayward minimum wage a few weeks ago, the COVID-19 virus has expanded into a global pandemic. Local businesses are being heavily impacted by the prudent precautions being implemented by Federal, State and local agencies to limit public gatherings in order to limit transmission of the virus and protect our population. Restaurants and other businesses in the hospitality industry are being especially hard-hit. And COVID-19 has greatly increased the likelihood of a global recession in 2020, according to this recent article in Washington Post.

<https://www.washingtonpost.com/business/2020/03/14/recession-economy-coronavirus-jobs/>

Given the unexpected and near-term impacts created by COVID-19, it is prudent for Council to delay implementation of the local minimum wage increase scheduled for July 1, 2020 until January 1, 2021. This will help to reduce pressure on local businesses already being hard-hit by the COVID-19 pandemic.

Permanently adjusting the Hayward minimum wage schedule so that all future year increases occur on January 1st will align Hayward's schedule with the state schedule and eliminate the

need for costly double-noticing to Hayward employers for all future years. That will reduce costs for the City of Hayward and reduce confusion for Hayward businesses and workers.

DESIRED COUNCIL ACTION:

Council approval of this referral would constitute instruction to staff to place this topic on a future agenda for Council discussion, no later than April 7th.

The action that staff should bring back to Council should include the following items:

1. A six month delay of the July 1, 2020 minimum wage increase until January 1, 2021.
2. A corresponding delay of future year increases so that they also occur on January 1 in subsequent years (2022, 2023, etc.).
3. Any other minor adjustments to the ordinance staff deems necessary to aid in the implementation of the local minimum wage ordinance.

TIMELINE:

If this referral is approved by Council, City Staff should immediately halt noticing of the July 1, 2020 increase, pending a final Council decision on this matter.

Furthermore, given the immediate impact of COVID-19 on local business and the limited time before July 1, 2020, City Staff should bring this item back to the full Council no later than the April 7th Council meeting.

KEY STAKEHOLDER GROUPS:

The list of interested parties should include any individuals, businesses or organizations who registered interest in the recent minimum wage discussions.

Respectfully Prepared and Submitted by:



Councilmember Al Mendall



Councilmember Elisa Márquez



Mayor Pro Tem Mark Salinas