



THE CITY OF SAN DIEGO

# Living Wage Ordinance

***"advances the interests of the City as a whole by creating jobs that keep workers and their families out of poverty"***

*— San Diego Municipal Code*



## Employer Requirements

- ✓ **Pay fixed wages to covered employees:**  
\$11/hr + \$2.20/hr in health benefits (FY 10)  
Annual increase on July 1
- ✓ **Provide days off:** 10 paid + 10 additional unpaid per year
- ✓ **Submit:** *Certification of Compliance*
- ✓ **Post/Distribute:** LWOC Notice to Employees



## LWO Wage Rates

	<u>Effective Dates</u>	<u>Wage + Health Benefits</u>	<u>Full Cash Wage</u>
FY 10	07/01/09 – 06/30/10	\$11.00 + \$2.20 /hr	\$13.20 /hr
FY 09*	07/01/08 – 06/30/09	\$10.58 + \$2.12 /hr	\$12.70 /hr
FY 08	07/01/07 – 06/30/08	\$10.34 + \$2.07 /hr	\$12.41 /hr
FY 07	07/01/06 – 06/30/07	\$10.00 + \$2.00 /hr	\$12.00 /hr

\* Fiscal Year 2009 is the subject of this report

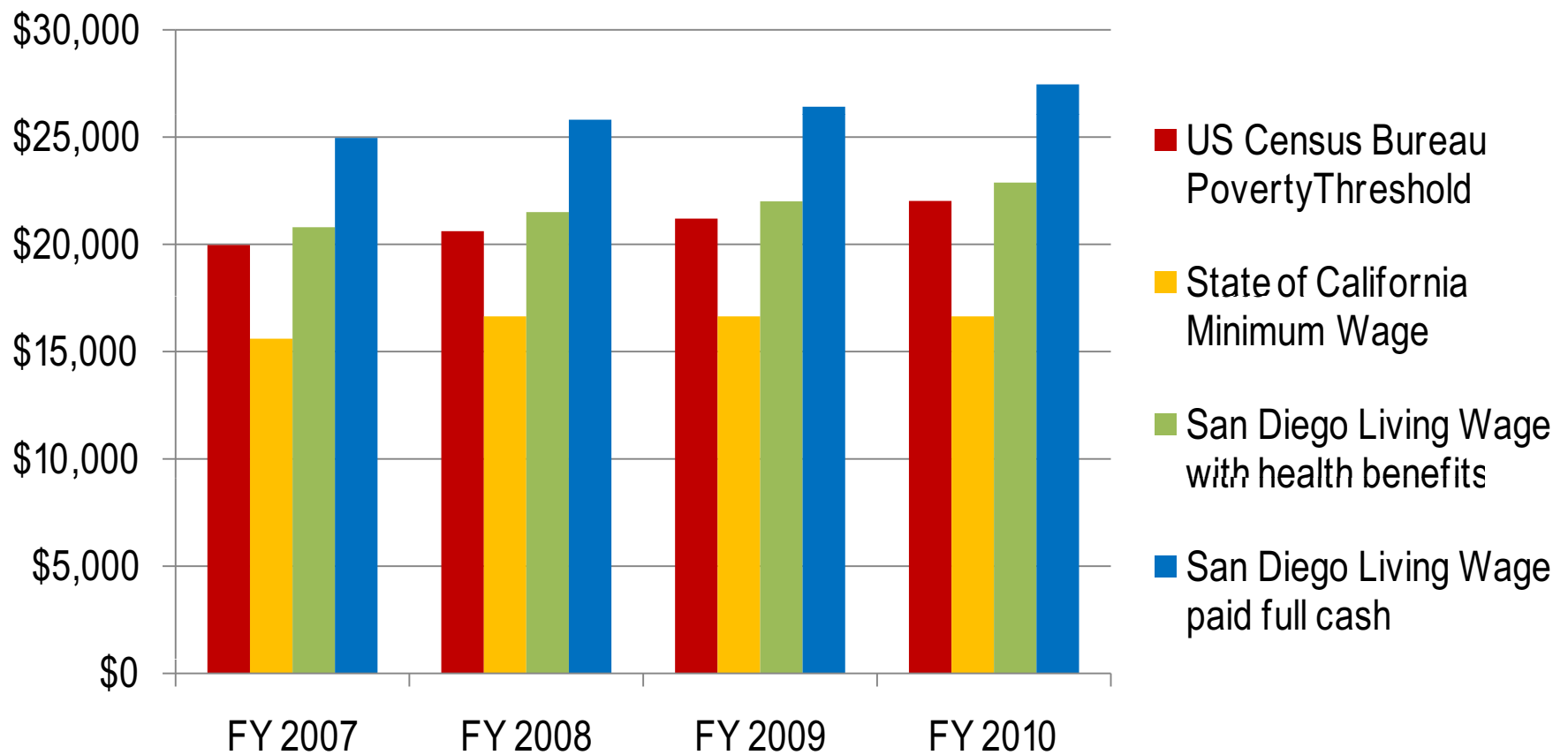


## Annual Earnings

	SD Living Wage		CA Minimum Wage	
	<u>Hour</u>	<u>Year</u>	<u>Hour</u>	<u>Year</u>
FY 2010	\$13.20	\$27,456	\$8.00	\$16,640
FY 2009	\$12.70	\$26,416	\$8.00	\$16,640
FY 2008	\$12.41	\$25,813	\$8.00	\$16,640
FY 2007	\$12.00	\$24,960	\$7.50	\$15,600



# Comparison of Earnings





## LWO Contract Costs

	<u>Service Contract Payments</u>	<u>Cost of Living Increase</u>	<u>Cost of Living Amount</u>	<u>City Budget Increase</u>
FY09	\$19,231,403	2.3%	\$442,322	0.00014%
FY08	\$16,088,885	3.4%	\$547,023	0.00019%
FY07	N/A	N/A	N/A	N/A



## Total LWO Costs

<u>Description</u>	<u>FY 07-08</u>	<u>FY 09</u>	<u>To-Date</u>
LWO Program staff	\$65,375	\$150,651	\$216,026
City Attorney's Office	\$11,295	\$1,121	\$12,416
LWOcontract increase *	\$1,572,123	\$442,322	\$2,014,445
Offset amount	<u>\$10,000</u>	<u>\$23,359</u>	<u>\$33,359</u>
<b>TOTAL</b>	<b>\$1,638,793</b>	<b>\$570,735</b>	<b>\$2,209,528</b>

\* includes wages, material and scope changes



## ContractMetrics

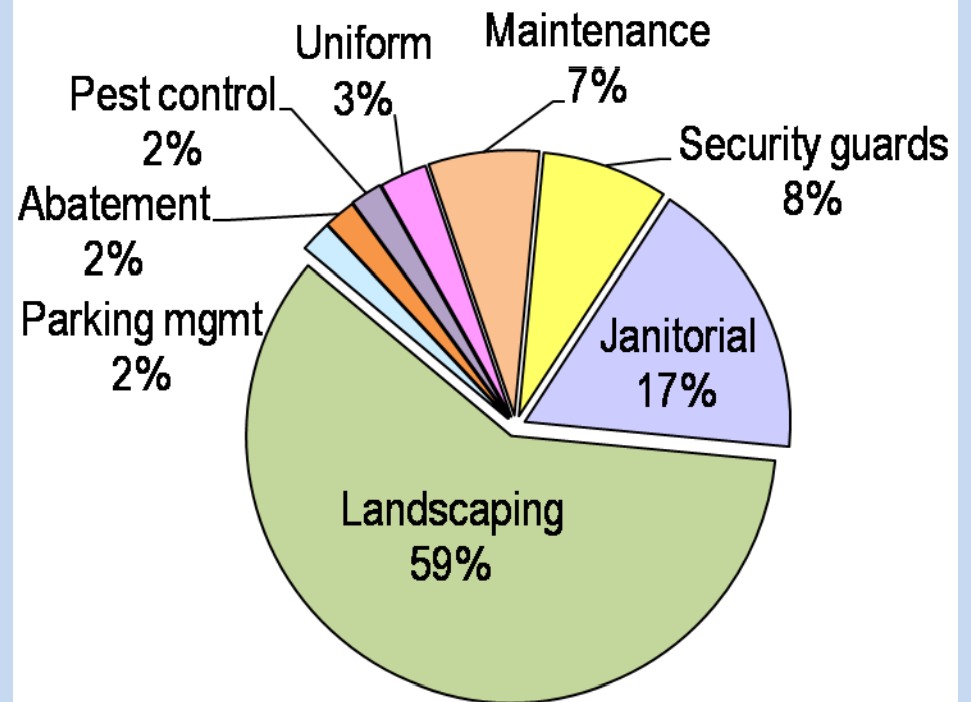
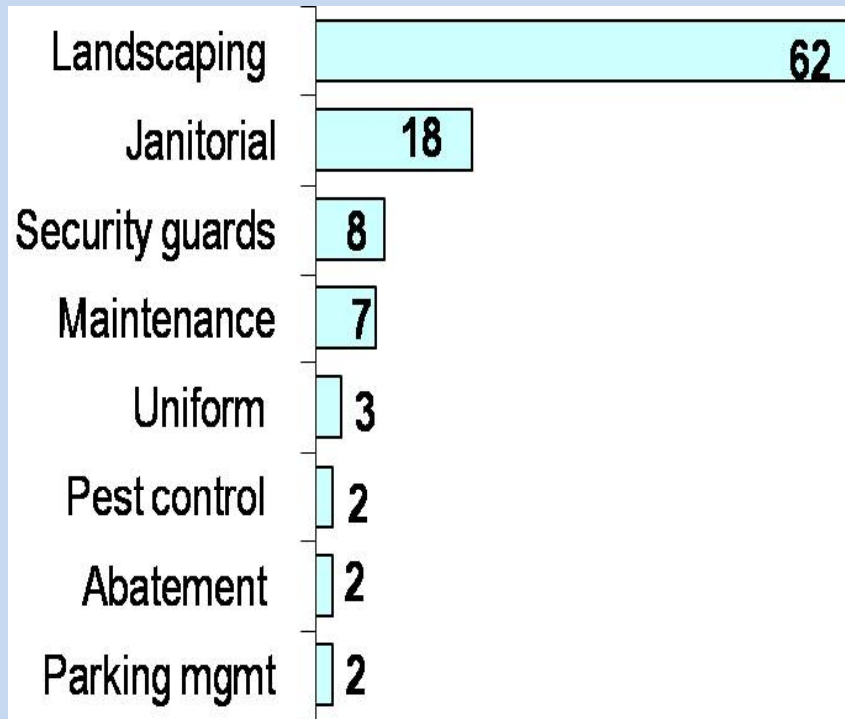
	<u>Contracts</u>	<u>Contractors</u>	<u>Value</u>
FY 2009	104	43	\$31,329,064
FY 2008	97	40	\$29,640,142
FY 2007	109	52	N/A





# Number of Contracts

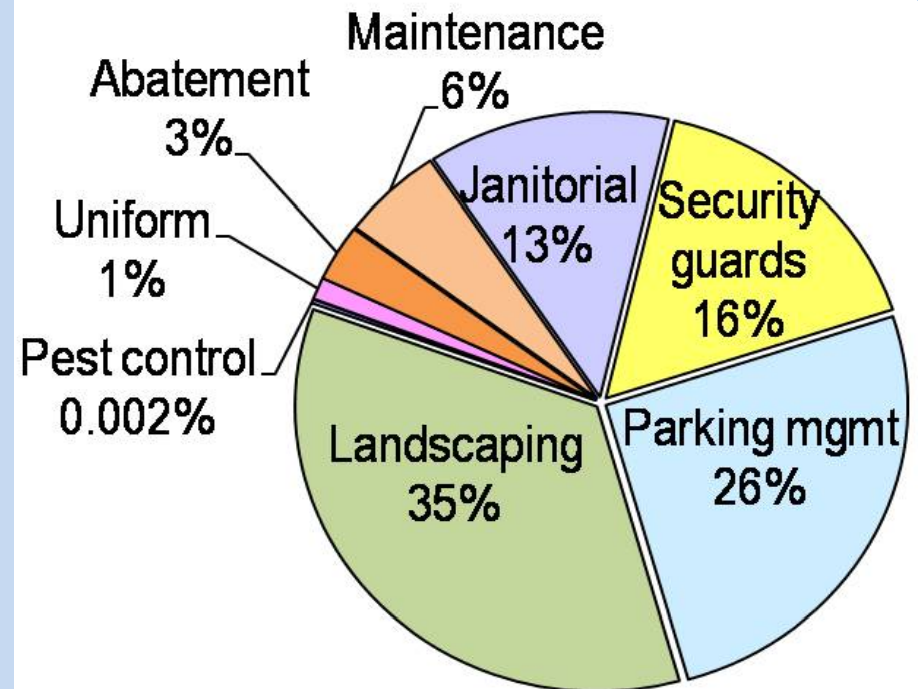
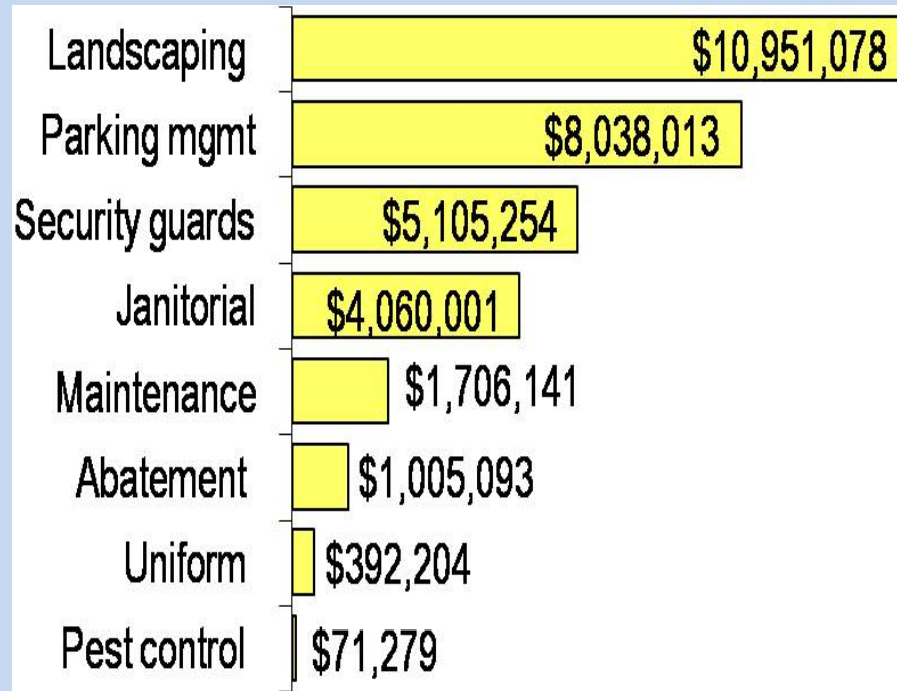
FY 2009 Total = 104 Contracts





# Value of Contracts

FY 2009 Total = \$31,329,063

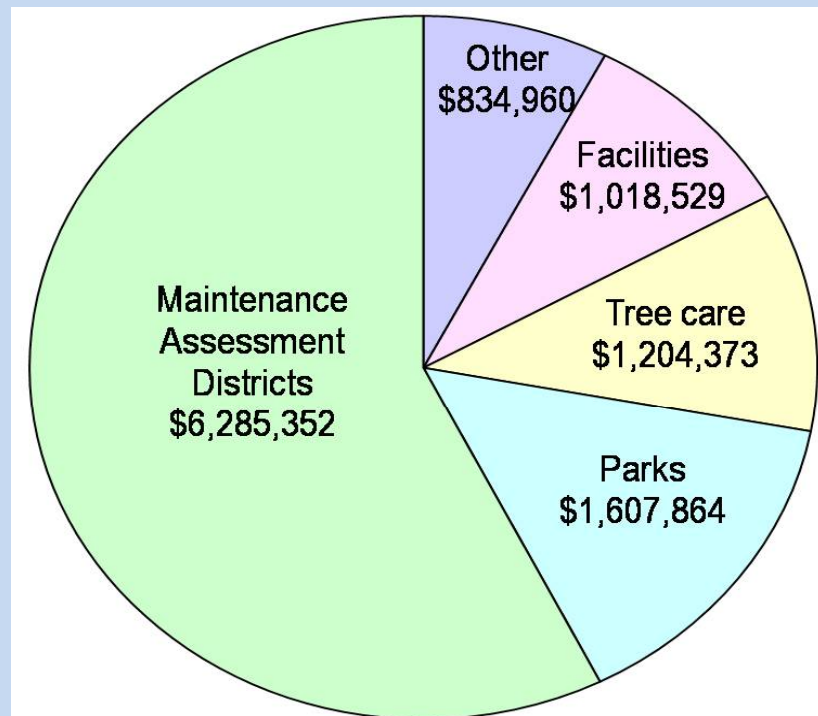
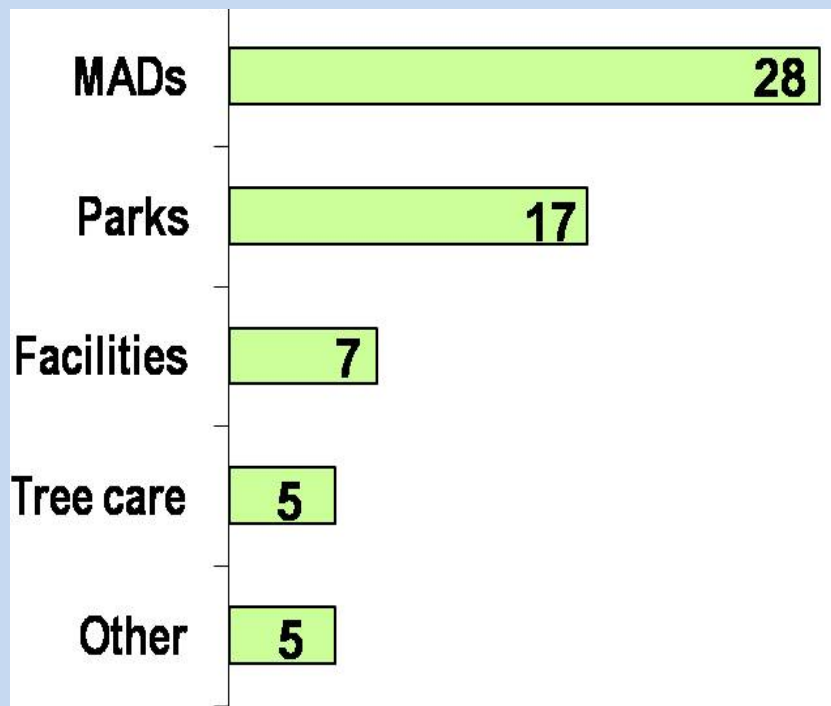




# Landscape Contracts

**FY 2009 Total = 59 contracts for \$10,951,078**

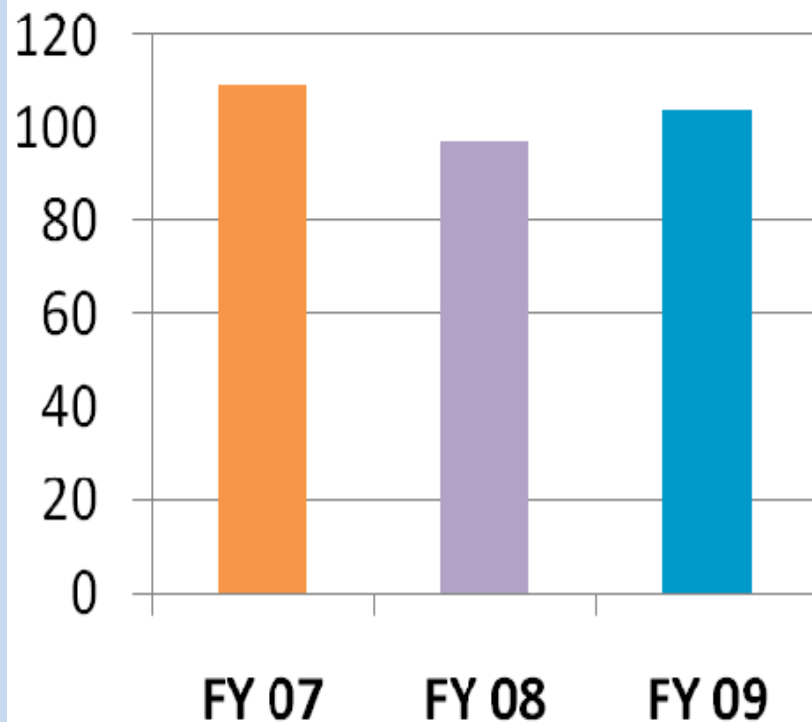
[59% of LWOC contracts; 35% of LWOC contract dollars]



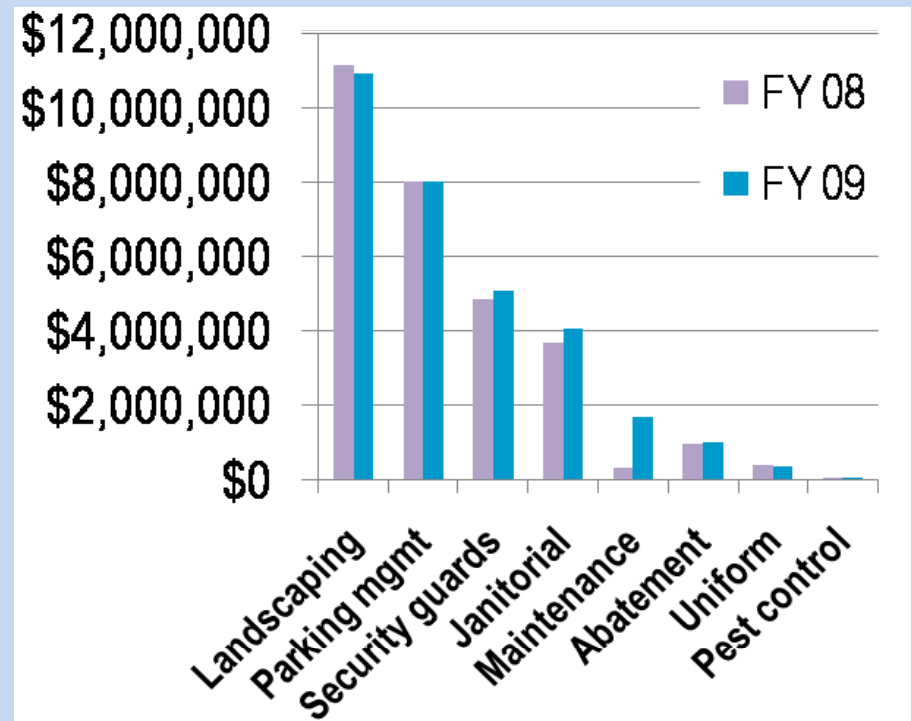


# Annual LWO Contracts

## Number of LWO Contracts



## Cost per Commodity Type





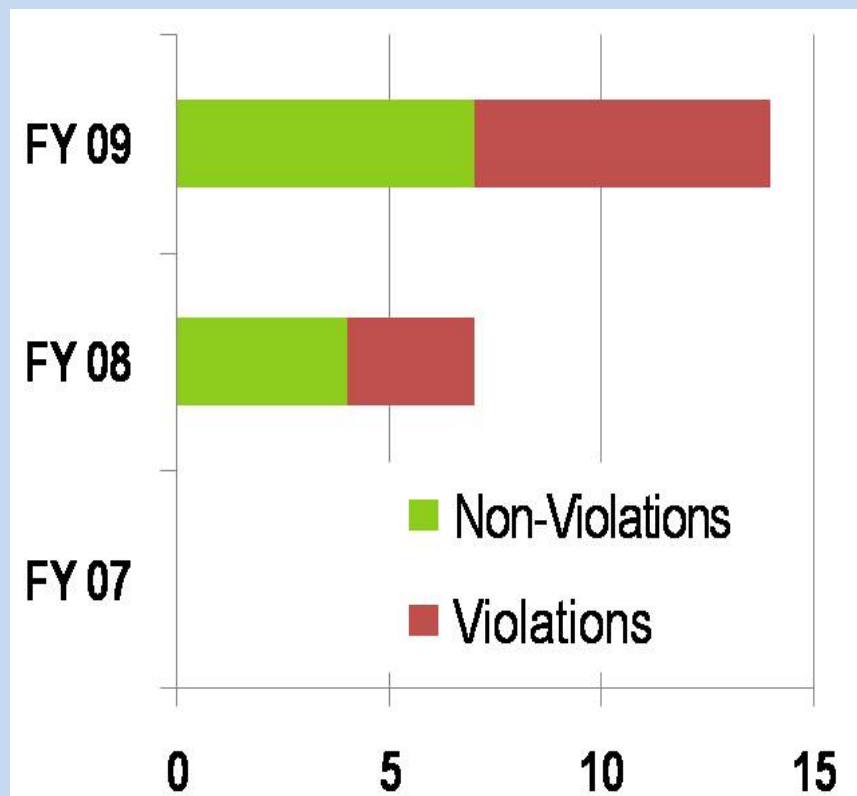
## Employee Complaints

	<u>Complaints</u>	<u>Violations</u>	<u>Backpay</u>
FY 2009	14	7	\$224,708
FY 2008	7	3	\$45,500
FY 2007	0	--	--

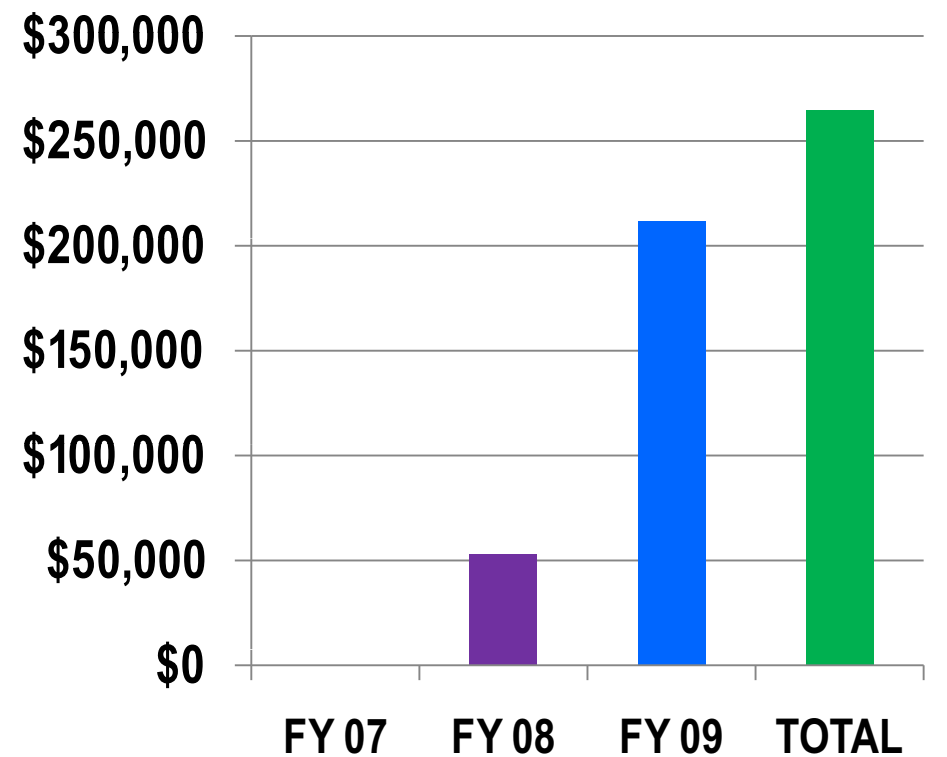


## Employee Complaint Trend

### Number of Complaints



### Back Pay Recovered





## **LWO Compliance Reviews**

- **Payroll & project record examination; employee interviews**
- **11 reviews conducted; discrepancies found in 4**
  - wage underpayment
  - failure to allocate compensated leave
  - failure to notify employees
- **\$27,698 total funds recovered**
  - \$4,339 back pay to employees
  - \$23,359 refund of overcharge to City
- **Assist contractors to understand & meet obligations**



## Contractor Responses

Employers submitted Contractor Compliance Report	100%
Number of LWO covered employees	974
Number of employees receiving health benefits	244
Percent of employees receiving health benefits	25%
Percent of employers offering health benefit option	51%
Employers said LWO improved firm's quality of service	47%
Employers said LWO reduced absenteeism or turnover	46%





## LWO Modifications

[unanimously passed November 2008]

**Dec 2008:** instituted penalties; clarified retaliation prohibition

**Jan 1, 2010:**

■ Coverage expanded to:

- streetcleaning

- waste collection & disposal, including recycling

- right-ofway maintenance

- water/wastewater maintenance

- all services provided through Managed Competitor

■ 90-day threshold eliminated for City service contracts

■ Civic Theatre included as City Facility

■ Liberal interpretation of definitions required

# Living Wage Ordinance

The seal of the City of San Diego is positioned between the 'W' and 'O' of the word 'Ordinance'. It features a circular design with a yellow outer ring and a blue inner ring. The inner ring contains the text 'THE CITY OF SAN DIEGO • STATE OF CALIFORNIA' at the top and 'SIGILLUM VIGILANS' at the bottom. The center of the seal depicts a shield with various symbols, including a building and a ship.

**Debra Fischle-Faulk**

*Director of Administration*

**Nora Nugent**

*Living Wage Manager*

**Michele Alano**

*Living Wage Senior Compliance Officer*

**Administration Department • 202 C Street, MS 9A • San Diego, CA 92101**

**Phone 619/ 236-6682**

**Fax 619/ 533-3240**