



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 (FY10)
Annual increase on July 1
- ✓ **Provide days off:** 10 paid + 10 additional unpaid per year
- ✓ **Submit:** *Certification of Compliance*
- ✓ **Post/Distribute:** LWO 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

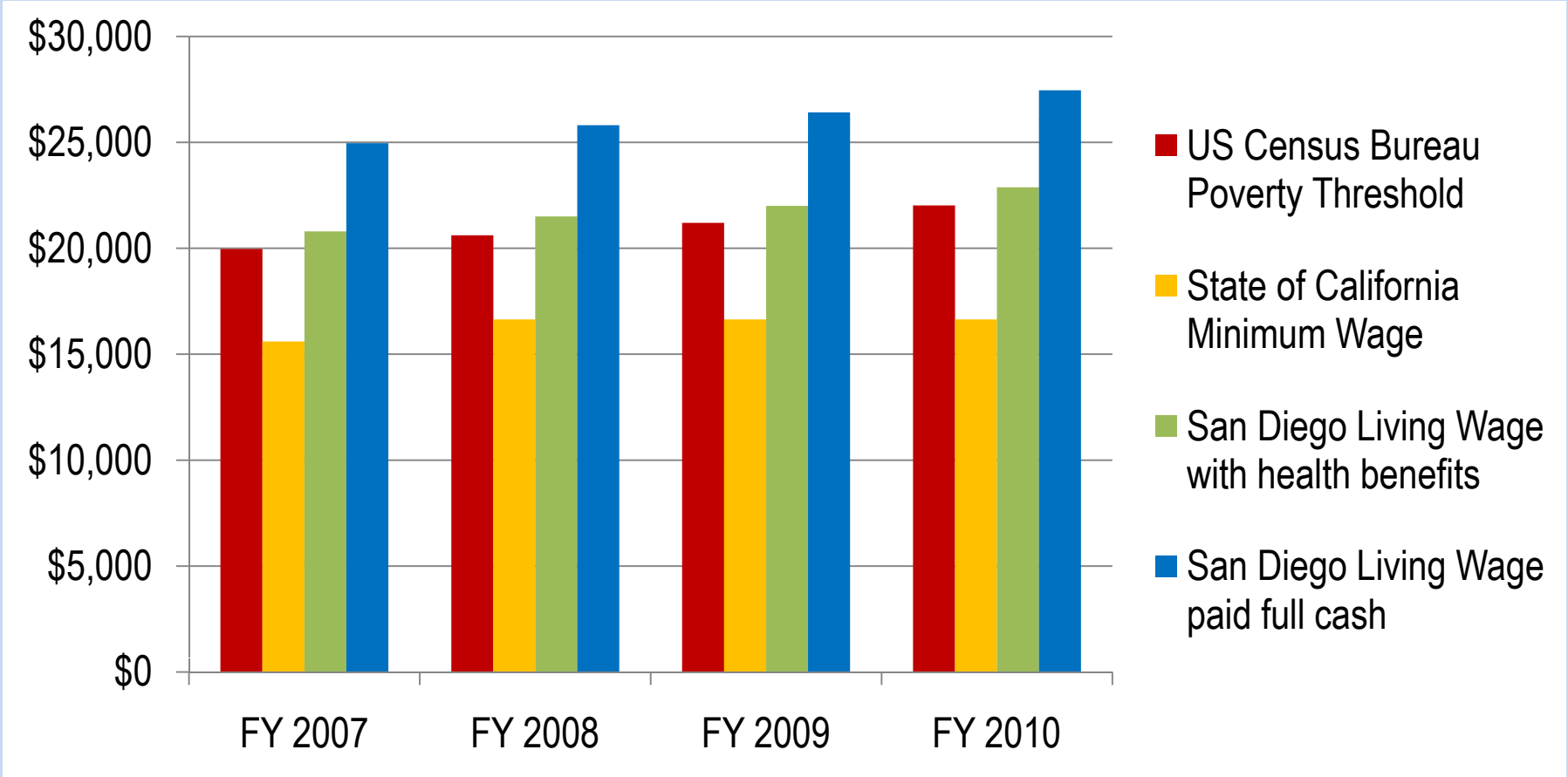


Annual Earnings

	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>
FY 09	\$19,231,403	2.3%	\$442,322	0.00014%
FY 08	\$16,088,885	3.4%	\$547,023	0.00019%
FY 07	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
LWO contract increase *	\$1,572,123	\$442,322	\$2,014,445
Offset amount	<u>\$10,000</u>	<u>\$23,359</u>	<u>\$33,359</u>
TOTAL	\$1,638,793	\$570,735	\$2,209,528

* includes wages, material and scope changes



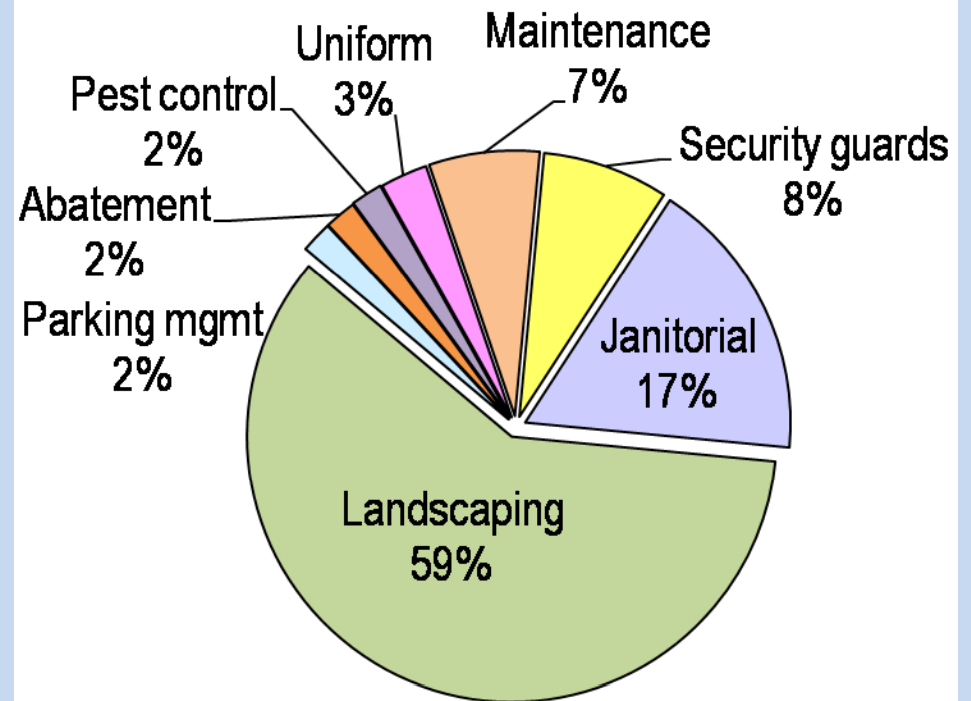
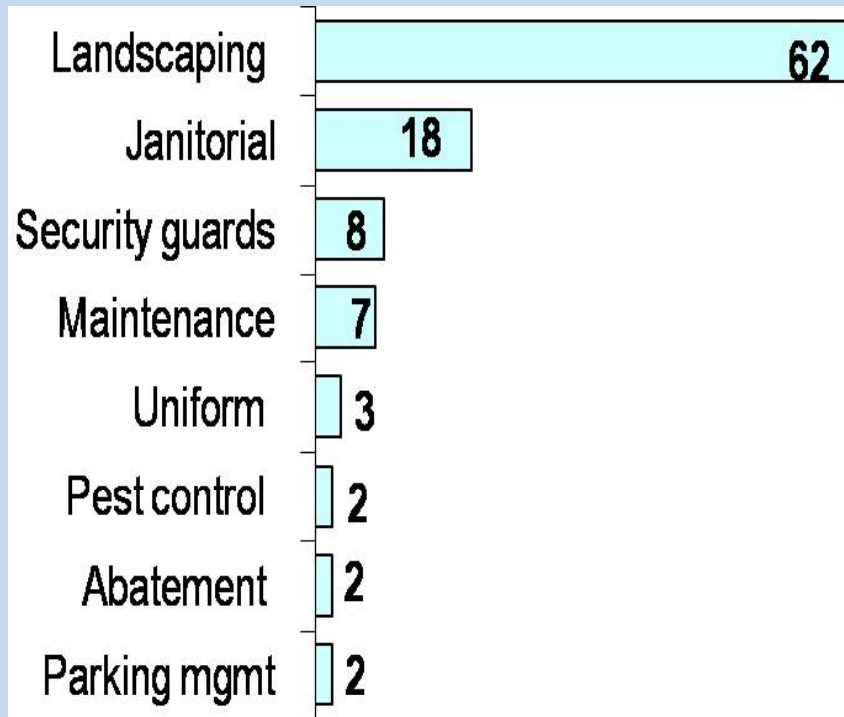
Contract Metrics

	<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

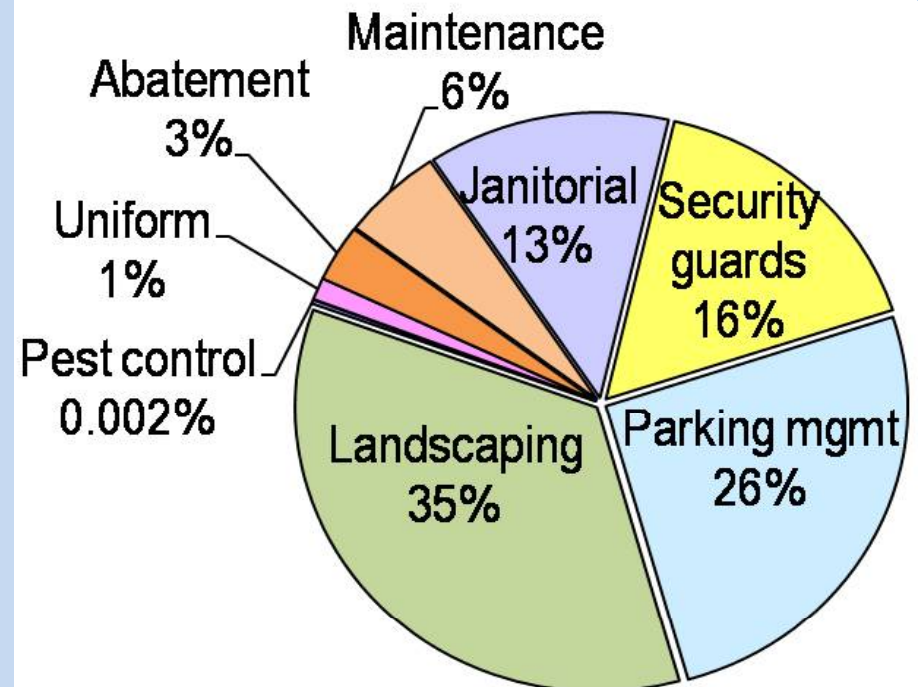
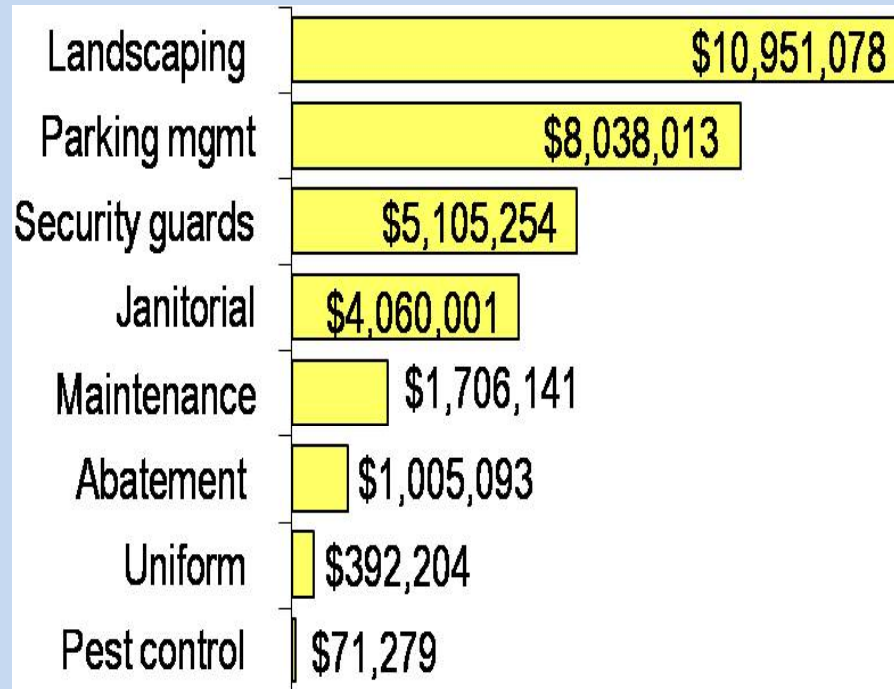
FY 2009 Total = 104 Contracts





Value of Contracts

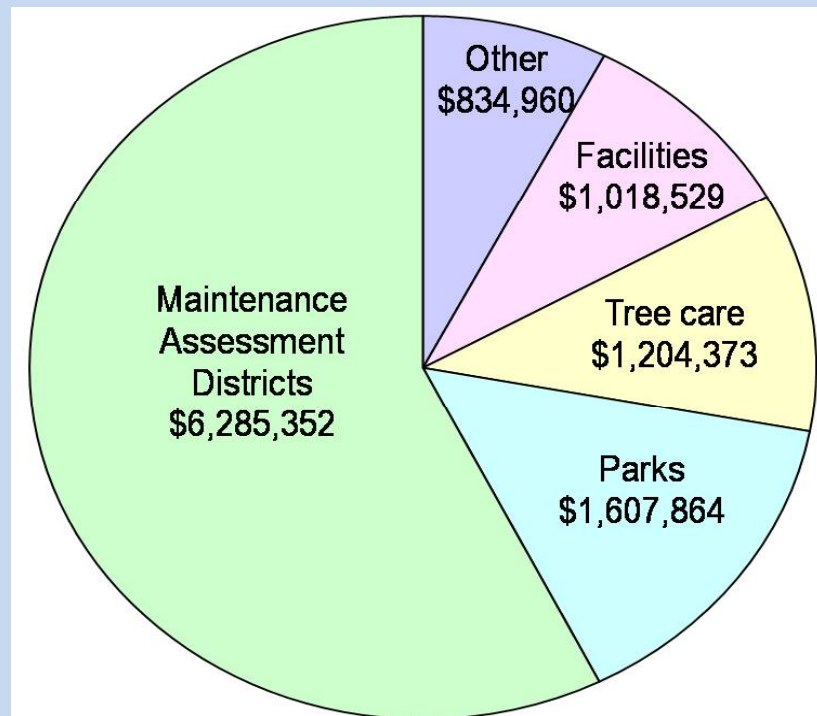
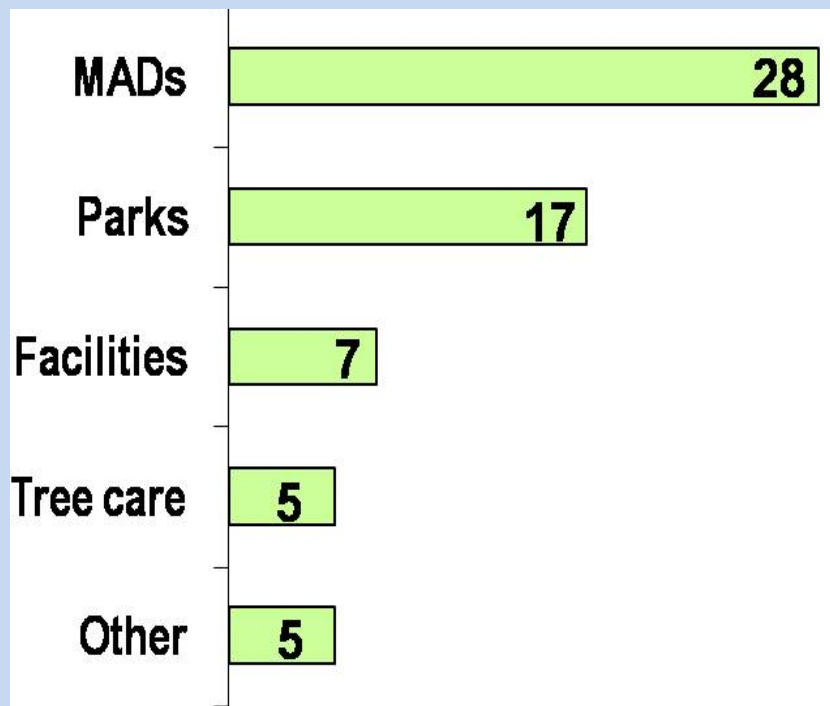
FY 2009 Total = \$31,329,063





Landscape Contracts

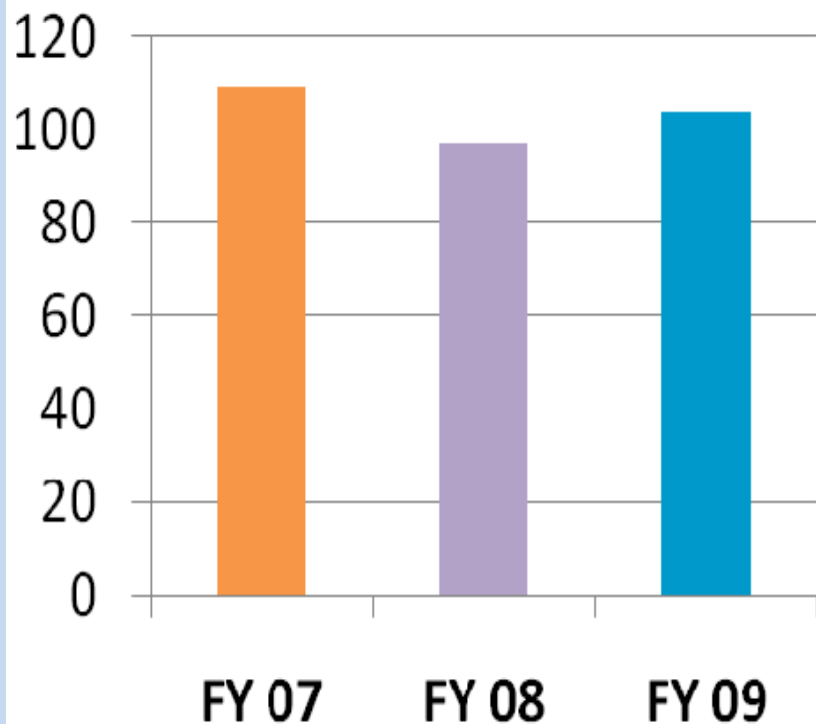
FY 2009 Total = 59 contracts for \$10,951,078
[59% of LWO contracts; 35% of LWO contract dollars]



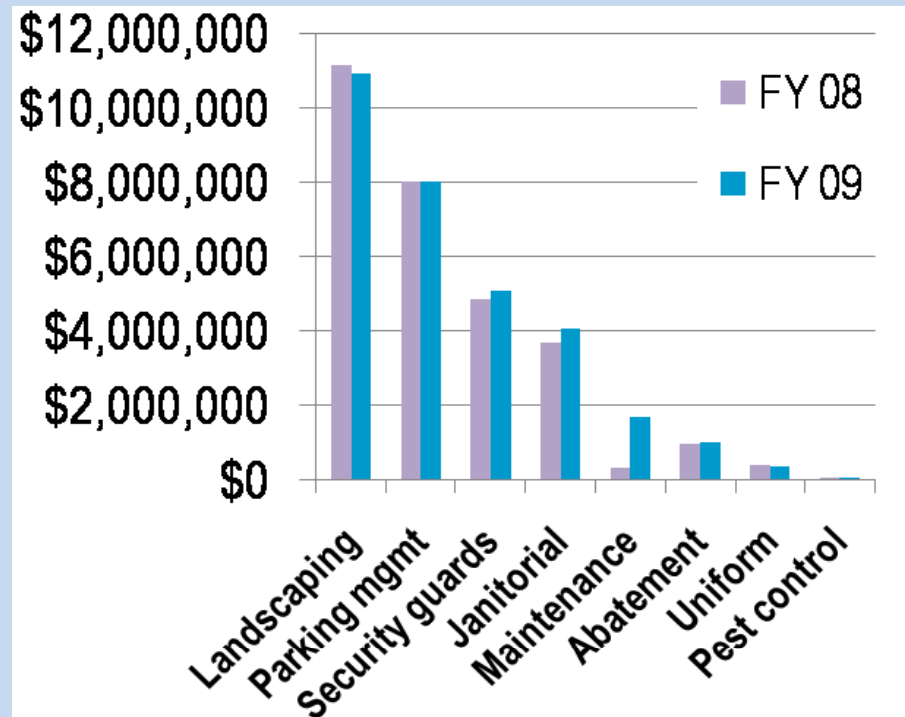


Annual LWO Contracts

Number of LWO Contracts



Cost per Commodity Type





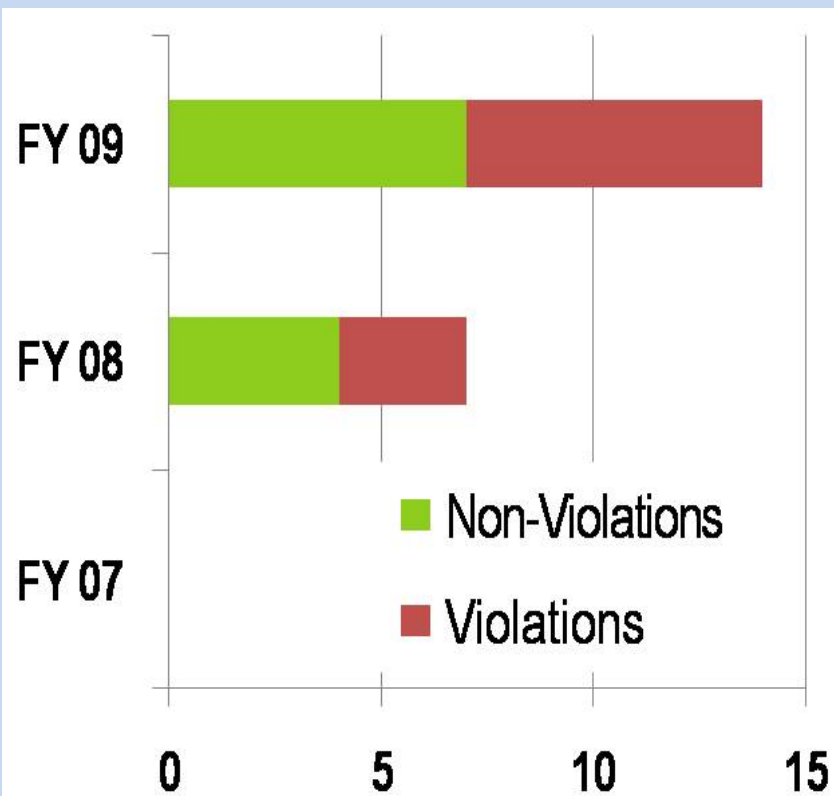
Employee Complaints

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

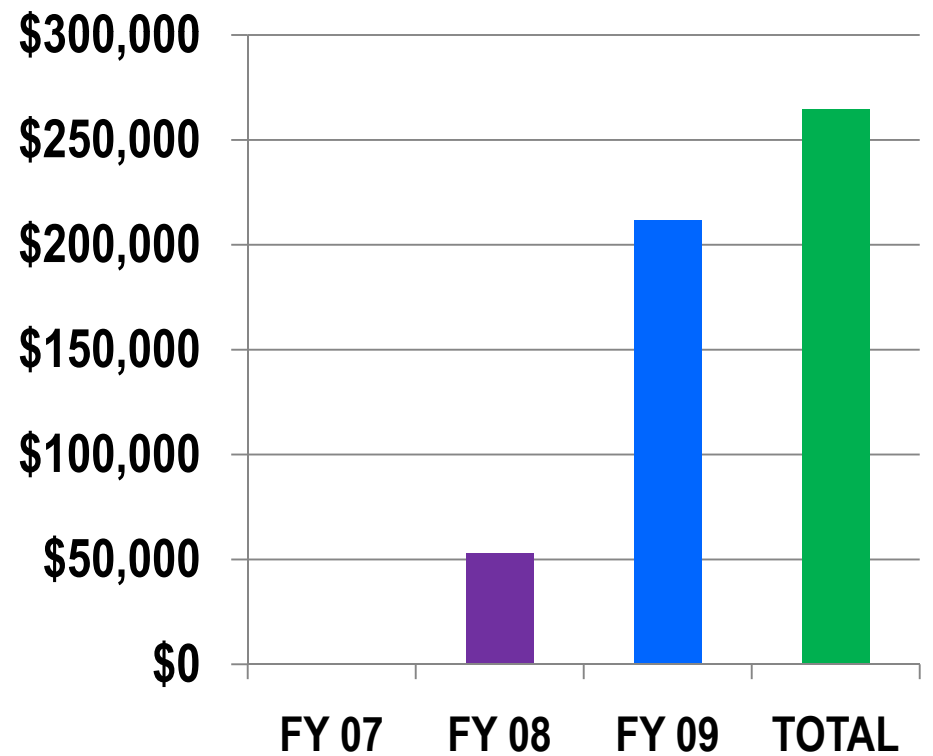


Employee Complaint Trend

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:
 - street cleaning
 - waste collection & disposal, including recycling
 - right-of way maintenance
 - water/wastewater maintenance
 - all services provided through Managed Competition
- 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, featuring a central shield with a ship, surrounded by the text "THE CITY OF SAN DIEGO • STATE OF CALIFORNIA" and "SIGILLUM VIGILANS".

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