



**BURLINGAME CITY COUNCIL
Unapproved Minutes
Regular Meeting on September 8, 2020**

1. CALL TO ORDER

A duly noticed meeting of the Burlingame City Council was held on the above date online at 7:00 p.m.

2. PLEDGE OF ALLEGIANCE TO THE FLAG

The pledge of allegiance was led by Mayor Beach.

3. ROLL CALL

MEMBERS PRESENT: Beach, Brownrigg, Colson, O'Brien Keighran, Ortiz
MEMBERS ABSENT: None

4. REPORT OUT FROM CLOSED SESSION

There was no closed session.

5. UPCOMING EVENTS

Mayor Beach reviewed the upcoming events taking place in the city.

6. PRESENTATIONS

There were no presentations.

7. PUBLIC COMMENT

Manito Velasco discussed the Lyon Hoag traffic calming project. He asked for more information about the plan and when solutions would be implemented. (comment submitted via publiccomment@burlingame.org).

Peter Comaroto discussed his concerns with the ADU permitting process. He asked that the City review this process to make it easier and quicker.

8. CONSENT CALENDAR

Mayor Beach asked her colleagues and members of the public if they would like to pull any item off the Consent Calendar. Councilmember Brownrigg pulled 8b and 8h.

Vice Mayor O'Brien Keighran made a motion to adopt items 8a, 8c, 8d, 8e, 8f, and 8g; seconded by Councilmember Ortiz. The motion passed unanimously by roll call vote, 5-0.

a. APPROVAL OF CITY COUNCIL MEETING MINUTES FOR AUGUST 17, 2020

City Clerk Hassel-Shearer requested Council approve of the City Council Meeting Minutes for August 17, 2020.

b. ADOPTION OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH MIG FOR PREPARATION OF AN UPDATE OF THE CITY'S GENERAL PLAN AND ZONING ORDINANCE

Councilmember Brownrigg stated that the staff report notes that staff expects it to take nine months to review the zoning ordinance. He asked if the timeline could be compressed. He discussed the importance of getting the zone ordinance completed so that construction and development could move forward. CDD Gardiner stated that the timeline is based on the experiences of other cities.

Councilmember Brownrigg stated that there are a lot of important changes in the General Plan. He asked how staff will ensure that the zoning ordinance doesn't undercut what was done in the General Plan. CDD Gardiner stated that staff will need to track changes against the General Plan.

Mayor Beach opened the item up for public comment. No one spoke.

Councilmember Brownrigg made a motion to adopt Resolution Number 113-2020; seconded by Councilmember Ortiz. The motion passed unanimously by roll call vote, 5-0.

c. ADOPTION OF A RESOLUTION AWARDED A \$792,524 CONSTRUCTION CONTRACT TO GOLDEN BAY CONSTRUCTION, INC. FOR THE 2020 SIDEWALK REPAIR PROGRAM, CITY PROJECT NO. 85960, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT

DPW Murtuza requested Council adopt Resolution Number 114-2020.

d. ADOPTION OF A RESOLUTION AWARDED A \$478,740 CONTRACT TO DUKE'S ROOT CONTROL, INC., FOR THE SANITARY SEWER ROOT CONTROL PROGRAM, CITY PROJECT NO. 86110

DPW Murtuza requested Council adopt Resolution Number 115-2020.

- e. **ADOPTION OF A RESOLUTION ACCEPTING THE FY 2019-20 CITYWIDE SEWER IMPROVEMENTS PROJECT BY RANGER PIPELINES, INC., CITY PROJECT NO. 85570**

DPW Murtuza requested Council adopt Resolution Number 116-2020.

- f. **ADOPTION OF A RESOLUTION AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH WILSEY HAM IN THE AMOUNT OF \$157,223 FOR THE ENGINEERING DESIGN SERVICES FOR THE 1740 ROLLINS ROAD SEWAGE PUMP STATION EFFLUENT FORCE MAIN UPGRADES PROJECT, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT**

DPW Murtuza requested Council adopt Resolution Number 117-2020.

- g. **ADOPTION OF RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A ONE-YEAR SERVICE ORDER FOR INFORMATION TECHNOLOGY SERVICES FROM THE CITY OF REDWOOD CITY**

Finance Director Augustine requested Council adopt Resolution Number 118-2020.

- h. **OPEN NOMINATION PERIOD TO FILL TWO VACANCIES ON THE TRAFFIC, SAFETY AND PARKING COMMISSION**

Councilmember Brownrigg stated that previously, he discussed expanding the number of meetings for Traffic, Safety and Parking Commission from one per month to two. He noted that Council has yet to discuss this issue. However, because the City would be seeking applications for the two vacancies, he thought it was important to include this information in the application. City Manager Goldman replied in the affirmative.

Mayor Beach opened the item up for public comment. No one spoke.

Vice Mayor O'Brien Keighran made a motion to open the nomination period to fill the two vacancies on the Traffic, Safety and Parking Commission; seconded by Councilmember Colson. The motion passed unanimously by roll call vote, 5-0.

9. **PUBLIC HEARING**

a. **INTRODUCTION OF AN ORDINANCE TO ESTABLISH A LOCAL MINIMUM WAGE IN BURLINGAME**

City Manager Goldman stated that the minimum wage in California has increased each year since 2017. She discussed the following chart that shows the current minimum wage and the future minimum wage for all areas in California without local minimum wage ordinances.

Date	Minimum Wage for Employers with 25 Employees or Fewer	Minimum Wage for Employees with 26 Employees or More
January 1, 2020	\$12.00/hour	\$13.00/hour
January 1, 2021	\$13.00/hour	\$14.00/hour
January 1, 2022	\$14.00/hour	\$15.00/hour
January 1, 2023	\$15.00/hour	

City Manager Goldman explained that after the State minimum wage reaches \$15 an hour for all employees, the rate will be adjusted annually (beginning January 1, 2024) for inflation based on CPI. She added that the State minimum wage cannot be lowered, even if there is a negative CPI, and the highest increase allowed in any one year is 3.5%.

City Manager Goldman stated that the City Council held a study session on February 3, 2020, to discuss whether it wished to accelerate the increase in the minimum wage through adoption of a local ordinance. She explained that the Council heard from a number of speakers and indicated their interest in considering a local minimum wage ordinance that would be effective January 1, 2021. The January 1, 2021 effective date is one year in advance of the State reaching \$15 an hour for employers with 26 or more employees. She stated that the Council directed staff to use the City of San Mateo's minimum wage ordinance as a model.

City Manager Goldman stated that cities are permitted by law to enact their own minimum wage ordinances, and many in the Bay Area have elected to do so, often with the increase occurring over several years. She discussed the following chart that shows the minimum wage for all San Mateo County cities that have a local minimum wage ordinance.

Agenda Item 8a
Meeting Date: 09/21/2020

City	2020 Minimum Wage	2021 Minimum Wage	2022 Minimum Wage
Daly City	\$13.75	\$15.00	\$15.00 + CPI (up to 3.5%)
East Palo Alto	State minimum wage	\$15.00	\$15.00 + CPI (no limit)
Half Moon Bay	State minimum wage	\$15.00	\$15.00 + CPI (no limit)
Menlo Park	\$15.00	\$15.00 + CPI (up to 3%)	2021 rate + CPI (up to 3%)
San Carlos	State minimum wage	\$15.00 + CPI (up to 3.5%)	2021 rate + CPI (up to 3.5%)
South San Francisco	\$15.00	\$15.00 + CPI (no limit)	2021 rate + CPI (no limit)
Redwood City	\$15.38	\$15.38 + CPI (no limit)	2021 rate + CPI (no limit)
San Mateo	\$15.38	\$15.38 + CPI (no limit)	2021 rate + CPI (no limit)
Belmont	\$15.00	\$15.90	\$15.90 + CPI (up to 3.5%)

City Manager Goldman noted that the above chart is sorted by what the minimum wage will be in 2021. She stated that the total combined population in the nine cities represented in the chart is approximately 65% of the County's population. She explained that the minimum wage in these cities applies to all adults and minors who work two or more hours per week. She added that employees classified as "Learners", as defined by the California Industrial Welfare Commission Order Number 4-2011, can be paid no less than 85% of the minimum wage for the first 160 hours of employment. Thereafter, the employees must be paid the minimum wage. Tips and other benefits may not be considered as an offset to the minimum wage.

City Manager Goldman explained that several cities in the Bay Area, including Redwood City and San Mateo, participate in a joint contract with the City of San Jose's Office of Equality Assurance to provide enforcement for the local minimum wage ordinance. She noted that cities do this because they are too small to take on this duty themselves. She explained that she was able to talk to someone from the Equality Assurance Office who told her that they are under contract with ten cities. She stated that the City would pay San Jose approximately \$13,500 annually to enforce their minimum wage ordinance. She noted that staff recommends that if the City adopts a minimum wage ordinance, that the City contract with San Jose.

City Manager Goldman stated that at the February study session, it was discussed that Millbrae was considering adopting a minimum wage ordinance. However, staff has been unable to find any information as to discussions about a local minimum wage ordinance in Millbrae.

City Manager Goldman noted that there are several cities in Santa Clara County that have adopted local minimum wage ordinances including: Cupertino, Los Altos, Milpitas, Mountain View, Palo Alto, San Jose, Santa Clara, and Sunnyvale. She added that all of these cities include a CPI escalator.

City Manager Goldman stated that San Mateo County doesn't have a minimum wage ordinance for unincorporated areas. Instead, San Mateo County has a living wage ordinance that sets the minimum that contractors must pay employees working under County contracts. The current wage as of July 1, is \$17.19 and it will increase by CPI on July 1, 2021. She noted that the program is set to sunset on June 30, 2022.

City Manager Goldman stated that the City and County of San Francisco has both a local minimum wage ordinance and a minimum compensation ordinance. The local minimum wage in San Francisco increased from \$15.59 to \$16.07 on July 1. The minimum compensation ordinance covers most City service contractors and tenants at the San Francisco International Airport. Under the minimum compensation ordinance, employers must provide their employees with no less than the minimum compensation wage rate, which increased from \$17.66 per hour to \$18.24 per hour for for-profit employers. The rate for non-profit and public entity employers remains \$16.50 per hour.

City Manager Goldman reviewed key portions of the proposed ordinance:

- Minimum wage is set at \$15 per hour starting in January 2021 for Burlingame businesses
- Business owners do not have to pay first-degree relatives the increased minimum wage, but all other requirements of relevant State law continue to apply

City Manager Goldman stated that at the February study session, Mayor Beach noted that she reached out to members of the Burlingame business community, including retailers and restaurateurs, to seek their input regarding a local minimum wage ordinance. She explained that from August 20 to September 1, staff conducted a non-scientific local minimum wage survey via SurveyMonkey. She noted that the City took a survey that Alameda previously used and added to it questions staff obtained from Redwood City. She stated that the survey was put in the City's eNews twice, posted on Nextdoor, sent directly to the Chamber of Commerce and BIDs for distribution, and shared with hoteliers and Burlingame Talks Shop attendees.

City Manager Goldman stated that the City received 200 responses to the survey, with 173 respondents living in Burlingame, and 59 owning a business in Burlingame. She noted that some respondents living in Burlingame also own a business in Burlingame. She explained that among those who checked that they were residents, 125 responded that they were strongly or somewhat in favor of an increase in the minimum wage, while 46 were somewhat or strongly against an increase. She added that among business owners, 30 were strongly or somewhat in favor of an increase in the minimum wage, while 29 were somewhat or strongly opposed to an increase.

City Manager Goldman reviewed questions that Councilmembers asked at the February study session:

1. Impacts on Child Care

City Manager Goldman stated that a Councilmember expressed concern about the impact of a higher minimum wage on child care providers in Burlingame and whether child care would become unaffordable. She explained that in 2017, First 5 San Mateo County and the Child Care Partnership Council ("CCPC") conducted a study of early childhood education workforce compensation practices in center-based programs within San Mateo County. She noted that according to CCPC's flyer, the lowest-paid employees in these

programs were, on average, making more than \$15 per hour at the time of the survey. She added that she didn't have data about home-based child care providers.

2. Business Closures in Local Cities with a Local Minimum Wage Ordinance

City Manager Goldman stated that a Councilmember asked whether San Mateo County cities with local minimum wage ordinances had any data with respect to businesses closing or reducing full-time employees to part-time status as a result of the higher minimum wage. She explained that staff reached out to Belmont, Menlo Park, Redwood City, San Mateo, and South San Francisco, all of which have a 2020 minimum wage of \$15 per hour or above. She stated that the cities of Belmont, Redwood City, and San Mateo responded that some of their businesses warned about closures and reduction of hours prior to the passage of the ordinance. However, the cities had no data to indicate that the minimum wage increase actually led to business closures or employees' hours being cut. The City of San Mateo noted that prior to the pandemic, many of their businesses were paying a higher wage due to the competitive labor market. Menlo Park responded that they received a number of complaints from restaurants and two merchants in the early stages of implementation, but no complaints since then.

3. Exemptions for Family Members and Babysitters

City Manager Goldman stated that a Councilmember asked whether there could be exemptions made for family members and babysitters. She noted that the answer is yes and that the proposed ordinance exempts family members of business owners. She explained that the minimum wage requirement applies to people who meet the definition of "employee" under the State labor code: most people providing ad hoc services, such as babysitters, and independent contractors would be exempt from the minimum wage requirement.

City Manager Goldman reviewed the fiscal impact of the proposed ordinance. She noted that the fiscal impact was hard for the City to determine as most City staff make more than the minimum wage. Those that make minimum wage are casual employees that were furloughed as a result of COVID. She discussed Parks and Recreation's previous practice of increasing program fees to compensate for increases to minimum wage. However, she noted that the Council could choose to subsidize the cost increases through General Fund support.

Vice Mayor O'Brien Keighran asked if currently there are positions in the City that make less than \$15 per hour. City Manager Goldman replied in the affirmative but stated that currently most of these positions are vacant due to COVID.

Vice Mayor O'Brien Keighran asked how many City staffers who make less than \$15 per hour were furloughed. HR Director Morrison stated that she would need to get back to Council with this information.

Vice Mayor O'Brien Keighran asked if there were any current City staffers that make less than \$15 per hour. City Manager Goldman replied in the affirmative and stated that there are a few. She added that the minimum wage increase would cause a roll-up issue. She explained that the City would need to increase

other wages that are above minimum wage to maintain the difference in wages among classifications in a series.

Vice Mayor O'Brien Keighran asked for a cost analysis that would show the effects on personnel costs if the minimum wage was increased.

Councilmember Colson asked City Attorney Kane to explain Section 6.10.060, entitled Waiver through Collective Bargaining. City Attorney Kane stated that per Council's direction, the City modeled the proposed ordinance off of the City of San Mateo's ordinance. She explained that this section was a part of the City of San Mateo's adopted ordinance. She noted that the basic idea is that represented employees can establish a lower wage through union bargaining. She added that there are conditions under which a collective bargaining unit can divert from a minimum wage ordinance.

Councilmember Colson asked if this only applies to the City employee unions or would it apply to any and all unions. City Attorney Kane replied that it applied to all unions.

Councilmember Colson asked if she was correct that what this means is that if for example, AFSCME negotiated with the City to not furlough staff due to COVID in exchange for lower wages, then this would be okay. City Attorney Kane replied in the affirmative.

Councilmember Colson noted that a majority of the emails she received on the minimum wage ordinance came from union representatives. She explained that she found it odd that the minimum wage ordinance included a union exemption. She stated that this section should be removed from the ordinance.

Councilmember Brownrigg concurred with Councilmember Colson.

Vice Mayor O'Brien Keighran asked what the threshold was to require employers to provide benefits to their staff. City Attorney Kane replied that she didn't know the answer but that it would be under the labor code. She stated that she knew that after a certain number of hours worked, you are required to provide sick leave, and there is also a threshold for the provision of health insurance.

Vice Mayor O'Brien Keighran asked if the ordinance was adopted and employers decreased staff hours, could employees lose their benefits. HR Director Morrison stated that she would need to get back to Council with this information.

Mayor Beach asked the City Clerk to read the title of the ordinance. City Clerk Hassel-Shearer read the title.

Councilmember Brownrigg made a motion to waive further reading and open the public hearing; seconded by Mayor Beach. The motion passed unanimously by roll call vote, 5-0.

Laura Hinz discussed the City's survey and the overwhelming community support to increase the minimum wage to \$15 per hour. She asked that the Council adopt the proposed ordinance.

San Mateo Central Labor Council and the San Mateo Building and Construction Trades Council representative Erin Chazer urged the City to pass the minimum wage ordinance.

Get Healthy San Mateo County representative Erika Rincon stated that the pandemic and the economic downturn exacerbated the economic vulnerabilities faced by low income workers. She noted that the San Mateo County unemployment rate rose from 2.7% to 9.2% due to the pandemic. She urged the Council to pass the minimum wage ordinance.

San Mateo Labor Council representative Julie Lind discussed the economic impacts of COVID. She asked the Council to adopt the ordinance.

Councilmember Colson asked if Ms. Lind supports the Waiver through Collective Bargaining section of the proposed ordinance. Ms. Lind stated that it was previously introduced in other cities and supported by lower paid workers, so that they could agree to take a lower hourly rate in exchange for healthcare benefits.

Councilmember Brownrigg asked if this is an important provision to have in the ordinance. Ms. Lind stated that she isn't wedded to it.

Dave Mauro urged the Council to adopt the proposed ordinance. (comment submitted via publiccomment@burlingame.org).

Tom Paine voiced his support for the proposed ordinance. He noted that the community can pay more for goods in exchange for the higher minimum wage. (comment submitted via publiccomment@burlingame.org).

Former Mayor Terry Nagel discussed the cost of living that has increased far more than wages. She asked the Council to adopt the ordinance.

Mike Dunham voiced his support for the proposed ordinance. He noted that there is a need to increase the minimum wage to be competitive with other cities.

Alisa Ferrari asked that if the City adopts the proposed ordinance, that employees' tips be included in their hourly rate. (comment submitted via publiccomment@burlingame.org).

Kimberly Rosales voiced her support for the proposed ordinance. She discussed the hard working community members that work more than one job to ensure that their children get to go to school in Burlingame. She noted that this increase would assist them. (comment submitted via publiccomment@burlingame.org).

Kathleen Wong asked questions about how the proposed minimum wage increase would affect tipped employees. (comment submitted via publiccomment@burlingame.org).

Rayna asked the Council to adopt the proposed ordinance.

David Fleishman stated that while the minimum wage increase doesn't come close to meeting the need, it is a start. He asked that the Council adopt the proposed ordinance.

John Kevranian voiced his support for the proposed ordinance. (comment submitted via Zoom chat).

Michael stated that increasing minimum wage could hurt restaurants as it would be a 15% increase to their budget. He asked that Council delay passage of the ordinance. (comment submitted via Zoom chat).

Nicole Fernandez urged the Council to adopt the ordinance.

Sandra Lang stated that she didn't think the increase was enough but urged Council to adopt the ordinance.

Laurie Tanjuatco urged the Council to adopt the ordinance. (comment submitted via publiccomment@burlingame.org).

Jackie voiced support for the minimum wage increase and noted that \$15 per hour is not a living wage in Burlingame. (comment submitted via publiccomment@burlingame.org).

Raymond Larios voiced support for the minimum wage ordinance. (comment submitted via publiccomment@burlingame.org).

Bob Bear encouraged the Council to adopt the ordinance.

Mike McCord voiced his support for the ordinance and noted that it is not a living wage. (comment submitted via publiccomment@burlingame.org).

Susan Castner-Paine voiced support for passing the minimum wage ordinance. (comment submitted via publiccomment@burlingame.org).

Alexander Melendrez voiced his support for the minimum wage increase.

Kris Cannon voiced support for the minimum wage increase.

Kathleen voiced concern about raising the minimum wage as a blanket ordinance. She discussed tipped employees and asked that they be exempted from the ordinance. (comment submitted via Zoom chat).

Mayor Beach closed public comment.

Councilmember Ortiz stated that Council has been discussing this item for a long time. He noted that the City received a lot of feedback from the community. He stated that most workers in Burlingame are already at or near \$15 per hour. He explained that this will be taken care of in a few years by the State, therefore

what the City would be doing is bridging the gap until this happens. He noted that the increase will not have a huge impact and is mostly symbolic.

Councilmember Ortiz stated that COVID has had a large impact on businesses. He noted that many local businesses are close to bankruptcy. Therefore, he voiced concern about adding another burden on the businesses during this difficult time.

Councilmember Brownrigg stated that this is a hard issue. He noted that there are a number of small businesses that are struggling as a result of COVID. He explained that for some businesses, this could lead to issues. He stated that the difference between \$14 per hour and \$15 per hour is about \$2,000 a year. He explained that it isn't a huge financial hit, but it is an impact. He discussed the work the City had done to support local businesses during the pandemic. He stated that there are no good times to raise costs for a small business.

Councilmember Brownrigg discussed average wage rates across the United States. He noted that in 50 years, the average wage rate has grown from \$20.25 per hour to \$22.75 per hour. He stated that meanwhile, housing and other costs have increased dramatically. Therefore, he felt that the City needed to increase the minimum wage.

Vice Mayor O'Brien Keighran stated that while the proposed ordinance had good intentions, the timing is off. She explained that when reviewing the surveys, people should focus on what the businesses are saying as they will be responsible for the pay increase. She noted that the survey results showed that 30 businessowners were in favor of the minimum wage ordinance and 29 strongly opposed.

Vice Mayor O'Brien Keighran discussed the pandemic and how it has affected businesses. She explained that adopting the ordinance would exacerbate problems for those businesses that are already in trouble. She noted that it is unknown how long the pandemic will last, and therefore this is the wrong time to adopt a minimum wage ordinance. She stated that if businesses are forced to cut costs, it would most likely be the lowest paid workers that would lose their jobs.

Vice Mayor O'Brien Keighran discussed tipped employees. She voiced concern that increasing the wages of tipped employees that make between \$25 to \$30 per hour from tips could hurt restaurateurs. She discussed the potential of employers cutting the hours of tipped employees, which could lead to tipped employees losing benefits.

Vice Mayor O'Brien Keighran stated that while this is a difficult decision, you can't dismiss the businesses that are struggling. She recommended that the City help businesses get through the pandemic, and once they are back on their feet, Council could reevaluate the minimum wage increase.

Councilmember Colson stated that this is an unfortunate time to consider a well-meaning initiative. She explained that she was concerned about the small businesses that will experience financial stress due to the increase in minimum wage. She discussed her experience running a small business. She noted that she would not have been able to pass on the increase to customers and instead would have had to cut pay of some

of the higher paid employees. She stated that running a small business is often a balancing act and that this could tip the scale too much.

Councilmember Colson stated that many small business owners have taken out lines of debt in order to stay open and keep their staff employed. She voiced concern that this ordinance could cause the City to lose its small businesses.

Councilmember Colson thanked all the businesses in the community that were paying more than \$15 per hour. She stated that corporate America can afford to pay much higher wages than the mom and pop shops. She explained that Burlingame is proud of their mom and pop shops, and this could end them.

Councilmember Colson noted that she was not comfortable with the Waiver through Collective Bargaining section of the proposed ordinance. She stated that unions should not be exempt from the minimum wage ordinance.

Councilmember Colson stated that she would also support removing tipped employees from the minimum wage ordinance. She explained that their total compensation is higher than minimum wage. She noted that if you raised tipped employees' wages, then the increase would be deducted from a restaurant's back of the house costs.

Mayor Beach thanked members of the public for participating on this issue. She stated that increasing the minimum wage is the right thing to do. She explained that there is a huge wage gap between the rich and the poor in the Bay Area and that it is growing.

Mayor Beach discussed the pandemic and stated that she felt it was important to act now on a minimum wage increase. She explained that it is the lowest wage employees that are on the front line keeping the economy going.

Mayor Beach noted that the City is one of the few remaining locations in San Mateo County that is following the State minimum wage. She explained that between Santa Clara County, San Mateo County, and San Francisco County by 2021, 84% of the population will be at \$15 per hour or higher. She stated that the City shouldn't feel comfortable having the same minimum wage as Modesto and Clear Lake, two of the poorer cities in the state.

Mayor Beach stated that the community told the City in the survey that they support the increase in minimum wage and will pay the cost of that. She explained that she knew businesses were hurting as a result of the pandemic, and that is why the Council spent the majority of the past six months focused on assisting businesses. Therefore, she felt that it was important to recognize that the low wage workers are also in need of assistance.

Mayor Beach stated that she has talked to industry experts and restauranteurs about increasing the minimum wage. She noted that while restauranteurs didn't love the idea, they believe it is the right thing to do. She stated that a modest price increase of cost at restaurants can help offset the minimum wage increase. She

noted that she believed that the community would rise to the occasion to support local businesses and employees.

Mayor Beach discussed tipped employees. She noted that she heard from restaurateurs that at high end restaurants, tipped employees can make \$40 to \$45 per hour. She explained that in the Bay Area, a wage of \$30 per hour equates to an annual income of less than \$60,000, which would qualify for very low-income housing. She stated that this wasn't something to celebrate and that the City needs to recognize that many low wage workers work more than one job.

Mayor Beach stated that the City has spent a lot of time this past year discussing diversity, inclusion, race relations, and Black Lives Matter. She explained that the data shows that disproportionately people of color are working in the lowest wage service jobs. She discussed a graph in the Joint Venture Silicon Valley 2020 Index Report that shows per capita income by race and ethnicity in Silicon Valley. She stated that the graph shows the 2018 average income of the following ethnicities:

- African American: \$40,000
- Latinx: under \$30,000, and
- Caucasian: \$82,000

Mayor Beach stated that the 2020 Index Report also discusses self-sufficiency standards. She noted that self-sufficiency standard means that you don't need public or non-profit assistance. She stated that the report found that 45% of African American households live below the self-sufficiency standard in Santa Clara and San Mateo Counties. She noted that the number increases to 57% for Latinx and 73% for single mothers.

Mayor Beach stated that the minimum wage ordinance would make a huge difference for the lowest wage workers. She explained that 12.3% of students in Burlingame School District qualify for free or reduced lunch. She noted that a family of four can get a reduced lunch if the household income is less than \$48,000, and you get a free lunch if the household income is less than \$34,000. She noted that in the high school, 14% qualify for free or reduced lunches.

Mayor Beach noted that this could be a hassle for businesses, but she felt that customer costs could be increased to make up the difference. She explained that this is a huge opportunity for the City to help the lowest wage workers.

Councilmember Ortiz stated that he would be in favor of the ordinance if the City carved out an exception for tipped employees or factored their tips into their wage.

Mayor Beach asked the City Attorney if the City is able to legally exempt tipped employees. City Attorney Kane stated that she hadn't analyzed this exception and would need to get back to Council on this issue.

San Mateo Labor Council representative Julie Lind stated that tip credits are illegal in a wage ordinance at the State level. She noted that they aren't included in any local ordinance.

Councilmember Brownrigg stated that tracking tip credit would be very difficult even if it was legal. He noted that if restaurants want to be more even-handed with their tips, there are ways for them to do this. He asked his colleagues if there was a way to tweak the ordinance so that the Council would unanimously support it.

Councilmember Ortiz stated that he believed the timing of the ordinance was off but would vote in favor.

Councilmember Colson stated that she would not support the ordinance with the collective bargaining exemption. She noted that she also has very strong concerns that businesses that are run by women and people of color will be strongly impacted by the passage of the minimum wage ordinance. She explained that potentially 29 businesses could close as a result of the ordinance. She noted that this meant that employees would also lose their job.

Councilmember Ortiz asked if Councilmember Colson's fear was that unions would use the Waiver through Collective Bargaining section to negotiate lower wages for their members.

Councilmember Colson replied in the affirmative. She stated that the collective bargaining exception allows an individual to state that they will take lower wages for better healthcare. She noted that she has no issue with this, but if this is allowed, then the private sector should be allowed to negotiate this deal as well.

Mayor Beach stated that Councilmember Brownrigg, Councilmember Ortiz, and herself were all okay with removing this section.

Vice Mayor O'Brien Keighran discussed tipped employees. She noted that nail and hair salon employees are also tipped. She stated that Burlingame is lucky because it has a number businesses owned by people of color. She explained that she would hate to see this change due to the increase in minimum wage. She stressed that the timing of the ordinance was off and that she couldn't support it.

Councilmember Brownrigg stated that it is valid to be concerned about how small businesses would be affected by the minimum wage ordinance. However, he explained that enough people are paying their staff over \$15 per hour and minimum wage ordinances have been adopted in neighboring cities, that he is comfortable adopting a minimum wage ordinance. He asked if Councilmember Colson would vote in favor of the ordinance if the Waiver through Collective Bargaining section was removed.

Councilmember Colson stated that if that section was removed, she would have another month to consider it and talk to business owners. She noted that she spent the day on the phone with women and POC business owners and discussed their concerns about the ordinance. She voiced concern about the 29 businesses that stated that they were strongly against the minimum wage ordinance. She stated that she didn't think this was the right time for the ordinance and didn't think she could support it.

Mayor Beach stated that she agreed that businesses will have to make some hard decisions but the businesses have the choice to absorb that cost or pass it along to their customers.

Councilmember Colson noted that as a former small business owner there are certain costs that can't be passed along to customers in order to stay in business.

Mayor Beach asked Councilmember Brownrigg if he would like to make a motion to bring back the ordinance for adoption without the Waiver through Collective Bargaining section.

Councilmember Brownrigg asked what the timeline extension for adoption of the ordinance would be if Council voted to remove the Waiver through Collective Bargaining section. He explained that he was concerned about the lead time for business owners to prepare themselves for the minimum wage increase.

City Manager Goldman stated that the ordinance would need to be reintroduced. She noted that staff might not be able to bring it back for re-introduction at the next meeting due to noticing requirements. Therefore, the reintroduction might not happen until the first meeting in October.

Councilmember Brownrigg asked if he was correct that the City could adopt the ordinance as is and later amend the ordinance to remove the Waiver through Collective Bargaining section. City Attorney Kane replied in the affirmative. She noted that she could draft the amendment right away.

Councilmember Brownrigg made a motion to bring back the ordinance for adoption.

Councilmember Brownrigg stated that his reasoning for adopting the ordinance as is, is that he didn't believe a union would ask for less than minimum wage for its members. He noted that in light of the importance of signaling to the business community the cost for 2021, he felt it was important to adopt the ordinance as is and amend that section later.

The motion was seconded by Councilmember Ortiz.

The motion passed by roll call vote, 3-2 (Councilmember Colson and Vice Mayor O'Brien Keighran voted against).

City Attorney Kane stated that the proposed ordinance would come back for a second reading at the September 21 meeting. She added that staff would process an amendment to remove the union exemption right away.

10. STAFF REPORTS

There were no staff reports.

11. COUNCIL COMMITTEE AND ACTIVITIES REPORTS AND ANNOUNCEMENTS

There were no committee reports.

12. FUTURE AGENDA ITEMS

There were no future agenda items.

13. ACKNOWLEDGEMENTS

The agendas, packets, and meeting minutes for the Planning Commission, Traffic, Safety & Parking Commission, Beautification Commission, Parks and Recreation Commission, and Library Board of Trustees are available online at www.burlingame.org.

14. ADJOURNMENT

Mayor Beach adjourned the meeting at 9:38 p.m.

Respectfully submitted,

Meaghan Hassel-Shearer
City Clerk