

**CITY COUNCIL
CITY OF WEST HOLLYWOOD
MINUTES
TUESDAY, AUGUST 31, 2021
REGULAR TELECONFERENCE MEETING**

5:00 P.M. – CLOSED SESSION

5:30 P.M. – STUDY SESSION

1. **CALL TO ORDER:** Mayor Horvath called the Study Session to order at 5:30 p.m.

2. **ROLL CALL:**

PRESENT: Councilmember D’Amico, Councilmember Erickson, Councilmember Shyne, Mayor Pro Tempore Meister, and Mayor Horvath.

ABSENT: None.

ALSO PRESENT: City Manager Wilson, City Attorney Langer, City Clerk Crowder, and Administrative Specialist IV Poblador.

3. **REPORT OF CLOSED SESSION:**

City Attorney Langer reported that the Closed Session convened at 5:00 p.m. There were no members of the public that spoke. She noted that the City Council spoke regarding the one item on the posted agenda and took no reportable action. The Closed Session adjourned at 5:10 p.m.

4. **APPROVAL OF AGENDA:**

Motion by Councilmember Erickson, seconded by Mayor Pro Tempore Meister, to approve the August 31, 2021 Study Session Agenda, and approved.

5. **STUDY SESSION ON THE CITY OF WEST HOLLYWOOD’S LIVING WAGE AND MINIMUM WAGE [D. WILSON, L. LANGER, J. JIMENEZ, J. LEONARD, T. WORDEN, P. KESPRADIT]:**

SUBJECT: The City Council will receive information regarding the City’s living wage and a local minimum wage and discuss potential changes.

Introduction and Overview of the City’s Living Wage and Minimum Wage

City Manager Wilson provided background information as outlined in the staff report dated August 31, 2021.

City Attorney Langer provided information on the purpose of a Study Session.

Assistant to the City Manager Janet Jimenez presented an overview of the Living Wage and Minimum Wage. During the presentation, staff requested direction from the City Council for a Living Wage:

- Should the City continue to have a living wage?
- Should the current living wage rate be adjusted to a higher amount?
- Should the City continue to use a two-tiered approach for the living wage, including a rate for employees with employer provided healthcare and one for employees without employer provided healthcare?
- Should the living wage rate be applied to more than only City contractors?
- Should development agreements be subject to the living wage or should the City continue to evaluate this on a case by case basis?

In addition, staff requested direction from the City Council on the City's Minimum Wage:

- Should the City potentially establish a local (City) minimum wage that is higher than the current State rate?
- If so, what general range for the rate should be studied (for example, \$15-\$18 per hour)?
- Should staff consider a phased approach for any potential increase?
- Should staff consider any other considerations for any potential local (City) minimum wage (e.g. sick leave, sector-specific wage)?

Q & A with City Council and Staff

Councilmember D'Amico inquired about the difference between the Living Wage with healthcare subsidies and without. Community & Legislative Affairs Manager John Leonard responded to this inquiry. Councilmember D'Amico further inquired how much companies like Starbucks, Target, and Ralphs charge its employees for health insurance.

Mayor Pro Tempore Meister inquired about which sectors of workers attended the Workforce Round Table hosted by City staff. Management Analyst Paolo Kespradit responded that restaurant workers were invited but they did not attend. She asked if a survey can be conducted to get feedback from that sector of workers. She also inquired about a subminimum wage for employees that receive tips. She further inquired if the City could exempt specific sectors from any living wage/minimum wage that the City establishes. She referenced the City of Pasadena's minimum wage ordinance. Finally, she asked what types of jobs are included in the "Social Assistance" sector. Business Development Analyst Tara Worden responded to this inquiry and noted that this sector included services for the elderly, persons with disabilities, and childcare assistance.

Councilmember Shyne asked about the City's social services contracts, poverty level, community study data, and the City's median household income. Social Services Manager David Giugni responded that approximately 13-14% of West Hollywood households live below the poverty level. He further noted that the median income increased from \$52,000 to \$61,000 based on the 2019 community study. She inquired about the term of the City's approximately 400 existing contracts. City Manager Wilson responded to this inquiry. She inquired about the cost of a worker survey and who would create the survey. Staff indicated that an RFP would be issued, and the cost is approximately \$50,000. She inquired about the difference between the UCLA and UC Berkeley studies. Assistant to the City Manager Janet Jimenez responded that the City of Los Angeles worked with UC Berkeley to create its wage policy. She further noted that the City used UCLA for the 2016 staff report on this issue.

Councilmember Erickson asked what the average rent is for one-bedroom apartment in the City. Mr. Leonard responded that it's roughly \$1,800-\$1,900 per month. He also asked what the wage needs to be for people to live in West Hollywood. Management Analyst Paolo Kespradit responded that it's \$19.35 per hour in LA County. He inquired about what percentage of income is average to pay for rent. Social Services Manager David Giugni responded that the average is 50%. Finally, he inquired about requiring a living wage in development agreements.

Mayor Horvath asked what defines the low-income tier. Assistant to the City Manager Janet Jimenez responded. She asked for clarification on the City of Pasadena's minimum wage ordinance that exempted tipped employees. She asked why we have a living wage and a minimum wage. Ms. Jimenez responded that the City wanted a different wage for contract workers and created the living wage.

Councilmember Erickson clarified that businesses who are already paying above the minimum wage currently would not be affected.

Public Comment

JOSEPH GUARDARRAMA, WEST HOLLYWOOD, spoke in favor of raising the minimum wage.

MARK R. EDWARDS, MIRACLE MILE DEMOCRATIC CLUB, spoke in favor of raising the minimum wage and a hotel worker minimum wage ordinance.

YESHI LEMMA, LANE, spoke in favor of raising the minimum wage as well as drafting a hotel worker minimum wage ordinance.

ROB NOTHOFF, LA COUNTY FEDERATION OF LABOR, spoke in favor of drafting a minimum wage and hotel worker minimum wage ordinances.

NORMA HERNANDEZ, WEST HOLLYWOOD, spoke about her wages at the Mondrian Hotel and how it is not enough to live in this City and urged the Council to raise the minimum wage.

ENOE GIRON, WEST HOLLYWOOD, spoke about her current wages and that she received a 1% raise. Recently she had to use her 401K to get by and asked the City Council to vote yes on the increase to the minimum wage.

YANET CRUZ, WEST HOLLYWOOD, spoke about the 19 years she worked at the Standard Hotel for \$16.60/hr. and is in favor of raising the minimum wage.

LUIS GARCIA, WEST HOLLYWOOD, spoke of earning \$17.56/hr. at the Mondrian Hotel and has to work two jobs to support his children as a single dad and is in favor of earning a dignified wage.

SERGIO SORZA, WEST HOLLYWOOD, spoke regarding worker surveys and understanding that employees cannot speak freely when managers are present.

NICK RIMEDIO, WEST HOLLYWOOD, spoke in opposition to increasing the minimum wage.

GENEVIEVE MORRILL, WEST HOLLYWOOD, spoke in opposition to increasing the minimum wage and the impact to small businesses.

SION ROY, LA DEMOCRATIC CLUB, spoke in support of increasing the minimum wage due to the increase in the cost of living and the lack of sick leave.

RICK ZBUR, EQUALITY CALIFORNIA, spoke in support of drafting a minimum wage and a hotel worker minimum wage ordinance.

DANIELLE WILSON, UNITE HERE 11, spoke in support of increasing the minimum wage.

SANDRA FLUKE, WEST HOLLYWOOD, spoke about her experience as a small business owner and her support of increasing the minimum wage.

MARK PETERSON, PENNSYLVANIA, spoke as a former resident and working as a hotel concierge. He further spoke about not being able to afford his modest life in West Hollywood with the wages he earned and supports an increase in the minimum wage.

GUSTAVO MALDONADO, WEST HOLLYWOOD, spoke regarding his employment as a cook at the Standard Hotel. He further spoke of earning a wage that would allow him to support his children.

JORDAN DAVID, WEST HOLLYWOOD, spoke in support of the living wage being the same as minimum wage, does not support a tiered structure, and noted that anything less is wage slavery.

ESPERANZA SERNAS, WEST HOLLYWOOD, spoke about earning \$15.50/hr. with no increase in 4 years working at The Standard. She spoke about being a single mother and supports an increase in the minimum wage.

LILIANA HERNANDEZ, WEST HOLLYWOOD, spoke about earning \$11.50/hr. at the Sunset Tower Hotel. She further spoke about her new job in Santa Monica where she earns \$23/hr. and supports a raise in the minimum wage.

ISMELDA REYES, WEST HOLLYWOOD, spoke about working in housekeeping for nine years and that working in Santa Monica has allowed her to better support her family.

JACKETTE KNIGHTLEY, WEST HOLLYWOOD, spoke in support of the increase in minimum wage.

ALBERT MUNOZ, WEST HOLLYWOOD, spoke in support of raising the minimum wage noting that West Hollywood is the lowest in the region. Further, he requested that the City draft an ordinance similar to those in Santa Monica and Los Angeles.

AURELIA GONZALEZ, WEST HOLLYWOOD, spoke regarding working at a Santa Monica hotel for 20 years and the recent increase has changed her life.

The City Council took a recess at 7:56 p.m. and returned at 8:05 p.m.

City Council Comment and Direction to Staff

Mayor Pro Tempore Meister inquired about the difference between the minimum wage ordinance and the hotel worker minimum wage ordinance as well as the poverty levels in Santa Monica and Los Angeles. Community and Legislative Affairs Manager John Leonard responded to this inquiry.

Councilmember Erickson made the following motion:

1. Living Wage: *The goal is to make the City living wage \$19.35 with no distinction between those that have health insurance and those that don't have health insurance from their employer. Staff should come back with the fiscal impact of this increase and a timeline and analysis of the phasing in of it.*
2. Minimum Wage: *As of January 1, 2022, the minimum wage for businesses with 26 or more employees will be \$15.00 plus CPI and apply CPI each*

subsequent year. For businesses with 25 employees or less, it will occur one year later (based on the current state guidelines).

3. *Minimum Wage Hotel Workers: On January 1, 2022 increase the minimum wage for all employees at a hotel to \$17.64, adjusted annually by CPI, which will align us the City of Los Angeles.*
4. *Sick Time: Regarding sick time the direction is two-fold.*
 1. *For Hotel Workers: Apply the City of LA's standard, which is 96 hours compensated sick time and 80 hours not compensated.*
 2. *For all other employees in the City, align us with Santa Monica's provisions, which are 72 hours of compensated sick time for employees at Large Businesses (26 or more employees) and 40 hours of compensated sick time for employees at Small Businesses (25 or less employees).*

Minimum wage and sick time provisions all go into effect by January 1, 2022, and that staff bring back a draft ordinance for consideration to meet that deadline.

5. *That draft ordinance should also include the same learners provisions, non-profit provisions, limited provision for transitional job programs, collective bargaining exemption, and provision that service charges remain property of staff, not the employer, and cannot be retained by the employer, as in the city of Santa Monica's ordinance. Also, the ordinance should contain a provision that the number of employees should be determined using the average number of employees from 2019 for the first two years of the ordinance, since that was the last pre-pandemic year. After the first two years the number of employees would be determined based on the average from the prior calendar year.*

Lastly, staff should study what an increase to the minimum wage could be above the \$15+CPI after 2023 and onward. What impacts, etc. would that have to residents, etc. This is where the task force, survey, and maybe economic impact study.

Councilmember Shyne indicated her support for Councilmember Erickson's recommendations.

Mayor Pro Tempore Meister commented that the City must remain competitive with the City of Los Angeles. She suggested studying the economic impacts of a living wage on the City's budget and our social services providers.

Mayor Horvath thanked everyone who came to speak. She inquired if Mayor Pro Tempore Meister and Councilmember D'Amico would like to include a living wage in development agreements as part of the direction to staff.

Mayor Pro Tempore Meister indicated that any development that receives a public benefit from the City should have a living wage requirement as part of the development agreement. She further indicated that this can be done on a case-by-case basis. Councilmember D'Amico agreed.

Mayor Horvath inquired about the living wage requirement in the development agreement for The Edition. Director of Planning and Development Services John Keho responded to this inquiry. She also inquired about the public comment regarding the City's unemployment statistics. Business Development Analyst Tara Worden responded to this inquiry. She commented that she does not want the living wage to distinguish between employees who receive health benefits and those that don't.

Councilmember Erickson clarified his motion.

Mayor Pro Tempore Meister requested that when staff return with the first reading of the ordinance that they provide further information and analysis of the sick time provisions included City of Los Angeles' and City of Santa Monica's ordinances.

City Attorney Langer clarified that working groups created by the City Council are subject to the Brown Act. Therefore, it was recommended that the City Council authorize the City Manager to create the working group.

City Attorney Langer and Community and Legislative Affairs Manager John Leonard indicated that staff would return for a first reading of the ordinance at the October 18th City Council meeting.

ACTION: 1) Living Wage: Make the City living wage at least \$19.35 with no distinction between those that have health insurance and those that don't have health insurance from their employer. Staff should study and come back with the fiscal impact of this increase to the City's budget and social service agencies and a timeline and analysis for phasing it in; 2) Minimum Wage: Once the state minimum wages hits \$15.00, a CPI adjustment should be applied that same year and then each subsequent year. This will apply for businesses with 26 employees or more, and for businesses with 25 employees or less, but will occur one year later for the small businesses (based on the current state guidelines); 3) Minimum Wage Hotel Workers: On January 1, 2022 increase the minimum wage for all employees at a hotel to \$17.64, adjusted annually by CPI, which will align West Hollywood with the City of Los Angeles; 4) Sick Time: Regarding sick time the direction is two-fold - For Hotel Workers: Apply the City of LA's standard, which is 96 hours compensated sick time and 80 hours not compensated and For all other employees in the City, align West Hollywood with Santa Monica's provisions, which are 72 hours of compensated sick time for employees at Large Businesses (26 or more employees) and 40 hours of compensated sick time for employees at Small Businesses (25 or less employees). The minimum wage and sick time provisions shall all go into effect by January 1, 2022, and staff should bring back a draft ordinance for consideration in a timely manner to meet that

deadline; 5) The draft ordinance should also include the same learners provisions, non-profit provisions, limited provision for transitional job programs, collective bargaining exemption, and provision that service charges remain property of staff, not the employer, and cannot be retained by the employer, as in the city of Santa Monica's ordinance. Also, the ordinance should contain a provision that the number of employees should be determined using the average number of employees from 2019 for the first two years of the ordinance, since that was the last pre-pandemic year. After the first two years the number of employees would be determined based on the average from the prior calendar year. 6) Direct staff to study what an increase to the minimum wage could be above the \$15+CPI after 2023 and potential impacts to residents; 7) Direct staff to study increasing the minimum wage for hotel workers above \$17.64; 8) Applying a Living Wage requirement in Development Agreements will be considered on a case-by-case basis; 9) Direct the City Manager to create a Living Wage/Minimum Wage Working Group. **Motion by Councilmember Erickson, seconded by Councilmember Shyne, and approved.**

- 6. **ADJOURNMENT:** The City Council adjourned at 9:12 pm to its next regular meeting, which will be on Monday, September 20, 2021 at 6:00 P.M. via Teleconference.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of West Hollywood at a regular meeting held this 20th day of September, 2021 by the following vote:

AYES: Councilmember: D'Amico, Erickson, Horvath, Mayor Pro
Tempore Shyne, and Mayor Meister.
NOES: Councilmember: None.
ABSENT: Councilmember: None.
ABSTAIN: Councilmember: None.

DocuSigned by:
LAUREN MEISTER
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LAUREN MEISTER, MAYOR

ATTEST:

DocuSigned by:
Melissa Crowder
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MELISSA CROWDER, CITY CLERK