



THE CITY OF SAN DIEGO

M E M O R A N D U M

DATE: April 25, 2017

TO: Council President Myrtle Cole and Members of the City Council

FROM: Gail R. Granewich, City Treasurer

SUBJECT: City of San Diego Earned Sick Leave and Minimum Wage Enforcement

The purpose of this memorandum is to provide a status update on the Earned Sick Leave and Minimum Wage Program within the Office of the City Treasurer.

Background

On June 7, 2016, the City of San Diego's Earned Sick Leave and Minimum Wage Ordinance (Ordinance) was approved by voters. The Ordinance took effect on July 11, 2016 upon City Council approval of the resolution certifying the election results. In addition to earned sick leave requirements and prohibition of retaliation, the Ordinance raised minimum wage for employees working within the geographic boundaries of the City of San Diego to no less than \$10.50 per hour with an additional increase to \$11.50 per hour taking effect on January 1, 2017. An implementing Ordinance became effective on September 2, 2016, designating the Office of the City Treasurer as the Enforcement Office. Pursuant to Charter section 265, the Mayor is the chief executive officer of the City and has the duty to enforce all laws, ordinances, policies and programs of the City.

Staffing and Outreach

The Earned Sick Leave and Minimum Wage Program (Program) is fully operational and currently consists of three staff members, a Program Manager, Associate Management Analyst and Program Coordinator. The primary goal of the Earned Sick Leave and Minimum Wage Program is to ensure San Diego employers are complying with the Ordinance. The law requires that employees working in San Diego are receiving no less than minimum wage and are guaranteed the right to take paid sick leave. As a result, the Program has taken a very proactive approach to educate employers in an effort to pre-emptively reduce employee complaints. In the short seven months since the implementing Ordinance became effective, this focused outreach effort has included presentations, email blasts, collaboration with outside agencies and other City Departments, "Business Walks," distribution of brochures, flyers, etc. and has resulted in information being distributed to over 25,000 citizens (see attached *Earned Sick Leave and Minimum Wage Program Fiscal Year 2017 Summary Report of Activities*).

Phase II of our outreach strategy has been to focus on employee outreach in an attempt to reach employees that are not receiving the appropriate earned sick leave and minimum wage required by Ordinance.

Enforcement

Pursuant to California Labor Law section 1197.1 (a) authorizing the Labor Commissioner to investigate and enforce local minimum wage provisions, the Earned Sick Leave and Minimum Wage Program took a proactive approach and immediately began pursuing collaboration efforts with the California Labor Commissioner's Office pertaining to adjudication of local minimum wage and retaliation complaints. Labor Commissioner staff confirmed that the Labor Commissioner's Office could and would enforce local minimum wage and retaliation laws at the San Diego County Office. As a result, the San Diego Earned Sick Leave and Minimum Wage Program designed its enforcement process to direct minimum wage and retaliation complaints to the California Labor Commissioner's Office, while notice and posting and earned sick leave violations are adjudicated by the City of San Diego.

To date, twelve (12) formal and thirty-two (32) informal complaints alleging earned sick leave and/or notice and posting violations have been received by the Program. Section 39.0113(c) (1) of the Ordinance requires a complaint to be in writing. The Minimum Wage Program created and posted on the website an official City of San Diego *Complaint Declaration Form*. The form is available in English, Spanish, Chinese, Vietnamese, and Tagalog. Any complaint received on the official form is considered a formal complaint and, if valid, investigated. All employees who contact the Program with questions or concerns are encouraged to use the official form to initiate an investigation. Informal complaints are generally received by email or phone call and result in a letter to the employer. Refer to the *Summary Report of Activities* for a more detailed explanation of the complaint process.

The Enforcement Office takes seriously the purpose and intent of §39.0101 of the Ordinance which, in part, reads **"This Division ensures that employees who work in the City receive a livable minimum wage and the right to take earned, paid sick leave to ensure a decent and healthy life for themselves and their families."**

For questions about the Program, feel free to contact Program Manager Tricia Mendenhall at TMendenhall@sandiego.gov.



Gail R. Granewich
City Treasurer

Attachment: 1. Earned Sick Leave and Minimum Wage Program Fiscal Year 2017
Summary Report of Activities – April 2017

cc: Honorable Mayor Kevin L. Faulconer
Scott Chadwick, Chief Operating Officer
Stacey LoMedico, Assistant Chief Operating Officer

Mary Lewis, Chief Financial Officer

Mara Elliott, City Attorney

Andrea Tevlin, Independent Budget Analyst

Stephen Puetz, Chief of Staff

Mike Hansen, Deputy Chief of Staff/Policy Director

Felipe Monroig, Deputy Chief of Staff for Community Engagement

Marshall Anderson, Director of Council Affairs

Jessica Lawrence, Director of Budget & Finance Policy

Tricia Mendenhall, Minimum Wage Program Manager