



Local Minimum Wage Consideration

City Council Regular Meeting

May 16, 2023

Consider an ordinance to set a Local Minimum Wage (LMW)

Council Priority: Raise the Minimum Wage

Process:

- HB19-1210 outlines process and requirements
- Economic Analysis and Engagement work
- Council Work Sessions: 2022 - May 10 (Mid-Cycle check-in), July 12, September 6; 2023 – April 11
- Council Regular Meetings: 2022 - November 15; 2023 - May 16

Ordinance consideration November 2022

- Initiative delayed to May 16, 2023
 - Target outreach to low-income earners
 - More regional conversation
 - Longer adjustment period for employers
 - If adopted, implementation January 1, 2024
 - Applies to all employers within Fort Collins

HB19-1210

- Allows local governments to establish minimum wage laws.
- Only 10% of Colorado municipalities allowed to adopt local wage.
- Local wage must take effect on the same day as the statewide minimum wage increase.
- If wage is higher than the statewide minimum the local wage can only increase each year by \$1.75 or 15%, whichever is higher, until the local wage reaches the amount enacted by the local government.
- Communities considering a local wage must:
 - Engage with stakeholders including chambers of commerce, small and large businesses, businesses that employ tipped workers, workers, labor unions, and community groups, and;
 - Consult with surrounding local governments.

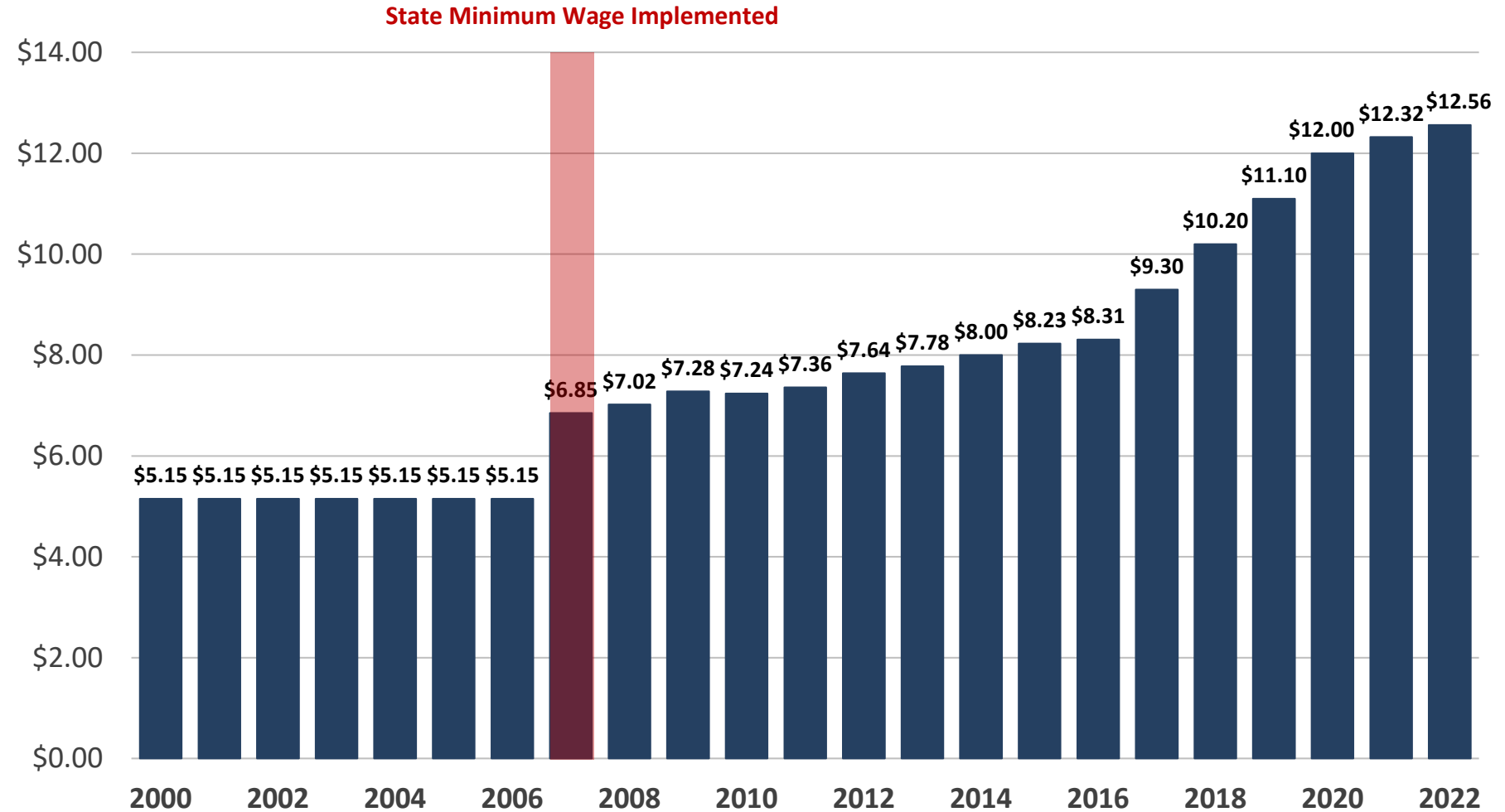
Reached/Attempted to reach:

- Regional groups and partners
- Housing providers/ housing program residents
- Larimer County Workforce Center
- Larimer County Health and Human Services
- Denver County Health and Human Services
- Non-profit grant managers
- Fort Collins Chamber of Commerce
- Latino Chamber of Commerce
- Restaurant owners, downtown hospitality and retailer groups
- Economic Advisory Board
- Community members
- Healthcare sector
- Non-profit contacts
- Labor union representation
- CSU

2022 Survey/Questionnaire

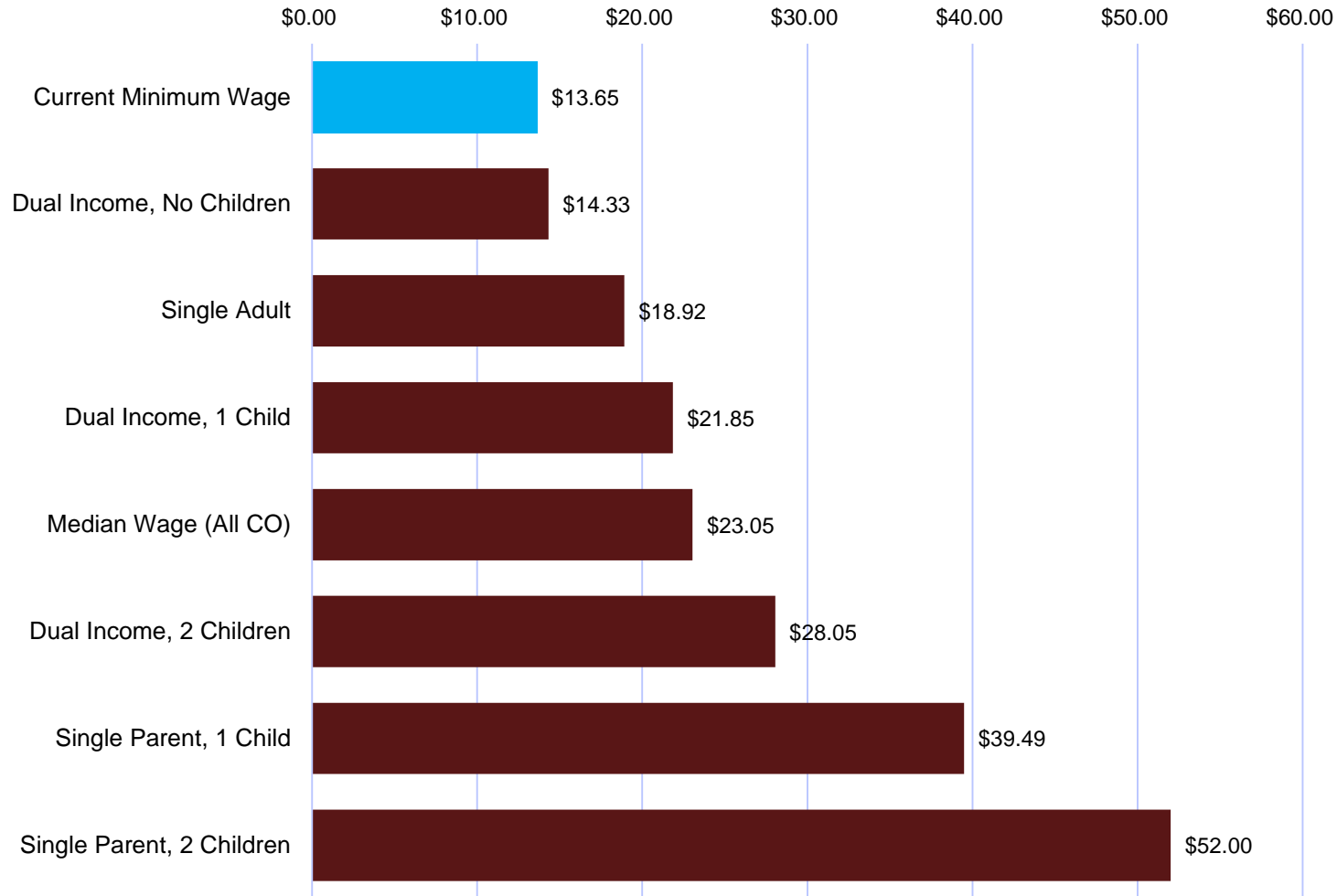
- Over 1100 employee responses.
- Majority of respondents work between 30-50 hours/week.
- Majority of respondents have been at their job(s) 0-2 years.
- 15% of respondents (129) report making minimum wage.
- 38% of respondents (334) reported being college students.
- An over-whelming majority spoke to housing costs.

- 2023 minimum wage is \$13.65/hour (\$10.63/hour for tipped employees)
- 2023 first quarter inflation estimates are projected at 4.3%.
- 4.3% adjustment to current wage equals \$14.24.



Source: Economic & Planning Systems

Living Wage by Household Type, Fort Collins



<https://livingwage.mit.edu/metros/22660> (2022-23 Update)

Ordinance includes:

- LMW amounts and schedules.
 - Option A is from November 2022 options (\$17.15 by 2027)
 - Option B resident provided option (\$17.81 by 2027)
- CPI adjustments starting in 2028 with a 2% floor and 5% ceiling in adjustment
- Clarity on existing state rules/process
 - Minors can be paid 15% less than adopted wage
 - Tipped employee wage will be \$3.02 less than adopted wage
 - Ability and intent for Colorado State Department of Employee and Labor to receive and investigate complaints
 - Cases would go to District or County court (not municipal court)
- A provision that the City will monitor state and federal minimum wages and bring recommendations to Council as needed

Year	CPI	State Minimum Wage	Annual Salary	Increase	LMW	Annual Salary	Delta
			40hrs/wk & 2 holidays			40hrs/wk & 2 holidays	
2024	5%	\$14.33	\$29.6K	\$1.00	\$14.65	\$30.2K	\$0.32
2025	3%	\$14.76	\$30.5K	\$1.00	\$15.65	\$32.3K	\$0.89
2026	3%	\$15.21	\$31.4K	\$1.00	\$16.65	\$34.4K	\$1.44
2027	3%	\$15.66	\$32.3K	3%	\$17.15	\$35.4K	\$1.49
2028	3%	\$16.13	\$33.3K	3%	\$17.66	\$36.5K	\$1.53
2029	3%	\$16.62	\$34.3K	3%	\$18.19	\$37.6K	\$1.58
2030	3%	\$17.11	\$35.3K	3%	\$18.74	\$38.7K	\$1.63

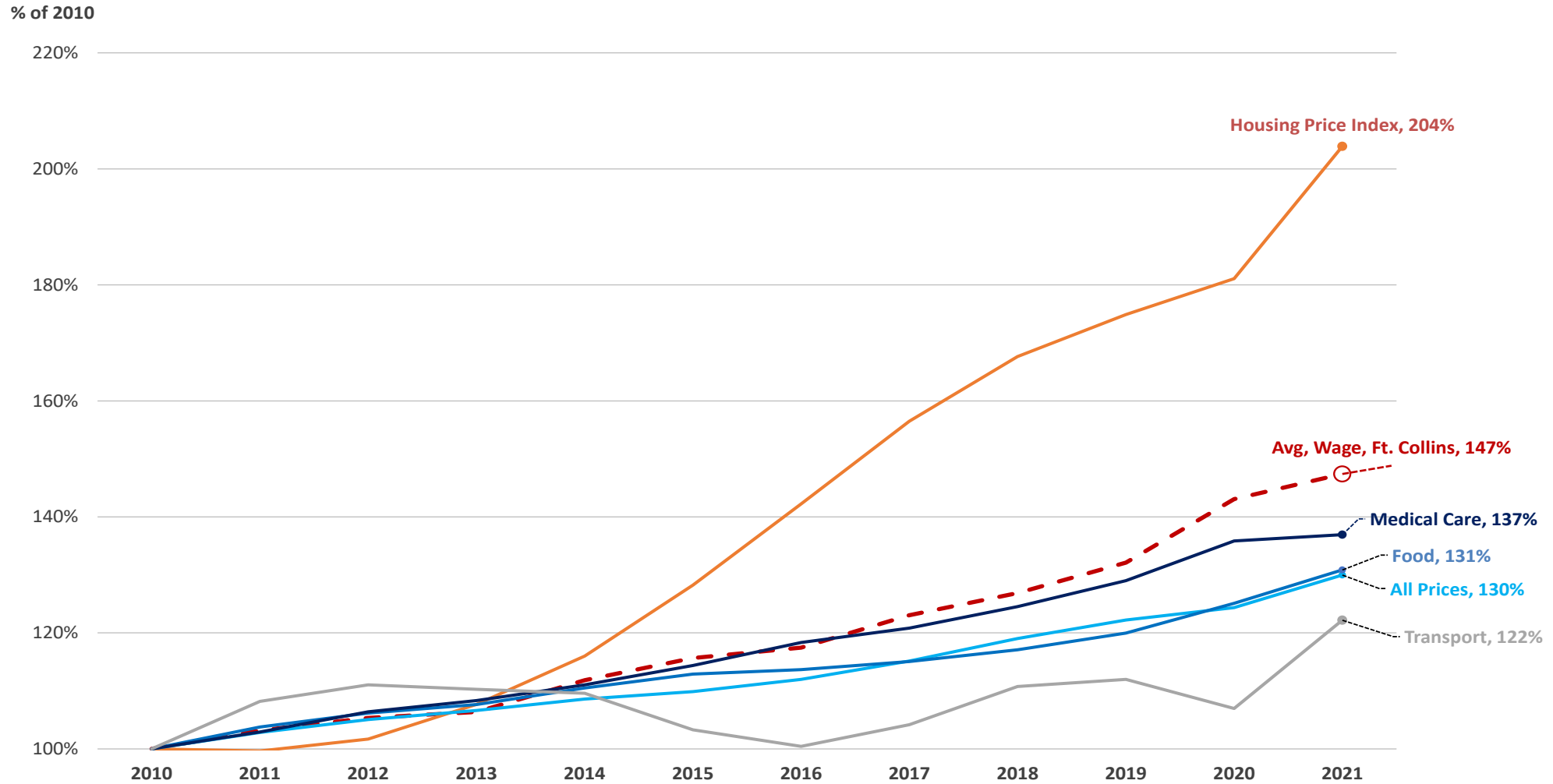
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2025	3%	\$14.76	\$30.5K	\$1.21	\$16.07	\$33.2K	\$1.31
2026	3%	\$15.21	\$31.4K	\$1.22	\$17.29	\$35.7K	\$2.08
2027	3%	\$15.66	\$32.3K	\$0.52	\$17.81	\$36.7K	\$2.14
2028	3%	\$16.13	\$33.3K	3%	\$18.34	\$37.9K	\$2.21
2029	3%	\$16.62	\$34.3K	3%	\$18.89	\$39.0K	\$2.27
2030	3%	\$17.11	\$35.3K	3%	\$19.46	\$40.2K	\$2.35

Does Council wish to adopt a Local Minimum Wage?

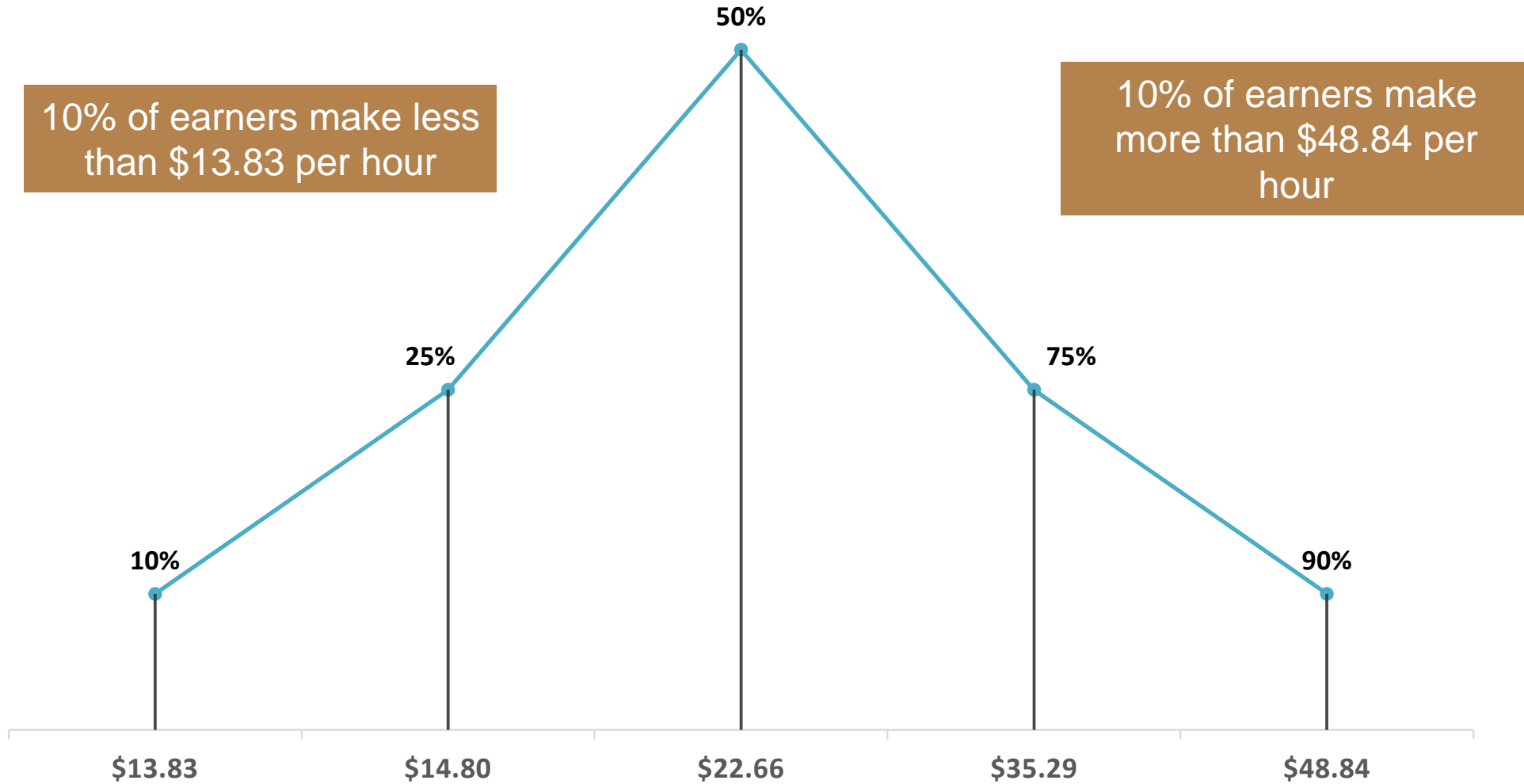
If yes, Option A or B or a different amount and schedule?

Back-Up Slides





Source: BLS; FHFA; Economic & Planning Systems



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	\$15/hr LMW (Full time)		
	Single earner	Single earner, 1 child	Single earner, 2 children
Supplemental Nutrition Assistance Program Eligibility	Ineligible	Eligible	Eligible
Health First Colorado Eligibility	Ineligible	Ineligible	Eligible
Child Health Plan Plus Eligibility	Eligible	Eligible	Eligible
Housing Catalyst Rental Assistance Eligibility	Eligible	Eligible	Eligible
Low-income Energy Assistance Program Eligibility	Eligible	Eligible	Eligible
Colorado Childcare Assistance Program Eligibility	N/A	Eligible	Eligible

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