



Local Minimum Wage Consideration

City Council Regular Meeting

November 15, 2022

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

Council Priority:

Raise the Minimum Wage

Milestones:

- Issue RFP and Select Consultant
- Conduct Engagement and Survey
- Council Work Sessions: May 10 (Mid-Cycle check-in), July 12, September 6
- Council Regular Meeting: November 15
- If local wage adopted, effective January 1, 2023

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.

Meetings with:

- Fort Collins Chamber of Commerce
- Latino Chamber of Commerce
- Restaurant owners, downtown hospitality and retailer groups
- Economic Advisory Board
- Community members

Correspondence with:

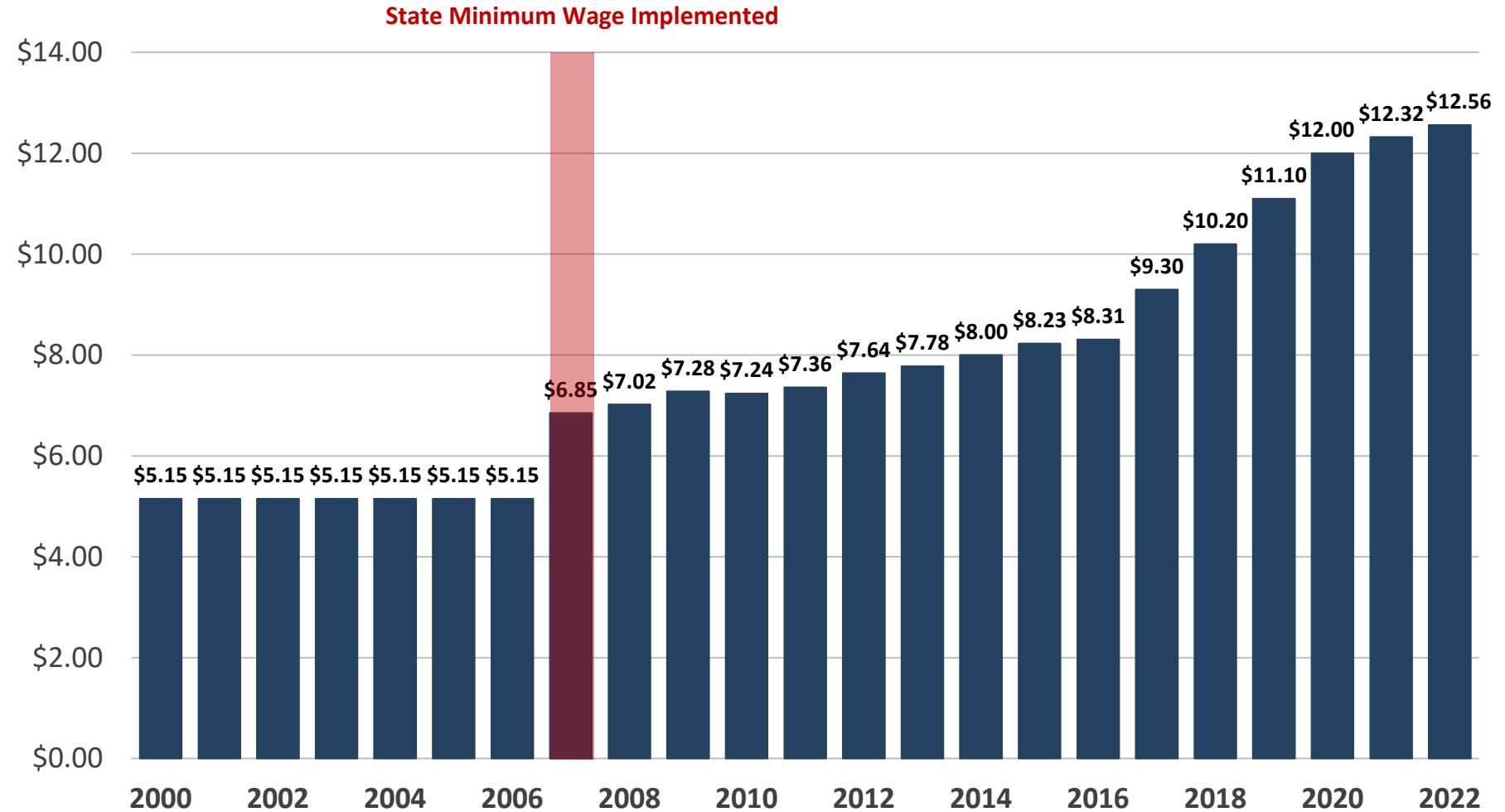
- Healthcare sector
- Non-profit contacts
- Labor union representation
- CSU

Sharing plans for minimum wage considerations through regional electeds meeting and Boulder County Consortium of Cities outreach.

- Utilizing the scheduled National Business Survey to incorporate questions on minimum wage. (198 responses)
- Distributing and making available a general questionnaire for anyone interested in participating.
 - 1,159 responses identifying as Employee
 - 267 responses identifying as Employer
 - 193 responses identifying as “Other”

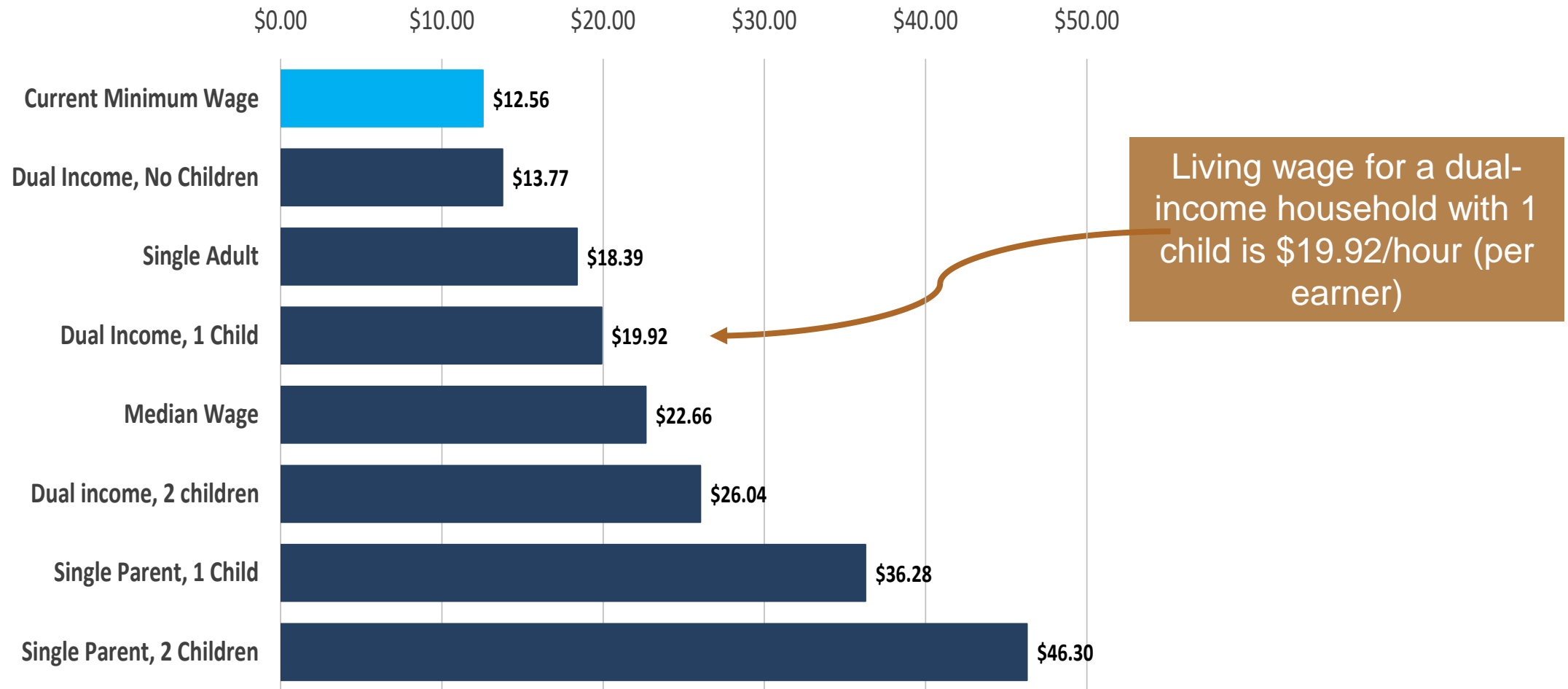
*Surveys utilized \$15/hour

- 2023 minimum wage will be \$13.65/hour (\$10.63/hour for tipped employees)
- Annual increases since 2016 range from a low of \$0.24 to high of \$1.09



Source: Economic & Planning Systems

Living wage by household type, fort Collins



Source: MIT Living Wage Calculator; Economic & Planning Systems

Location	2023 MW	2 Adults/ 1 child	1 Adult
		Living Wage	Living Wage
		MW as % LW	MW as % LW
Wash DC	\$16.10	38%	73%
CA	\$15.50	35%	71%
WA	\$15.74	46%	85%
Seattle	\$17.27	48%	87%
CT	\$15.00	40%	79%
MA	\$15.00	34%	69%
Denver	\$17.29	44%	85%
Flagstaff	\$16.80	41%	92%
Palo Alto	\$17.30	31%	59%
Average	\$16.22	40%	78%
Minimum	\$15.00	31%	59%
Maximum	\$17.29	48%	92%

The range of correlating average and maximum LMWs in Fort Collins: \$14.34 - \$17.79

Ordinance includes:

- LMW amounts and schedules.
 - Option 1 meets September Council feedback (\$18.50 by 2026)
 - Option 2 adjusted based on business feedback (\$16.65 by 2026)
 - Both options have zero additional increase in 2023
- CPI adjustments starting in 2027 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 MW	Annual Salary	Increase	LMW	Annual Salary	Delta
			40hrs/wk & 2 holidays			40hrs/wk & 2 holidays	
2023	9%	\$13.65	\$28.2K	\$0.00	\$13.65	\$28.2K	\$0.00
2024	5%	\$14.33	\$29.6K	\$1.50	\$15.15	\$31.3K	\$0.82
2025	3%	\$14.76	\$30.5K	\$1.75	\$16.90	\$34.9K	\$2.14
2026	3%	\$15.21	\$31.4K	\$1.60	\$18.50	\$38.2K	\$3.29
2027	3%	\$15.66	\$32.3K	3%	\$19.06	\$39.3K	\$3.39
2028	3%	\$16.13	\$33.3K	3%	\$19.63	\$40.5K	\$3.50
2029	3%	\$16.62	\$34.3K	3%	\$20.22	\$41.7K	\$3.60
2030	3%	\$17.11	\$35.3K	3%	\$20.82	\$43.0K	\$3.71

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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

Does Council wish to adopt a Local Minimum Wage?

If yes, Option 1 or 2 or a different amount and schedule?