



## AGENDA ITEM SUMMARY

City Council

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### STAFF

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Ginny Sawyer, Project and Policy Manager  
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Ted Hewitt, Legal

### SUBJECT

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**First Reading of Ordinance No. 140, 2022, Establishing a Fort Collins Minimum Wage and Associated Recordkeeping and Enforcement Provisions.**

### EXECUTIVE SUMMARY

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The purpose of this item is to bring forth an ordinance setting a local minimum wage in compliance with HB19-1210.

### STAFF RECOMMENDATION

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Should Council move forward with adoption of a local minimum wage, staff recommends adopting the Ordinance on First Reading with option 2.

### BACKGROUND / DISCUSSION

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In 2019, the Colorado General Assembly passed House Bill 19-1210 allowing municipalities to adopt their own minimum wage. Following the passage of the bill, Council inquired regarding a plan to analyze the possibility of Fort Collins adopting a local minimum wage. The responding memo outlined a thorough plan and resources that were estimated at \$85K-110K and a 6-month process. The effort did not move forward at that time.

In 2021, following the Council election, "Raising the Minimum Wage" was identified as a Council priority and staff outlined a timeline to move forward. The initial RFP seeking both engagement and data analysis work did not garner any responses resulting in separate requests being reissued and a delay to the project.

#### Priorities

Following a mid-cycle check-in with Council, plans for extensive engagement were reconsidered. Much of the engagement with businesses, employees, and community groups was funneled through an on-line survey and the National Business Survey. To provide a number to react to when responding to survey questions, a \$15/hour minimum wage was utilized by the survey. The use of this number may have proved misleading as Council's direction following a September work session was in the \$18-\$19/hour range. Data analysis has shown the local living wage to be \$18.39 for a single adult and \$19.92 for 2 adults (both working) and 1 child.

Other engagement efforts included meetings and correspondence with community members, the Fort Collins Chamber, the Latino Chamber, local labor unions, outreach to health sector organizations, non-profits, and neighboring communities (through a meeting of regional elected officials and the Boulder County Consortium of Cities.)

The survey efforts did receive approximately 1500 responses and yet it has proven difficult to develop data-driven rationale to help identify a local minimum wage where benefits outweigh concerns and perceived or real unintended consequences. In an October memo update, staff attempted to identify ranges based on other communities with higher local wages and the wage as a percent of the living wage. This methodology offers a range of \$14.34 to \$17.79 for Fort Collins.

House Bill 19-1210 limits the number of municipalities that may establish a local minimum wage to 10-percent of all local governments in the state. Currently, only the City and County of Denver has implemented a local minimum wage law. The bill also states that any local wage adjustment must take effect on the same date as the statewide adjustment and that if a local government adopts a wage that is higher than the statewide minimum, the local government can only increase the wage each year by \$1.75 or 15%, whichever is higher until the local wage reaches the amount enacted by the local government.

The Ordinance brought forward includes two options. The first option (**Option 1**) was developed based on Council feedback in September which asked for a wage in the \$18-\$19 range within 3-4 years while offering a slower ramp in the first few years.

Year	CPI	State MW	Annual Salary		Increase	LMW	Annual Salary		Difference
			40hrs/wk & 2 holidays	& 2			40hrs/wk & 2 holidays	& 2	
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

The second option (**Option 2**) was developed following more resident and restaurant engagement and results in a slower ramp and an overall lesser wage in the time frame.

Year	CPI	State Minimum Wage	Annual Salary 40hrs/wk & 2 holidays	Increase	LMW	Annual Salary 40hrs/wk & 2 holidays	Difference
2023	9%	\$13.65	\$28.2K	\$0.00	\$13.65	\$28.2K	\$0.00
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

Each option includes an eventual CPI annual adjustment with a 2% floor (to avoid a wage decrease) and a 5% ceiling (to provide some consistency for employers.)

Staff has confirmed that any wage related complaints can be accepted and investigated by the Colorado Department of Labor and Employment.

**CITY FINANCIAL IMPACTS**

Regardless of Council action on this Ordinance, the City has committed to paying \$15/hour minimum for all jobs starting in 2023. This is reflected in the Recommended Budget. Should the local minimum wage increase above \$15/hour, the City will experience financial impacts in both starting pay and job compression.

**BOARD / COMMISSION / COMMITTEE RECOMMENDATION**

The Economic Advisory Board discussed this topic in August and provided a memo to Council with their input which included support for a higher wage with concerns to consider.

**PUBLIC OUTREACH**

Outreach efforts have been discussed above.

Specific meetings and correspondence include:

- BIPOC representatives
- CSU teaching assistant
- CSU community engagement and the Collegian
- Larimer County Economic and Workforce Development

- NoCo Health Sector Partnerships (Care Synergy, UCHealth, & others)
- Downtown Development Authority Hospitality and Retailer groups
- Labor Groups: FOP, PFA, Colorado ALF-CIO, PSD
- Larimer County United Way
- Local restaurant groups

Emails that were not received by all Councilmembers have been included in an attachment

## **ATTACHMENTS**

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1. Ordinance for Consideration
2. Economic Advisory Board Memorandum
3. Written Public Comment
4. Presentation