

## City of Morgan Hill

### Minimum Wage Business Forum 12/01/15

- Minimum wage increase causes inflation and higher cost to consumer
- Minimum wage is not a living wage
- Young kids just out of school with no experience/training wage
- You go to school and learn and then get paid a higher wage
- Age 65+ are on fixed income, can't afford the inflation that would be caused by this
- Who gets hurt the most if this happens - concern about elderly/how they eat good food
- If this happens will absolutely look for ways to eliminate minimum wage jobs by using outside services
  - eliminate receptionist and use automated phone answering
  - hire outside services
- Workers Comp costs will increase
- Time sensitive issue for collective bargaining units
- All positions would be increased up across an entire salary schedule ( ripple affect)
- Salaries represent 80-85% of school district budget
- Disparity in market - skill set
  - McDonald's employee vs. instruction aide - recruitment/educational requirements
- SLOW the implementation of this
- Morgan Hill/Gilroy are a different beast than the rest of the "region" - not tech hubs
- Regional minimum wage is not the right fit
- Council needs to understand this
- Wage inequality/compression in restaurants - tips- cook vs servers
- Youth wages - bussers- ( entry level - gives job experience)
- small mom & pop restaurants vs. Big Chain/franchise
- No blanket minimum wage policy
- small businesses are affected by ACA, CA sick days
- National CPI vs Regional CPI
- Hurts everyone in restaurant industry...only way to survive is to increase prices
- \*Higher minimum wage absolutely leads to Higher cost to consumer (25% minimum) (How much is consumer willing to pay)
- Restaurant industry survives on part time employees
- \*Worker's comp is higher based on wages
- Stagnant environment for job growth
- Apprentice wage
- \*Abolish minimum wage
- \*Address difference between starting wage and living wage
- Increase to all base pays, worker's comp and health care
- Minimum wage is not a living wage

- “Liberty” – takes away liberty from businesses
- \*What are the unknown impacts and unintended consequences?
- What are the impacts on tips?
- Argument that higher wage = higher productivity doesn’t make sense.
- Forcing minimum wage on agriculture is a death sentence
  - Competing out of state & country
  - 18 regulatory agencies
- How are the cost for benefits factored in for full time employees
  - Unemployment tax, SS
  - Consideration of those covered by collective bargaining vs. not (exemptions)
- \*Task force to include diverse representation
  - \*agriculture at the table
- \*We should definitely participate in regional study
- Impact to affordable housing
- How can small businesses possibly do this?
  - \*People take multiple jobs
- Public assistance workers?
  - Cut their hours so can remain on public assistance
- Possibility of businesses moving out of Morgan Hill
- This can’t be a quick, easy, political answer
- Doesn’t just affect the youth. It impacts adults with families too
- Scheduling of part time employees makes it difficult to take second job
- Focus on making things better for “humanitarian issues”
- Dignity to earn higher wage
- If surrounding areas are higher we will be competing
- People priced out of dining out
- \*Cities should stay out of this. Wait for regional study (may end up being suspended anyway)
- Let competitors control what the wage is
- Morgan Hill should have a voice at Regional table/should that include a business rep vs. just council members.
- Questions to Council
  - Why is there a minimum wage at all?
  - Can state/federal override local minimum wage?