

Item # 18

AGENDA DATE: 08/24/16

SUPPLEMENTAL # 3

From: Debra Creighton [<mailto:dcreighton49@yahoo.com>]

Sent: Wednesday, August 24, 2016 3:08 PM

To: Marilyn Librers; Rich Constantine; Larry Carr; Steve Tate (Home); John Lang;
gordon.siebert@morganhill.ca.gov

Subject: Minimum Wage

Hello,

I am not going to be able to attend the Council meeting this evening. I know I sent you a short opinion last week, but I wanted to re-iterate concerns.

From the staff report and attachments, I understand the discussion to be whether or not raise the minimum wage in Morgan Hill faster (\$15 by 2019) and in larger increments, rather than follow the States plan of \$15 by 2022. More generally to follow the plan of the Cities Association of Santa Clara County regional minimum wage plan rather than the State's mandated plan.

There are two things that are troublesome to me about this. First of all why does the City have to be involved in this at all. It is going to happen in a reasonable time frame anyway as mandated by the State.. Both the State and County plans have provisions or "off ramps" in the case of economic hardship and also ties to the CPI., but the smaller and less frequent increases that the State mandate requires allows businesses more time to adjust to them. Neither plan has exemption for service or tipped employees.

Secondly, our Downtown has had a tremendous amount business disturbance in the last few years. Our business have had to endure effects of downtown parking structure construction, the single lane trial, the 3rd Street redo and now more construction on almost every corner. The "improvements" have already caused rent increases and these will of course continue over the next few years. Moreover, the new construction is going to add many more service industry (minimum wage/tipped) jobs downtown. With a hotel alone there are bell hops, hostesses, valet persons, spa personnel, bartenders, servers, bus persons, maids, baristas, etc. The new seven-plus restaurants will add many more service or tipped employees. As will retail shops or boutiques who often pay minimum wage and commission to salespeople.

I realize there are many different perspectives to this issue, and that mine is only from the service industry angle. But I have to ask, Why are we considering this at all when there is already an acceptable plan? What we should be formulating is a exemption or "off ramp" for the service industry - the people who are trying to make Morgan Hill a truly viable business and visitor destination.

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