COUNCIL AGENDA: 10/28/08
ITEM: 6.3

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Vilcia Rodriguez

SUBJECT: **SEE BELOW**

DATE: October 14, 2008

Approved

Date

SUBJECT: IMPLEMENTATION OF A LIVING WAGE ORDINANCE APPLICABLE TO THE NORMAN Y. MINETA SAN JOSÉ INTERNATIONAL AIRPORT [Transportation and Environment Committee – Item (i)]

On October 6, 2008, staff presented the report on the Implementation of a Living Wage Ordinance Applicable to the Norman Y. Mineta San José International Airport to the Transportation and Environment Committee.

Upon motion by Councilmember Judy Chirco, and seconded by Councilmember Nora Campos, the Transportation and Environment Committee accepted the report and requested the report to be cross-referenced to the October 21 Council agenda for full Council consideration, subsequently, this item was moved to the October 28 Council agenda by the Adminstration. Attached is the report that was presented to the Transportation and Environment Committee.

Vilcia Rodriguez

VILCIA RODRIGUEZ
Senior Executive Analyst

Attachment

Memorandum

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

TO: Transportation & Environment Committee

FROM: Forrest Williams, Councilmember

SUBJECT: Airport Living Wage Ordinance

DATE: October 6, 2008

Approved Forrest Williams Date 10/6/08

RECOMMENDATION

After reviewing staff's memo and the draft ordinance on extending living wage to the Mineta San Jose Airport, this memo being released is for clarification purposes, and allows for discussion and action as it move's towards implementation, I propose the following recommendations:

1. Implement the living wage ordinance airport-wide, effective January 1st, 2009.
2. Direct staff to amend the monitoring and enforcement language in the draft ordinance. The amended language should require that the city apply the same pro-active enforcement procedures currently used in the enforcement of existing living wage policy.
3. Direct staff to present for action the draft Living Wage ordinance to the San Jose City Council on October 21st.
4. Direct the City Attorney to work with Legal Counsel of Southwest Airlines and Legal Counsel of the South Bay Labor Council to determine the feasibility of exempting from the minimum compensation section of the Living Wage Ordinance those employees of commercial airlines from whom the aggregate of wages, corporate payments for health insurance, and corporate payments into a pension fund exceeding the city's living wage level.
5. Direct city staff to return to the T& E committee in March 2009 with an implementation plan for the training program at the San Jose airport.

BACKGROUND

The City of San Jose stands poised to make a significant change that will greatly enhance the job quality, job security and training of the employees at the City's airport.

This ordinance delivers an increased ability of employees to be able to afford to both live and work in San Jose. A new attention paid to making sure that the skilled individuals who check baggage, guard and clean airplanes and escort seniors to gates are well-trained and capable of dealing appropriately in the event of an emergency. A commitment from the City and the

employers at its airport that our citizens and visitors can count on trained staff who have from months and years of familiarity with the facility and the demands of their responsibilities.

When the city council seeks a higher level of responsibility from its economic partners, we do so only when there is a significant benefit to the community we are elected to represent. In this case, such benefits are created by our upholding the shared values of our community and assuring economic stability in hundreds of families.

The intent of this memo is address two issues of the proposed ordinance crafted by city staff:

1. Every week and month lost in finalizing this measure and its application to the employers at our airport is time during which we lose some good employees, and others continue to lack the training they need to perform to the best of their ability.

2. The City is actively ensuring that these critical changes are being made. We have strong, mutually respectful relationship with our partners at our airport, and can feel confident that they understand the benefits in reduced turnover and increased training. But we cannot risk having an unidentified weak spot in the security and stabilization of our facility.

CONCLUSION

As we prepare to introduce travelers to a new airport, a modern facility that demonstrates our rightful place at the economics and innovative forefront of our country, we must also be able to point to the inside, to the lifeblood, to the employees of Mineta San Jose International Airport. This ordinance will allow us to do precisely that.

T&E AGENDA: 10/06/08
ITEM: i

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: Transportation and Environment Committee

FROM: William F. Sherry, A.A.E., Director of Aviation
Katy Allen, Director of Public Works

SUBJECT: **EXTENSION OF THE SAN JOSÉ LIVING WAGE POLICY TO MINETA SAN JOSÉ INTERNATIONAL AIRPORT**

DATE: September 15, 2008

Approved

Date 9/16/08

COUNCIL DISTRICT: City-Wide
SNI AREA: N/A

RECOMMENDATION

Implement a Living Wage Ordinance applicable to the Norman Y. Mineta San Jose International Airport.

Staff recommends three implementation options for the Committee's consideration:

- Option 1 – Implement the ordinance airport-wide immediately upon passage; or
- Option 2 – Implement the ordinance in phases. Should the Committee wish to pursue this option, staff recommends the following phases:

  1. Phase 1 - extend living wage coverage to the direct, contracted, and subcontracted employees working for the businesses operating in passenger terminal and ramp areas of the Airport, including commercial passenger airlines and air cargo carriers effective January 1, 2009.

  2. Phase 2 - extend living wage coverage to all the remaining direct, contracted and subcontracted employees of the remaining businesses on the Airport effective September 1, 2009. From the period of January 1, 2009 through June 1, 2009, staff is directed to study the economic impacts related to this second phase and report back to the Committee and full Council before the proposed implementation date of September 1, 2009.

- Option 3 – Should the Committee wish to consider implementation via an economic trigger, staff recommends an activity trigger of three consecutive months of year-over-year of increased capacity growth (number of seats on departing flights). The ordinance would take effect whenever the trigger is met or the opening of the new Terminal B, whichever occurs first. If a trigger method is used, there would be no phased approach and coverage would be extended airport wide.

Staff recommends that a complaint-based enforcement be provided by the City along with a private right of action for impacted employees to enforce the minimum compensation and employee retention provisions through the courts.

Staff estimates the need for one new full-time equivalent (FTE) staff to administer the Airport program at an approximate cost of $156,000 (including benefits, retirement and other costs). Staff will return to Council to request an appropriation action for the Office of Equality Assurance (OEA). Once an appropriation has been approved, recruitment and selection will begin.

OUTCOME

Should staff's recommendations be adopted, the draft living wage ordinance would be forwarded to Council for review. To implement the ordinance, staff has outlined three timeline options for implementation. The earliest timeline would implement the ordinance 30 days after the second reading. The latest timeline would implement the ordinance with the opening of Terminal B in the summer or fall of 2010.

EXECUTIVE SUMMARY

On August 18, 2008, the Transportation and Environment Committee directed staff to draft a living wage ordinance based on the City's current living wage policy that would apply to all businesses and all eligible employees at the Airport. The Committee directed that the Airport living wage ordinance contain provisions related to:

- worker retention;
- third tier review;
- labor peace; and
- penalties for failure to comply.

The Committee also directed staff to return with an implementation plan for the ordinance and options for a training program. Staff was directed to distribute its report on the draft ordinance and implementation plan on September 15 for review at the Committee's October 6 meeting. While the Committee expressed an interest in applying living wage throughout the Airport campus, the focus of the Committee's interest are the 460 employees of companies that provide "curb to cabin" contracted services in the passenger areas of the Airport. About 83% of these employees currently earn wages that are less than those set by the City's Living Wage Policy.

At its meeting of September 9, the full City Council reaffirmed the Committee's direction to staff.

Staff has drafted a proposed living wage ordinance (see Attachment 1) containing all of the provisions directed by the Committee. In addition, staff is proposing the outline of a plan to implement the proposed ordinance.

Staff estimates the need for one new full-time equivalent (FTE) staff to administer the program at the Airport at an estimated annual cost of $156,000 (with benefits, retirement and other costs). Staff will need to return to Council at the earliest opportunity to request approval of a budget augmentation for the City's Office of Equality Assurance to begin the recruitment and selection of the additional staff needed to administer the ordinance.

BACKGROUND

At its meeting on August 18, 2008, the Transportation and Environment Committee reviewed staff's progress report on extending the City's living wage policy to the Airport. At that time, staff provided partial information on the number of employees impacted and the financial impacts.

Since that meeting, staff has determined more accurate information on the size of the group of subcontracted employees to the passenger airlines. The eleven contractors employ a total of 460 workers. Of that group, 383 of those workers – or 83% – earn less than the City's current living wage rate of $12.83 with benefits or $14.08 without benefits. Staff estimates the cost to bring those workers up to the City's living wage standard is approximately $3.2 million.

Committee Chair Williams, in response to the staff progress report and study assumptions, submitted a memo to the Committee with the following recommendations:

1. The City's Living Wage policy should be extended to all businesses operating throughout the Airport;

2. The definition of "covered employee" in the City's current living wage policy would not change;

3. Options for an Airport training program should be developed and brought back to the Committee for review at its meeting on October 6; and

4. The staff should draft a living wage ordinance for the Airport modeled on the City's current policy with provisions related to worker retention, third-tier review, labor peace, and enforcement.

This report contains the requested draft living wage ordinance for the Airport and a recommended implementation plan.

ANALYSIS

Key Provisions of the Draft Ordinance

The attached draft living wage ordinance will apply to all businesses that operate at the Airport, with the exception of construction contractors and subcontractors and ground transportation providers, such as taxicab companies, door-to-door shuttle companies and limousine operators. The current Living Wage Policy will remain unchanged for all City contracts other than at the Airport.

Chair Williams' August 18 memorandum requested several components from the current Living Wage Policy be included in the living wage ordinance for the Airport, including:

- worker retention;
- third tier review;
- labor peace; and
- penalties for failure to comply.

The draft ordinance also includes provisions related to reporting requirements and remedies. Much of the draft ordinance contains proposed language from the current City Living Wage Policy to conform to the requirements of Chair Williams' August 18 memorandum. However, significant portions of the enforcement provisions are modeled on those of the Port Authority of Oakland and the training provisions will be modeled on the provisions of San Francisco's Quality Standards Program (QSP). The key provisions are as follows:

Wage requirements: Consistent with the current Living Wage Policy, any person employed by a covered Airport business would be entitled to the minimum compensation required under the draft ordinance, if the employee:

(a) Is not a person who provides volunteer services that are uncompensated except for reimbursement of expenses such as meals, parking or transportation;

(b) Expends at least half of his or her time on work at the Airport;

(c) Is at least eighteen years of age; and

(d) Is not in training for the period of employee training specified under training standards developed by an Airport Business and approved by the City.

Also consistent with the current Living Wage Policy, the minimum compensation requirements of the draft ordinance would not apply to any Airport Business during the term of any collective bargaining agreement that expressly provides that the terms of the collective bargaining agreement shall supersede either the living wage ordinance or the minimum compensation requirements under the ordinance.

Third Tier Review: Third tier review or the tracking of an employer's history and commitment to acceptable working conditions for the purpose of consideration in the award of contracts is retained in the draft ordinance and would be expanded to all businesses that enter into a contract with the City at the Airport and their subcontractors that provide goods or services. Airport staff would require the submission of third tier review information as a condition to entering into any new contract or contract amendment at the Airport, and the Airport contracts would require that the business contracting with the City collect third tier review information from their subcontractors that provide goods or services.

Labor Peace: Requirements for assurances of labor peace are also retained in the draft ordinance and would be expanded to all businesses that enter into a contract with the City at the Airport and their subcontractors that provide goods or services. Airport staff would require the submission of labor peace assurances as a condition to entering into any new contract or contract amendment at the Airport, and the Airport contracts would require that the business contracting with the City collect labor peace assurances from their subcontractors that provide goods or services.

Employee Retention: Employee retention, which is a requirement to offer continued employment to employees of a previous contractor who meet certain requirements, is retained in the draft ordinance. A Retention Employee is any person employed by a covered business operating at the Airport who:

(a) Provides direct labor or service on the Airport contract;
(b) Is not an exempt employee under the Fair Labor Standards Act; and
(c) Has been employed for at least the six (6)-month period prior to the date of the new contract by the predecessor contractor or subcontractor.

Employee retention procedures for the living wage ordinance for the Airport would duplicate the employee retention procedures used for the City's current living wage policy. No less than 30 to 60 days prior to the end of a contract, employees to be displaced would be notified in writing that they have been placed on the Qualified Displaced Worker List and the new contractor/vendor will be required to offer him/her employment. The letter will detail the worker retention process and timeline and include the City's Office of Equality Assurance's (OEA) phone number and contact person and a Frequently Asked Questions Sheet. (OEA is the City office responsible for monitoring and enforcing the current living wage policy.) OEA will provide the text of the letter to the outgoing contractor and stipulate when the letters are to be delivered to the affected workers. OEA would meet with the affected workers to answer any questions etc. OEA would also meet with the new contractors/vendors and provide them with the Qualified Displaced Worker List. The new vendors would be directed to make job offers by a certain time and the displaced workers would have a specified number of days to accept or reject the job offer. Copies of all letters, job acceptances and job rejections are to be provided to OEA.

Employee retention *would apply only to businesses that provide goods or services to the City or a tenant.* Employees of passenger and cargo airlines, rental car companies, fixed based operators (FBO) and advertising concessionaires are expressly exempted from the employee retention

requirements. Employee retention would apply to a subcontractor employer, such as Aviation Safeguards, but would not apply to a tenant airline such as American Airlines, an air cargo operation such as Federal Express or a tenant FBO such as Atlantic Aviation. The primary reason the employee retention provisions would not apply to tenants is because should a tenant leave the Airport, there is no guarantee that the replacement business will require the same skill sets for their employees. In fact, there is not even a guarantee that the business will be immediately replaced. However, should a contracted service firm, such as Aviation Safeguards, leave the Airport for any reason, it is likely that the company that replaces it would need to have the same skill sets to provide the same goods or services needed by the City or the tenant business.

Administration of the Ordinance: The major monitoring and enforcement provisions of the draft ordinance are modeled on, but do not exactly duplicate, the living wage regulations and procedures of the Port of Oakland.

Reporting Requirements: Like the Oakland ordinance, and current procedures for the City's Living Wage Policy, the attached draft ordinance contains reporting requirements and remedies if those requirements are not met. To facilitate the ability of City to review compliance documentation, all businesses on the Airport would be required to maintain complete records of those covered employees working in Airport-related jobs, including, but not limited to, such information as name, job classification, hours worked, pay rate, health benefits received and any other additional information the City may require. Employers would be required to submit payroll information to OEA on a schedule to be determined by the City but not more frequently than a quarterly basis. The "reporting period" would mean the period immediately preceding the relevant payroll deadline. Failure to provide the required records within five days of the due date would result in a late fee of $100 a day. The late fee would be levied by OEA and collected by the Airport.

Upon request of the City, an employer would be required to permit full access to work sites and relevant payroll records, timesheets, benefit statements or any other document to authorized City personnel for the purpose of monitoring compliance, investigating complaints and inspecting and copying payroll records of any employee of the employer.

Enforcement of Minimum Compensation and Employee Retention Provisions: The draft ordinance provides for complaint-based enforcement by the City and for a private right of action for impacted employees to enforce the minimum compensation and employee retention provisions. The City Manager would also have the authority to develop additional rules and regulations to facilitate the City's ability to: 1) monitor employers to ensure compliance; 2) to investigate and resolve specific concerns and complaints related to the draft ordinance; 3) provide notice and proceedings related to alleged violations; 4) take actions to encourage compliance..

Filing a Complaint: Any person who believes a violation of the ordinance has occurred may file a written complaint with OEA.

A Finding of Non-Compliance: The City would have the authority to investigate and resolve any complaints of violations of the ordinance. OEA would also have the authority to initiate an investigation if its review of employer documentation indicates a possible violation of the ordinance.

OEA would have the authority to issue an administrative citation whenever it determines a violation has occurred. The administrative citation would order the employer to pay restitution to the impacted employees and to pay a fine to the City equal to three times the difference between the actual wages paid and the amount that should have been paid. For example, if $1,000 of restitution is owed, the damages for the violation are $4,000 ($1,000 for restitution and $3,000 for damages). The purpose of the fine is to discourage underpayment and encourage compliance with the wage requirements. An employer that fails to pay the required restitution or fines would be liable for the payment of an additional delinquency penalty equal to ten percent of the fine due to the City. Interest would accrue on all delinquent fine amounts, exclusive of delinquency penalties, at the rate of .5% per month until paid. The City would have the ability to enforce the restitution order and collect unpaid fines by all available legal means.

Appeal of a Finding of Non-Compliance: An employer or a complainant would be able to request a hearing to contest either the administrative citation or a finding of no violation by the employer. A request for a hearing must be received within 30 days of the issuance of the administrative citation or the finding of no violation by the employer. The hearing would be required to be scheduled by the City not less than 15 days and not more than 60 days from the date of the City's receipt of the request for a hearing. The employer contesting an administrative citation would be required to pay a hearing deposit equal to the fine amount as a condition for the hearing. The Director of OEA would have the authority to waive the advance hearing deposit upon proof of financial hardship by the employer.

The City Manager's Office (CMO) would be the hearing body and would issue a written decision on the appeal of the citation. If the CMO upholds the citation, the City would retain the fine.

Private Right of Action: Any person aggrieved by a violation of the minimum compensation requirements, the employee retention requirements or the prohibition on retaliation and discrimination, would have the right to bring a civil action in a court of competent jurisdiction against the employer violating the ordinance and, upon prevailing, would be entitled to such legal or equitable relief as may be appropriate to remedy the violation including, without limitation, the payment of any back wages unlawfully withheld and interest thereon, reinstatement in employment and/or injunctive relief and would be eligible to be awarded reasonable attorney's fees and costs. The ordinance would also provide that City administrative remedies would not be a prerequisite for seeking relief in a court of law.

Contractual Enforcement of Employee Work Environment and Labor Peace Provisions: If a contractor or subcontractor fails to comply with either the Employee Work Environment or Labor Peace Provisions, the City would, at its option, have the ability to either terminate the contract for default or withhold payment or compensation to the contractor.

Implementation Plan

The subcontracted employees of the passenger airlines have been the primary focus of Committee discussion regarding the application of the draft living wage ordinance at the Airport. Staff understands the desire of the Committee to extend the benefits of a living wage ordinance to the subcontracted group as quickly as possible. As noted earlier, staff now has a clear sense of the number of people in this group (460), the percentage of them that earn less than the City's living wage standard (83%) and the potential annual financial impact on the airlines of bringing their incomes up to the City's living wage standard ($3.2 million). However, staff does not have complete information for any other group of employees working at the Airport, including the direct employees of the airlines.

While the City can implement living wage at the Airport in phases, because of strong legal concerns, in Phase 1 the City cannot simply extend living wage *only* to the subcontracted employees working in the passenger terminal and not to the direct and contracted employees of the airlines working in the passenger terminal who are doing the same jobs. The direct, contracted and subcontracted employees in the passenger terminals must be extended living wage in the same phase. If the direct, contracted and subcontracted employees are extended living wage in Phase 1, the City may elect to extend living wage coverage to all remaining employees at the Airport in a second, subsequent phase. The City may also elect to extend living wage to all employees at the Airport in one step. Based on that understanding, staff outlines the options for implementing the draft living wage ordinance as follows:

Option 1: Implement the ordinance airport-wide immediately upon passage. This means the ordinance would go into effect 30 days after its second reading after its adoption by Council. Based on the timelines of current process, that means an effective date of late November or early December. While staff presents this option for Committee consideration, we do not believe the City will have an effective capability to enforce the ordinance in place by late November of early December. This implementation date does not give staff sufficient time to add needed personnel, gather information about the covered businesses and employees, inform the businesses of the new ordinance and what they must to comply with it, etc. For these reasons, staff does not recommend this option.

Option 2: Implement the ordinance in phases. Should the Committee wish to pursue this option, staff recommends the following phases:

1. Phase 1 - extend living wage coverage to the direct, contracted, and subcontracted employees working for the businesses operating in passenger terminal and ramp areas of the Airport, including commercial passenger airlines and air cargo carriers effective January 1, 2009.

2. Phase 2 - extend living wage coverage to all the remaining direct, contracted and subcontracted employees of the remaining businesses on the Airport effective September 1, 2009. From the period of January 1, 2009 through June 1, 2009, staff is directed to study the economic impacts related to this second phase and report back to the Committee and full Council before the proposed implementation date of September 1, 2009.

Staff would still need to take preparatory steps to administer the ordinance. Under this option: 1) staff would have a little more time (one month) to prepare for the Phase 1 group; 2) the Phase 1 group would smaller than in Option 1; and 3) there would be more time to prepare for implementing Phase 2. Staff is not certain the extra month in this option will allow the City to be fully prepared enforce the ordinance on January 1.

Option 3: Consider the use of an economic activity trigger. Should the Committee wish to consider implementation via an economic activity trigger, staff recommends an activity trigger of three consecutive months of year-over-year increased capacity growth (number of seats on departing flights). An increase in seats is a strong indicator of airlines' confidence in this market and their long-term commitment to San José. The ordinance would take effect whenever the trigger is met or with the opening of the new Terminal B (summer-fall of 2010), whichever occurs first. If a trigger method is used, there would be no phased approach and coverage would be extended Airport wide.

This option provides the best opportunity to mitigate the financial impacts of living wage on Airport employers and gives staff sufficient time to prepare for enforcing the ordinance. For those reasons, this is the option staff prefers.

Monitoring and Enforcement

As noted above, the City would enforce the minimum compensation requirements on a complaint basis and provide for a private right of action for impacted employees. Staff will regularly review submitted documentation and take enforcement actions as necessary, but without a complaint or documentation irregularity, no further action would be taken. However, it is important to note that when a determination of non-compliance is identified, the City will take rigorous enforcement action, including the use of fines, penalties, legal action and, ultimately, the termination of contracts or permits to ensure compliance as necessary.

San Francisco International Airport and the Port of Oakland use a complaint-driven approach for enforcement of their living wage programs. The Port of Oakland uses part of one full-time equivalent (FTE) position to monitor compliance with its program that covers an estimated 2,000 employees. Businesses provide quarterly reports for staff review. Over the past two years, Port staff report receiving one complaint from one individual.

35,000 employees work at San Francisco International Airport (SFO). At SFO two programs currently cover living wage. SFO dedicates two full-time staff to the Airport's Quality Standards Program (QSP), a program that focuses on compliance monitoring and enforcing hiring, training, equipment and vehicle maintenance standards and minimum compensation for those airline service provider employees performing safety and security services *only* at the Airport. QSP monitors and enforces its program for 34 service providers, 60 airlines and an estimated 8,000 employees working in safety and security areas. Some portion of the remaining 27,000 employees who work at SFO are covered by the City and County of San Francisco's Minimum Compensation Ordinance (MCO). The MCO (which does not cover Airport employees

performing safety and security services) is enforced by the City's Office of Labor Standards Enforcement, which handles complaints and conduct audits. Over the past year, San Francisco staff reports receiving very few complaints.

In addition to complaint-based enforcement, as noted above, anyone may initiate legal action at anytime to enforce the provisions of the City ordinance.

Staff Resources

Staff estimates the need for one new full-time equivalent (FTE) staff to administer the program at the Airport at an approximate annual cost of $156,000. Staff will return to Council at the earliest opportunity with an appropriation action for the City's Office of Equality Assurance

Training Program

Staff is still reviewing the components of a training program and will issue a supplemental or replacement report for the Committee's October 6 meeting with recommendations on training. However, the training program will strongly draw from the training component of San Francisco International's Quality Service Program, which focuses on training for airline and contractor employees involved in the provision of services that directly impact safety and/or security.

Airline Comments

Airport staff recently discussed the application of living wage with corporate-level representatives of the airlines. In summary, the airlines raised the following major points which staff provides for the Committee's consideration:

1. *Opposition to the use the rate stabilization fund to mitigate the financial impacts of living wage.*

2. *Exemption for collective bargaining contracts for direct employees that are negotiated on a nationwide basis.* The airlines believe paying living wage to direct employees who have collective bargaining agreements that have been negotiated nationwide but for wages lower than the City's living wage will require amending those collective bargaining agreements nationwide. Staff does not believe that to be the case and notes that neither the San Francisco nor Oakland living wage ordinances provide for an exemption for direct employees on the basis of the existence of nationwide contracts.

The airlines also indicated that they would need to consider reducing the amount of contracted services to accommodate the costs of living wage.

POLICY ALTERNATIVES

Alternative #1: Amend or revise all or some of staff recommendations *– The Committee could amend or revise the draft ordinance or staff implementation plan. .*

Pros: The Committee could make revisions that better reflect its priorities and direction in bringing the extension of living wage to the Airport to the full City Council for consideration.

Cons: None.

Reason for not recommending: Staff is recommending an ordinance and an implementation approach it believes best aligns with the Committee's direction.

PUBLIC OUTREACH/INTEREST

A copy of this report has been shared with the South Bay Labor Council, Airport tenants (including the airlines), the Airport Commission and posted to the City's website under the Transportation and Environment Committee agenda for its meeting on October 6, 2008.

COORDINATION

This memo was coordinated with the City Manager's Office, the City Manager's Budget Office and the City Attorney's Office.

COST SUMMARY/IMPLICATIONS

One FTE will need to be added to the Office of Equality Assurance staff at an approximate cost of $156,000 a year. This cost will ultimately be borne by the airlines in some form. However, staff will work with the airlines to identify opportunities to mitigate the financial impact to the extent practicable. Such opportunities may – or may not – exist. When an ordinance is presented to Council for adoption, it will be accompanied by an appropriation action for the Office of Equality Assurance.

CEQA

CEQA: Resolution No. 67380 and 71451, PP 08-199

William F. Sherry, A.A.E.
Director of Aviation

Katy Allen
Director of Public Works

For questions please contact William F. Sherry, Director of Aviation, at (408) 501-7600.

Attachment: Draft Living Wage Ordinance for the Airport