



# City of Sunnyvale

## Agenda Item

15-0730

Agenda Date: 1/29/2016

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### 2016 COUNCIL STUDY ISSUE

#### **NUMBER**

OCM 16-02

**TITLE** Consider Adoption of a Wage Theft Ordinance

#### **BACKGROUND**

**Lead Department:** Office of the City Manager

Support Department(s): Office of the City Attorney

#### **Sponsor(s):**

Councilmembers: Hendricks, Whittum, Meyering

#### **History:**

1 year ago: N/A

2 years ago: N/A

#### **SCOPE OF THE STUDY**

##### **What are the key elements of the study?**

This study would examine existing wage theft laws, ordinances and policies at the State level as well as in other jurisdictions. This study would also review and examine existing means employees have to recover unpaid wages. The study would ascertain what monitoring and enforcement efforts have been implemented by other jurisdictions (including the required resources to sustain such a program), including the outcome of SB 588 at the State level. The study would consider whether local remedies to this statewide issue would be viable and/or effective.

##### **What precipitated this study?**

During the Public Comments section of several Council meetings, David Wessel, from the Democratic Club of Sunnyvale, spoke regarding the wage theft issue at Crazy Buffet. During the July 14, 2015 City Council Meeting, Councilmember Hendricks made a motion (Councilmember Whittum seconded) directing staff to create a study issue to evaluate a possible local ordinance to address wage theft.

**Planned Completion Year:** 2016

#### **FISCAL IMPACT**

##### **Cost to Conduct Study**

Level of staff effort required (opportunity cost): Moderate

Amount of funding above current budget required: \$ 0

Funding Source: N/A

Explanation of Cost: There would be no additional costs incurred to conduct the study. However, the study would require 100-120 hours of staff time from the City Manager and City Attorney offices. Staff assigned to work on this study may not be able to accomplish other tasks.

### **Cost to Implement Study Results**

Unknown. Study would include assessment of potential costs based on similar programs in other jurisdictions.

Explanation of Cost: Potential costs of implementing study results may include additional personnel needed for enforcement activities.

### **EXPECTED PARTICIPATION IN THE PROCESS**

Council-approved work plan: No

Council Study Session: No

Reviewed by Boards/Commissions: N/A

### **STAFF RECOMMENDATION**

**Position:** Drop

**Explanation:** Staff recommends dropping this study issue. This is a statewide issue and the State Legislature recently approved SB 588, by Senate President pro Tempore Kevin de León. SB 588; provides the state Labor Commissioner additional tools to combat wage theft, such as wage-bond requirements, stop-work orders, and the ability to hold employers individually responsible for unpaid debts to workers. The State Legislature saw this as a statewide issue and took action to address the problem.

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Reviewed By: Joan Borger, City Attorney

Approved By: Deanna J. Santana, City Manager