

LINN COUNTY MINIMUM WAGE STUDY GROUP

Thursday, May 12, 2016 8:30 a.m.

Members in attendance: Nick AbouAssaly; Jill Ackerman; Aaron Anderson; Kim Etzel; Karla Goettel; Don Gray; Sofia Mehaffey; Rick Moyle; Ben Rogers; Kirsten Running-Marquardt (via phone); Justin Shields (representing Ron Corbett); Chris Wheeler; Aime Wichtendahl

Members absent: Jim Houser; Pat Loeffler; Susie Weinacht

Guests: Peter Fisher (Iowa Policy Project); Paul Iversen (University of Iowa Labor Center); Rod Sullivan (Johnson County Supervisor)

Supervisor Rogers called the meeting to order at 8:30 a.m., and the members of the group introduced themselves.

Upon motion and second, the minutes of the meeting of March 31, 2016, were approved.

Rogers noted that at the first meeting of this group, Mayor Corbett had suggested that the group be given a presentation on the jurisdictional authority of a county on setting a minimum wage. To that end, Mr. Paul Iversen of the University of Iowa Labor Center had agreed to attend today's meeting to brief the members on county home rule authority. Iversen reviewed his written findings, a copy of which is attached and made a part of these minutes. His major points included:

- The Fair Labor Standards Act explicitly permits local minimum wage laws, and the Iowa Constitution grants broad authority for county home rule.
- Cities are not able to "opt out" of a county's minimum wage ordinance if they disagree with it; rather, they must pass an ordinance setting a different wage.
- Organizations in Iowa with annual revenues of less than \$300,000 are not covered by minimum wage laws.
- The City Attorney of Iowa City has indicated that, based on the private law exception, she does not believe counties have the authority to legislate on the minimum wage.
- Restaurants are not exempt from paying minimum wage but are allowed to use tips as credit against it.
- Johnson County's minimum wage ordinance has not been challenged in court.

- There are many exemptions to the minimum wage provided for in the federal Fair Labor Standards Act; they can be found at www.dol.gov.

Mr. Peter Fisher of the Iowa Policy Project reviewed the Linn County minimum wage study which had been provided to the Linn County Minimum Wage Study Group at its last meeting. He noted that about 18% of the workforce in Linn County would be impacted by an increase in the minimum wage. Of those, only 20 percent are workers under the age of 20. He noted that studies have shown that increases in the minimum wage have no significant effect on employment, and that adjustments made by businesses usually result in a 3-5% rise in prices.

Discussion ensued with both members of the study group and members of the public on other effects of a rise in the minimum wage, including the provision of social services, the impact on businesses and business owners, and the effect on the poverty rate in the community, especially with regard to children.

Supervisor Sullivan of Johnson County gave a brief report on Johnson County's experience with raising the minimum wage. He reported that the impetus for the increase stemmed from the realization that the county was spending more on social services and many recipients of those services were minimum wage workers. Johnson County established 3 separate incremental increases:

- A raise to \$8.20 on November 1, 2015
- A raise to \$9.15 on May 1, 2016
- A raise to \$10.10 on January 1, 2017

After 2017 increases are tied to the Consumer Price Index for the Midwest region

The group discussed future agenda items; Lee Belfield of Cedar Rapids remarked that all of the presentations on the agenda today seemed to favor an increase in the minimum wage. Rogers noted that this is only the second meeting of the group and these presentations were agreed upon at the first meeting. He indicated that he looks forward to presentations from business owners at subsequent meetings.

Mr. Wheeler, who is representing the Cedar Rapids Metro Economic Alliance, indicated that he believed more business people should be included as members of the study group. Other suggestions included a worker currently making less than \$10.10/hour and an owner of a very small business. Rogers advised that he would be happy to take any recommendations for additional appointees; the Board of Supervisors has the authority to make those appointments.

The meeting adjourned at 10:27 a.m.