Minutes

Citizens League
Saint Paul Minimum Wage Study Committee
Thursday, May 24, 2018, 8:30 a.m.—10:30 a.m.
University of St. Thomas—McNeely Hall, Room 100
2060 Summit Ave, St. Paul, MN 55105

Committee Members Present: Co-Chair B Kyle, Co-Chair Rick Varco, Mr. Bob Brick, Mr. Dillon Donnelly, Mr. Paris Dunning, Mr. Barry Gisser, Mr. Matt Gray, Mr. Doug Hennes, Ms. Mary Hicks, Ms. Sarah Kopp-Reddy, Mr. Andrew Kopplin, Mr. Tim Mahoney, Ms. Kera Peterson, Mr. Sam Peterson.

Members Not Present: Mr. Samuel Callahan, Mr. Matt Halley, Mr. Jon Grebner, Ms. Veronica Mendez Moore, Ms. Rebecca Lucero, Mr. Oscar Murcia, Ms. Pang Vang.

Special Guests: Minneapolis Minimum Wage Ordinance experts

- Jeff Schneider, Strategic Management Team, City Coordinator's Office, City of Minneapolis
- Brian Walsh, Supervisor, Labor Standards Enforcement, Dept. of Civil Rights, City of Minneapolis

Staff & Staff Support Present: Pahoua Hoffman, Angelica Klebsch, Thomas Durfee, Matt Byrne, Jacob Taintor, Snowden Stieber.

Citizens League Members: None.

Proposed outcomes for this meeting

- Review study committee charge and proposed goals
- Receive community input, if any
- Receive follow-up on research questions posed last week
- Hear from presenters on Minneapolis minimum wage ordinance
- Discuss information received and confirm additional information needed
- Agree on next steps

Minutes

Co-Chair Kyle called the meeting to order at 8:33 a.m.

Welcome & Introductions

Co-Chair Kyle welcomed the committee to the meeting, and thanked UST and Doug Hennes for the accommodations and the University's ongoing commitment to the community.

A committee member highlighted that next week's meeting will meet in another room on UST campus, the directions to which can be found in the packet each member received this morning.

Co-Chair Kyle welcomed all guests who are observing the proceedings, and asked everyone present to forego the use of phones during the meeting, and to refrain from spreading the content of the meeting through social media. Co-Chair Kyle reviewed the proposed outcomes for the day's meeting, and then reviewed the study committee's charge.

Co-Chair Kyle offered the minutes of the previous week's meeting. No amendments or comments proposed. A member moved to accept the minutes, and was seconded. Motion passed.

Co-Chair Kyle introduced a new member to the committee as a replacement to a member whose business elsewhere will not allow them to continue to participate on the Study Committee. The new committee member introduced themselves as director of the East Side Area Business Association, representing an area including 90,000 residents and over 100 small and medium-sized business. The member stated that there is a diversity of opinion about the minimum wage ordinance within the group they represent. The committee member is interested in learning about how businesses get informed on the measure and how they can implement it best. Much of the area they represent is considered "concentrated poverty" by the census, and the committee member said that all of them have an interest in a path to prosperity and stability, and it's of interest to the businesses to manage that.

The community report was then brought to the floor, and committee members were given time to review the copy of the community report, found in their packets. Co-Chair Kyle summarized the report, with its questions relating to employees who have worked for years and been promoted up to a $15/hour wage. Will businesses be forced to raise the wage of the experienced employees in response to the ordinance?

A committee member said that such a scenario has happened at their own restaurants. When they raised the wages of the dishwashers, some other employees initially noticed that they were paid almost equal to the dishwasher. The member said that the new wages made their staff more unified and willing to pick up the slack if they were missing a dishwasher, since they were all getting paid roughly the same now. Co-Chair Kyle asked if the member's restaurants are unionized, the member said that the staff of roughly 48 is not unionized. Co-Chair Kyle asked how many of the member's staff were affected by the Minneapolis ordinance, and the member explained that almost everyone was affected by the wage increase, since everyone besides the chefs was previously making less than the new minimum age. Despite the changes, the member said that they never saw any resentment or bitterness from the staff with the change.

Another committee member testified that they have had the complete opposite experience with their own restaurants. They have just reached a plateau with a cook at around $17/hour, when no one in the kitchen makes less than $13.50/hour. The member said that much of the staff is Ecuadoran, and in their culture there is a large amount of pride in having wages reflect seniority, even if it is only a small amount. The new minimum wage has, and would, upset the scale that has been established, and the member knows of many other restaurants that have had similar issues.

Co-Chair Varco explained that, for most union contracts, there are few connections between the union pay rate and whatever the minimum wage may be. Given this, it is not clear what effect the phase-in of a higher minimum wage would have on union contracts. There is a choice between "maintaining the differential" between the minimum wage and union rates, or allowing the two rates to float, which might lead to some wage compression.

Co-Chair Kyle requested more information on understanding the legal obligations and rules around how a union addresses a minimum wage increase coming in at a city level, and what challenges it may create. A member asked for information on how minimum wage standards affect all labor negotiations, including organized negotiations. The member wonders if the new minimum wage changes where the starting point of negotiations is for other contracts.

Co-Chair Kyle asked Mr. Durfee if he has any knowledge of economic reports or studies that observe what happens to workers who make just above minimum wage when the minimum wage increases. Mr. Durfee recalled from memory a study that suggests there are ripple effects out to about 15% above what the new wage rate is. Mr. Durfee said that there might be greater ripples to higher wages, but that it would be too hard to track. He suggested that this means there are not payroll-wide effects from a new wage, but that most of the effects are localized to the bottom of the scale. Mr. Durfee also recalled a study that examined exempt businesses, universities and those with teenaged workers, who had a different phase-in calendar for the higher wages. The study found that, even though the businesses were not required to raise wages, the broader industry's non-exempt businesses' higher wage effectively normalized the exempt businesses to pay higher than their legally-mandated minimum wage. Mr. Durfee promised to research further for the committee for the next meeting, in particular the topics of (i) who sees an earnings increase outside the group at the minimum wage, and (ii) are there any effects from minimum wage increases on wages that, either through exemption or negotiation, are indexed to the minimum wage.

A committee member asked the Minneapolis presenters about wage compression. Jeff Schneider stated he will address the issue in his allotted time.

Co-Chair Kyle reminded the committee that further requests for information and data are going to be essential for future meetings and discussions, and encouraged any committee member with ideas for information requests to bring them forward.

Mr. Durfee reported on research from requests at last week's meetings. Firstly, information on firm births and firm deaths in the metropolitan area. Mr. Durfee hasn't found the specific data that was requested, but he has found surveys of recently-fired employees, which tracked why the employee had lost their job, whether it was voluntary or firm closure. Mr. Durfee asked if the committee would like for him to collect this data. Co-Chair Kyle said the data could be helpful, and requests it for next week. Another member asked Mr. Durfee if the data can show why the firm closed, which he says it can not. The member said that there could be a number of reasons besides wages causing a firm to close. Mr. Durfee said that restaurant workers tend to be less responsive to political policy, but that the member's concern is well-founded. Co-Chair Kyle said that there is fear around the minimum wage law, similar to fear with businesses about the installation of the green line. She stated that the more data we can collect that can address or affirm the actual experiences of the wage change, the better it will be. Mr. Durfee promised to further research.

Guest Presentations

Jeff Schneider spoke first, and introduced himself as more focused on the policy, research, and front-end matters of the minimum wage, while his colleague Brian Walsh is more concerned with implementation and enforcement. Mr. Schneider is also the liaison with the Federal Reserve counterparts, and is excited to work with St. Paul in their methodical approach to the minimum wage issue. He briefly wished to address the aforementioned wage compression question. Wage compression is one of about 25 metrics that the Minneapolis research team is currently tracking and being analyzed. While there is a lot of interest, the data is still “very fresh” and still being looked at. Mr. Schneider also said that, in relation to firm survival rate, he had seen numbers suggesting the average length of firm life was about 5 years, but that there were differences within industries. Mr. Schneider said that there is a lot of data on the issue on the Greater MSP website.

Mr. Schneider recapped the political landscape in Minneapolis in 2015. Then-mayor Betsy Hodges and City Council passed a Working Families Agenda: sick and safe time, fair scheduling, and wage theft. Minimum wage increases was added later. The sick time ordinance passed, the scheduling ordinance died after facing opposition, and wage theft was folded in to the minimum wage increase. While much of the research in his report is either online or has been worked on by Mr. Durfee in other studies, Mr. Schneider summarized the bottom line of the reports: Out of 311,000 workers total, a $12/hour wage would increase the pay of 47,000 workers, while a $15/hour minimum wage would increase the pay of 71,000 workers, and a significant number of those workers would be people of color. The City took these reports, interviewed other several other Cities, pursued extensive research, and held 16 public meetings, all leading to a $15/hour minimum wage ordinance. All of the policy and research documents are up online. An interesting feature of the ordinance was that, while there was a unanimous vote by the City Council, “Unanimous has a range,” and a number of concerns are embedded inside that unanimous vote. Given these concerns, the City Council also included a requirement of an annual economic impact report, with agencies reporting to the council every year for the first seven years of the wage increase and its impacts on small and large companies.

A committee member asked how Minneapolis determined whether a company was small or large. Mr. Schneider said the number they landed on was 100 employees, that 100 and under was considered small. This standard differs from the State standard, which is $500,000 in annual revenue. Mr. Schneider said that the State threshold includes much smaller companies than Minneapolis’s. The 100 person was a compromise between parties (Seattle, for example, has a threshold of 500).

The Federal Reserve won the RFP from Minneapolis to track and publish these phase-in reports for the first 4 years of the process. Their first report, a “baseline report,” is due at the end of summer 2018, and it will serve as a base from which to analyze future annual reports. Mr. Schneider included the staff charge from the ordinance in the included PowerPoint slides, showing the requirement for the Coordinator’s Office to seek public engagement, and Mr. Schneider emphasized, the public was ready, and did, engage, often vocally. Minnesota DEED Cost of Living Calculator is a great resource to show how much it costs to make ends meet in any county in the state. For a 3-person family in Minneapolis with one full-time worker and one part-time worker, a wage of $19.81 is needed to meet that threshold. “Many, many people” are not making that standard, and this is not a phenomenon limited to Minnesota, but is a nationwide problem. The Federal Reserve took on the tracking project as part of President Kashkari’s “Opportunity and Inclusive Growth Institute” which is in pursuit with the Federal Reserve’s Congressional mandate to both maximize employment and keep inflation low. President Kashkari has noticed that there is a growing wage gap between races, and that the federal wage floor has dropped from a peak buying power in 1968. At a conference last week held by President Kashkari, a member of President Obama’s Council of Economic Advisors compared the federal minimum wage to the rest of 20 OECD (Organization for Economic Co-Operation and Development) countries, with the US wage as the lowest.

Co-Chair Varco, in the interest of time, asked Mr. Schneider to fast forward through his coverage of the engagement process and talk about the summaries of the results. Mr. Schneider stated that the majority of the studies, including the one from the Wilkins Center and those from Seattle and Berkeley, were prospective estimates. The Wilkins Study projected a minimal employment impact, using the models they were using. The reports from other jurisdictions, around 50 in total, that had passed local ordinances, showed that there was a range of phase-in timelines, and that there was a range of carve-outs for youth and people with disabilities. All of the reports were included in the committee members' packets. All of the research is about a year old, which is about the most recent evidence available. The City also did sector-specific analysis (included in the packet), of food service, retail, and non-hospital residential care.

A committee member asked if the food service data is just Minneapolis, or a broader sample. Mr. Schneider confirmed it is just for Minneapolis.

Mr. Schneider concluded by reiterating that there was a variety of phase-in times, a variety of exclusions, and that his office's job was to bring the breadth of policy options to the City Council for a decision. The economy is a very complicated mechanism, and the impacts are very hard to determine, and that his office is excited to study the impacts through the Federal Reserve's reports. He knows of a report from Seattle showing that there might have been a small reduction in the number of low-wage jobs, but that there is a report from Berkeley that says just the opposite, that there was no impact on low-wage growths.

Mr. Schneider said that a few years ago the Minnesota State Health Department issued a study about the health impact of wage increases across the state, and his office made a Minneapolis-specific survey using that study. The core message of their survey shows that higher wages are associated with better health. Professor Caitlyn Caspi from University of Minnesota's Department of Family Medicine received an NIH grant for a 5 year study of the health impact of Minneapolis's minimum wage, involving 450 low-wage workers and a control group in Raleigh, N.C.

In summary, there are competing public policies at play in the minimum wage debate. We want people to prosper and make their own way, but we also want businesses, the lifeblood of our city, to thrive. All of the details, like the small-large threshold, or the phase-in times, were negotiated as political decisions by the Council. The Minneapolis wage increase, when considered with cost-of-living, was one of the largest wage increases in the nation, making a bigger real difference in lives than the same $15/hour wage in San Francisco or Seattle. There was also a lot of controversy around the tip credit and youth wage carve-outs, but in the end the politicians in Minneapolis decided to follow State law on both measures, with no tip credit being included.

Mr. Schneider is currently deep in the weeds with the Federal Reserve research team, going over the data and approaching other City offices to bring their data in for further clarity. Businesses said that they will close or move away from Minneapolis if the ordinance passed, or that service in restaurants would change, and Mr. Schneider wants to see what the data shows has actually happened and what will happen in subsequent years.

Mr. Brian Walsh introduced himself. He does not create policy or sit around tables like this, but he has sat against the wall, because his job is to give life to policy and to implement it after the policy has been created. He has been watching the debate for years, since he knew that it would eventually end up on his plate. In his estimation, the question for the Study Committee is how do you maximize the benefit of a policy like this, while minimizing the harm. Oftentimes this debate is framed as a moral argument or an economic argument, but in Mr. Walsh's mind this is over simplistic. There are moral and economic arguments on each side. Whenever the government regulates the economy, there are going to be winners and losers. There is consensus around that reality. So on one side the supporters of a rising minimum wage point out consensus that a wage increase will have benefits to the economy and to society. On the other side are business owners, small business owners, restaurant owners, who say that on an individual basis my livelihood is now threatened, the thing I have poured blood, sweat, and tears into, is threatened. Both of these messages are true. Mr. Walsh does not have a solution, but just observes that both sides often talk past each other, and recognizing that the net benefit does exist, and that increased wages will come back into the economy. He also points out that some businesses will not adapt, or not be able to adapt to the new arrangement. There might be fine dining establishments with high-level table service that fail to survive. He does not have data to support that idea, but anecdotally it is the case. The committee should not lose track of the broader net benefit in the face of these individual stories, but also look to mitigate the short-term pain.

While he does not have any answers as to mitigating the short-term pain, Mr. Walsh does have ideas on how to maximize the long-term benefits, specifically investing in the enforcement of these policies, both the enforcement mechanisms and in the community outreach needed after the ordinance passes. Mr. Walsh has statistics related to enforcement thus far, but much of the data is related to the Sick & Safe Time enforcement, since the wage increase has not hit the small businesses yet. This July is when the wage increase will first hit small businesses, and when the rubber will likely begin to hit the road.

The policy rationale of the ordinance was to lift up low wage workers, under the broader argument that "we all do better when we all do better." Unfortunately, just because a law was passed, and just because we often read the Star Tribune and the New York Times, we forget that many small business owners and workers are too busy to follow politics, and have no idea that things have changed. Even now, there are thousands of workers in Minneapolis that do not earn minimum wage today. Across the country, there are huge amounts of wage and hour abuses, and in most cases Mr. Walsh believes that the action is not intentional. Seeing some looks from the committee, Mr. Walsh clarified that "wage and hour abuses," broadly speaking covers a number of issues related to payroll, so not all of it is related to minimum wage. The broader point is that, just because a minimum wage ordinance passes, it doesn't mean that the law is immediately complied with by businesses across the city. Minimum wage ordinances have a leg up on other laws, since it is relatively simple and it is a concept that already exists in the marketplace. These laws, however, are built with complaint-based mechanisms of enforcement, which creates a paradox, namely that it requires the workers filing complaints. A law designed to lift up disempowered low-wage workers is requiring the very population least likely to have the wherewithal, the social capital, and the confidence in the system to go and report their employer to the government. It is a risky thing to do, and most low-wage workers don't calculate the choice as one where they can afford the risk. The result, therefore, in most complaint-based systems, is that the law effectively relies on public reporting, but if there is not careful and strategic investing, there will be underreporting. If there is underreporting, certain actors in specific industries will take advantage of the underreporting, which in turn hurts everyone, since the majority of business owners who are responsible, doing the right thing, taking care of their employees, are at an economic disadvantage to those actors exploiting the underreporting.

Mr. Walsh left for the committee, as a final thought, the question of how much does a city invest in active, community-based enforcement, which is fully resourced. This is a community-policing model, not criminal law. His office is working on outreach for the communities. There are small businesses without HR or compliance departments that are going to need handholding, which will cost money. Partnering with community-based organizations that have trust and confidence with low-wage workers is essential. These organizations know where the high rates of violation are occurring – the employers, the specific industries – not where the violations are simply being reported, but where they are occurring. These are the kinds of outreach actions and resources that must be contemplated for effective enforcement.

Mr. Walsh showed the enforcement websites for Minneapolis. He also explained that his labor standards enforcement division is now 3 full-time employees, including himself. He said that this is enough to meet the needs of Sick and Safe Time enforcement, but it's not enough to provide the full complement of strategic enforcement that they think they can provide.

A committee member asked Mr. Schneider why Minneapolis settled on the specific headcount number of 100 employees. Mr. Schneider said that it was simply a political compromise, the specific number. The State uses a threshold of $500,000 revenue, which they reminded the Minneapolis City Council of. Another committee member asked why they went from revenue to headcount. Mr. Schneider said that headcount is easier to enforce—revenue is private, and fluctuates, and headcount is easily assessed by payroll. The original asking committee member said that the ultimate point is that, in their opinion, the issues of enforcement and education are critical, and the committee should strongly support a recommendation to the City Council of headcount as an easier implementation mechanism.

A committee member noted that the Minneapolis ordinance excludes a subset of people with disabilities from the definition of "employees." Mr. Schneider confirmed that the ordinance shares the same language as the State statute, that there was no change from the State carve-out for people with disabilities. The lawyers at the time advised the Minneapolis City Council that, to the extent that they could reflect State law, businesses would be better able to comply with the matter.

Mr. Walsh said that City lawyers do not have the authority to pre-empt State law on wage levels for certain programs as defined by the State. So, legally speaking, they could not interfere in those relationships.

A committee member asked Mr. Walsh if, in hindsight, there were specific policies or ideas that would have improved enforcement in the first year in Minneapolis. Mr. Walsh, first acknowledging that it is the nature of government is always to do more with less, and budgets are always tight, suggested that (i) an adequate number of investigators. Politicians are worried of starting with too many investigators, since they don't want to commit too many government jobs that can't be taken away easily, but Mr. Walsh said it is important to not start with too few of them. The initial enforcement sets a big tone—people are paying attention, seeing if they have to take the new law seriously, how it's affecting their peers, and (ii) additional dollars for outreach, communications, and assistance to small businesses. It takes real investment and expertise to market these ideas to communities, and asking lawyers to do it is not the best use of resources. Additionally, partnering with community organizations is essential, and they both have incredible expertise in communities and often operate with little money. Relationships with those organizations need to be cultivated and funded.

A committee member asked Mr. Walsh for the amount of specific funding for enforcement in Minneapolis for Year 1, and Mr. Schneider for an explanation of the treatment of nonprofits in the Minneapolis ordinance. Mr. Walsh said that he has a staff of 3, including himself, and $50,000 for outreach and engagement. While both the staffing and the money are stretched tight, the money in particular feels like it is not going far enough to meet the needs. Mr. Schneider said that nonprofit stakeholder groups contacted Minneapolis, and the City hosted a private meeting with the stakeholders to go over the issue (in particular, the problem of organizations that are reimbursed at State rates that differed from the City wage rate). While the City of Minneapolis listened to the nonprofits, in the end the City made the political decision to not include a carve-out for nonprofits. There are State carve-outs for youth employees and for workers with disabilities, but there is no State carve-out for nonprofits.

Mr. Schneider said that there is a huge shortage of personal care attendants in Minnesota, and referenced a recent Star Tribune feature on the matter. The reason for the shortage is that the resources for that occupation are so low that PCAs can go to Target and make more money. This is a public policy issue that has to be addressed.

A committee member asked Mr. Walsh about the complaint-based mechanism of enforcement, and if there were any other models besides complaints that could be implemented. Mr. Walsh said that there are two broad camps in enforcement: requiring workers to file complaints, and requiring employers to annually certify that they are in compliance. The latter option is extremely costly and unwieldy, and complaint-based mechanisms can work, if designed well.

The committee member followed up with a question about whether either Mr. Walsh or Mr. Schneider had any regrets about the process so far. Mr. Walsh said that he didn’t want to paint too negative a picture, and that basically the ordinance is being implemented effectively, but greater funding would have been appreciated. Mr. Schneider stressed that he was a policy position, presenting the options to the Council Members to make the decisions. He felt like they heard from a number of voices in the run up to the law, and that they understood the options. Zooming out, Mr. Schneider explained the three ways a minimum wage can possibly affect an economy: the company pays more in labor, the customer pays more in costs, and the worker gets less. Research so far suggests that a mixture of all three happens when the minimum wage increases, but the Federal Reserve reports will give them a better picture.

A Citizens League staff member asked Mr. Schneider if the wages on the slide he’s included, on slide 15, are wages that include tips. Mr. Schneider said the numbers reflect wages without tips. The staff member asked if the wages can be separated, based on the particular positions at the place employment. Mr. Schneider said he did not have them, but that he could find them. The Citizens League staff member asked Mr. Walsh about Minneapolis’s choice to go with a single tier for wages, rather than one with credit for tips. Mr. Walsh said, from a selfish perspective, he breathed a sigh of relief when the City passed a single tier, since a two-tiered system would be much harder to enforce and certify. Mr. Schneider said they heard intense arguments from both sides on the matter of tip treatment, both from workers and restaurant owners, and that the

Minneapolis City Council ultimately made the call to go with the State law, which does not provide for a tip-credit. The staff member asked Mr. Walsh if he feels his office is adequately equipped to address wage theft. Mr. Walsh said that wage theft takes many forms, and his particular office does not have jurisdiction over all the various forms it can take. He said that community expectations were such that they anticipated his office would become a Fair Labor enforcement office, instead of simply a minimum wage enforcement.

Co-Chair Kyle asked about the preemptive nature of city-wide ordinances, which create a double-whammy of an ordinance both impacting an employer and not impacting their competitor in the next town over. Co-Chair Kyle also pointed out that the mixed nature of political realms, with different capacities to make change at a city as opposed to a state government, creates different incentives and experiences for business. She asked if either expert had an opinion on the matter.

Mr. Schneider said that this argument is better made to the politicians, but that, regardless of politics, there are political, moral, economic, legal, and legislative levels to the conversation. The former mayor and Minneapolis City Council would have preferred the state legislature to pass a higher minimum wage law, but it was not going to happen. Meanwhile, people in Minneapolis were not making enough money to pay for basic services. The US pays the lowest minimum wage relative to median income of any of the 20 OECD Countries. In the end, however, the question is one of policy. Last year four entities: the State Chamber of Commerce, the Twin West Chamber of Commerce, a temp staffing agency, and Graco, a Northeast Minneapolis manufacturer, sued the City of Minneapolis for an injunction against implementing the ordinance. The district court struck down the suit, upholding the ordinance. Three of the four plaintiffs dropped off after district court, and only Graco has appealed, with a decision forthcoming. There have also been efforts at the state level to address preemption, but neither has passed in the recent failed omnibus bills.

Co-Chair Kyle asked the experts to clarify some questions regarding the treatment of government and university employers. Both are large employers in St. Paul, but both are exempt from any City ordinance. Was there any conversation with the universities about buy-in or participation from universities or government employers?

Mr. Schneider said that there didn’t appear to be conversations, since the law was very clear, and there wasn’t anything that can be done by the cities. He also pointed out that, for the most part, there are very few government employees making minimum wage. He said that the Parks Department said that they would need to increase their budget $2 million to comply with the new wage, and the City Council heard the message but still passed the law.

Mr. Durfee asked Mr. Walsh what other departments he would work with in a case where minimum wage violations were occurring. Mr. Walsh said that he would work with the MN Dept. of Labor on any enforcement action, but that the State does not have any authority to enforce a local ordinance, and a local government does not have the authority to enforce a State ordinance. Mr. Durfee asked hypothetically, if a person pursued a minimum wage claim and won through State court, would that mean their award would be calculated on State wage scales? Mr. Walsh confirmed this to be the case.

A committee member asked Mr. Walsh what the cost of Seattle’s labor enforcement was in implementing the new minimum wage. Mr. Walsh could not recall the exact number, but recalled that Seattle has already spent $1 million this year in outreach and co-enforcement with community organizations, completely distinct from the staffing of enforcement. The committee member asked what Mr. Walsh thought would be a budget that would make Minneapolis a world-class enforcement division. Mr. Walsh recognized he'd always like a little more funding, but he thinks that Seattle is the gold standard, and he would like to have something close to what they enjoy. Mr. Walsh estimates the Seattle budget is "several million dollars"

A committee member asked about a phase-in for St. Paul given its proximity to Minneapolis. Would a longer phase-in time be difficult for businesses, if the Twin Cities had different schedules? Mr. Walsh said that having a disparity would be a serious impediment to compliance. In his expertise, Mr. Walsh believes that most businesses will simply peg their wage to which ever city is highest, if only to be safe. Having different rates would be a bigger problem for enforcement and for businesses.

A committee member asked the guests to discuss the relationship between tipped wages and sexual harassment, and have the offices dealt with the issue. Mr. Walsh said that the Dept. of Civil Rights already had authority over issues of sexual harassment, so there aren't too many changes to his office.

CLOSING

A Citizens League staff member reviewed the contents of the packet given to each committee member, including results of the survey of members about future meeting topics, a message from Stephanie Hoegenson from the Children's Defense Fund, and news articles recommended by committee members. The staff member acknowledged that several resources relating to restaurants and tipping have been received, but that the Citizens League is holding on to those resources for when the restaurant topic is scheduled to be the focus of a meeting.

A committee member said that he feels like there needs to be time scheduled for discussing the results of the member survey. A conversation will help people clarify some issues, and help formulate questions as they proceed through the hearings. The staff member acknowledged that there had been several requests for time to have discussion between committee members, and that there were going to be opportunities going forward to have those discussions, and some were being planned in the near future. The staff member also reminded the committee to email any additional topics they want to explore that are not already on the list.

Co-Chair Kyle highlighted that next week will include a panel of small and micro-business owners whose interests are not represented on this committee. She asked for evaluations based on the meeting outcomes set at the beginning of the meeting.

Members scored: 3, 4, 5, 4, 4, 3.5, 3.5, 4, 4, 4, 4, 4, 4, 3. Average score: 3.9

The meeting adjourned at 10:30 a.m.