



Committee on Community Resources and the Northampton City Council

Committee Members:

Councilor Dennis P. Bidwell

Councilor Alisa F. Klein

Councilor James Nash

Councilor Gina Louise Sciarra

Meeting Agenda

Date: January 29, 2018

Time: 5 p.m.

**Location: City Council Chambers
212 Main St., Northampton, Massachusetts**

- 1. Meeting Called to Order and Roll Call**

- 2. Election of Chair/Vice Chair**

- 3. Approval of minutes of previous meeting (December 18, 2017)**

Documents:

[12-18-17_Community_Resources.pdf](#)

- 4. Public Comment**

- 5. New Business**

A. Set Meeting Schedule for 2018 - 2019

6. Adjourn

7. Items Referred to Committee

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Committee on Community Resources and the Northampton City Council

Committee Members:

Chair: Councilor Gina Louise Sciarra

Vice-Chair: Councilor Dennis P. Bidwell

Councilor Maureen T. Carney

Councilor Alisa F. Klein

Meeting Minutes

Date: December 18, 2017

Time: 5:00 pm

Location: City Council Chambers, 212 Main St., Northampton, Massachusetts

- 1. Meeting Called to Order and Roll Call.** At 5:04 p.m. Councilor Sciarra called the meeting to order. Present were Councilors Gina-Louise Sciarra, Dennis Bidwell, Maureen Carney and Alisa Klein. Also present were Councilors Ryan O'Donnell, Marianne LaBarge and David Murphy.
- 2. Public Comment.**

Patrick Burke of 43 Pearl Street, Holyoke identified himself as President of the Hampshire/Franklin Central Labor Council representing 8,000 labor members and vice president of the AFL/CIO. He is very thankful to Councilor Carney and Councilor O'Donnell for offering the resolution in support of the \$15 minimum wage, which he described as 'something that's time has come.' They have seen the minimum wage increase over the last several years and yet have the lowest unemployment rate in some time, so they've seen it does not harm the economy. He knows there are a number of people left behind; a \$15 minimum wage is a step in that process; the state legislator is already in support of the proposal. He works as an organizer for folks who do not make over \$15 and are at the minimum wage. The moral that they need to enact is to have living wages, and they have to promote business that can do that, he opined. The real strategy for economic growth is investing in infrastructure and investing in people, he suggested. By raising the minimum wage they are putting a lot of money into the economy because the people who make the least are going to spend it in businesses. He expressed the opinion that Northampton should support this resolution and support this legislation.

Kitty Callaghan of Florence spoke on behalf of Living Wage Western Massachusetts, reminding those present that many years ago, her organization sponsored a resolution to have a living wage in Northampton. At that time, they calculated that the living wage was \$11.90. The current minimum wage is \$11 an hour, so they are very happy to see a proposal for a \$15 minimum wage, which would put the state at a living wage for minimum wage.

As a legal aid attorney, she has represented many tenants. Initially, she hardly ever saw tenants that would qualify for their services. Starting around 2000, they started to see many people who would qualify for their services and who were at risk of losing their homes because they could not afford their rent.

They would make payment plans with landlords which seemed reasonable but then the wage earner would have a problem with his or her car and it would fall apart. People with low wages are very stressed when they are on the job because they are trying to pay the rent; it makes them less productive because they do not have enough to make ends meet.

It is also beneficial for employers to pay wages that allow people to make ends meet because the turnover is very high. It is estimated that 60% of low-wage workers leave a job to try to get higher wages. It is estimated that employers have to pay 16% of their annual wages as turnover costs; i.e. - advertising for new employees, training, etc. - a very large amount. [Low wages] also effect the economy in that people are not able to purchase things other than basic needs, she added.

Barbara Ehrenreich's book about how she struggled to make ends meet through six different jobs illustrates the struggle. We need to pass a minimum wage that will be a living wage so that people can make ends meet, Ms. Callaghan concluded.

Northampton School Superintendent John Provost of 17 Sterling Drive, Easthampton, commented that he was present as superintendent to provide information to help with the decision. He asked the business office to cost out what it would cost the School Department to meet minimum wage [if the legislation were enacted].

Jim Nash arrived.

At \$12 an hour, the impact to the district is very modest, he related. Administrators would probably be looking at a need to increase the budget by \$25,000 for substitute teachers. At \$13, the increase would have a substitute teacher impact and an impact on food service staff for an additional \$30,000 for a total impact of \$56,000 over two years. At \$14, the increase would affect substitute teachers, food service staff and custodians for additional budgetary impacts of \$40,000 and annual impact of \$78,500. At \$15, school officials would need to increase salaries for custodians and ESP's in addition to substitutes and cafeteria staff. The cumulative effect in Year 4 of the proposal would be \$277,000, while the cumulative effect over the full five years would be about half a million dollars, he presented.

The superintendent stressed that he is not speaking in favor or against but just to provide information about the impacts. He knows municipalities do not have to meet minimum wage but they have already made an effort to make changes to match the state standard. Under the proposal, school officials would need a substantial increase to the school budget just to maintain level services. It would be an impact nobody intended if they had to reduce staff to meet minimum wage, he pointed out There are not a lot of positions schools can reduce and still meet services to kids, he observed.

David Murphy of 78 North Elm Street shared that he has been running a very small nonprofit on a fixed budget for about 20 years. He has five employees that work seasonally and make \$13 or \$14 an hour. He would probably have to lay one of them off under this proposal. All are retired people who want to stay active and are working because they want to have something to do.

People work for different reasons; young people work to get job experience, seniors work for another reason. This would have a really negative impact on the retired gentlemen that work for him, he stressed. The council has done resolutions on some very complex issues and this is one of them. A report from the National Bureau of Economic Research talks about the experience of Seattle, which has increased the minimum wage in steps. The latest step is \$13 on the way to \$15. In its conclusion, the report estimated the measure caused hours worked by workers to fall 9.4% and resulted in the loss of 5,000 jobs.

Enterprises deal with different people moving the variables in their societies differently. For nonprofits, it appears for many of them that \$13 an hour was when they started to see negative results. He thought it was interesting that, in his presentation, the superintendent thought \$13 was when it would get really tough, too.

When councilors make resolutions on very complex issues and don't take the time to understand their impacts, it minimizes the value of the resolutions, he suggested. He could tell them that economies are regional. Northampton and Amherst are the most expensive communities to live in. A lot of kids he went to high school with can't afford to live in Northampton; they live up in the hill towns. People live in Holyoke and in the hill towns. It is an oversimplification to say the way you solve that problem is to raise the minimum wage and then they can live here, he asserted. It will result in people losing jobs and, due to supply and demand, prices will go up because more people are looking for housing. It is a very tough thing to shuffle one thing in an economic [card deck].

He submitted the study for the record. It did seem in the Seattle model that \$13 was the cusp when [observers started to see negative things happen, he reiterated.

Councilor Sciarra asked if anyone else would like to comment.

Councilor LaBarge said she is very concerned about what she heard from the superintendent and has requested that he send that information to each councilor individually. At the last City Council meeting she brought up having talked with some owners. She questioned how much outreach had been made to business people that do not belong to the chamber.

She talked to the owner of Sam's Pizzeria. He said he cannot afford it and that, if it happens, he'll have to close the shop. The rent is phenomenal downtown. Happy Valley pays \$3,400 a month, she said. She is going to see some of the business owners this week and talk to them. Last time she supported [an increase in minimum wage]. The area went through a depression and she thinks right now people need to get back on their feet. She knows people who have moved out of the city and gone to East-hampton if not to Chicopee.

Willie Thomas of 19 Trumbull Road told members he moved to Northampton in February and works from home. He makes more than minimum wage but his partner makes less than minimum wage. They wanted to move to Northampton, but they are facing rents that are a little bit higher than what they are used to. A wage increase for her who is presently making less than minimum wage in Northampton would make it more likely for them to stay here, he confirmed.

Increasing the wage floor gives working people like his family more cash to spend in the local economy, he added. He appreciates the town; he thinks it's great and doesn't want to see it available only to those in the upper income brackets. He hopes they pass the resolution not just for Northampton but for all the citizens of the Commonwealth, he shared.

Suzanne Beck, Director of the Greater Northampton Chamber of Commerce, described the outreach effort the chamber has made. She sent an e-mail asking people to respond to the resolution and their thoughts about applying a \$15 minimum wage to their business and what the impact might be. She hopes to get more information about the sequential impacts of increases that have already been made. She thought the responses received were fairly representative of particularly the retail and restaurant sector in Northampton. She also sent some links to studies. There was a lot of difference of opinion of what will happen or might happen. It is not an easy issue to act on in the context of the whole community. It's not just wages that are impacted by changes in the minimum wage, she noted.

Beck read a letter from Rich Cooper of Cooper's Corner, noting that she was particularly taken by a couple of statements he made, specifically that, when making decisions - ahead of what is profitable - he thinks about the type of community he wants to live in.

That attitude of wanting all residents and employees to have the benefit of higher wages was certainly included in the comments received, together with the difficulty of reconciling that intent with the economic realities of running a business, she related. It painted a good picture of the economic competitive environment. She pointed out a distinction between national chains and local businesses in that national chains have more of an ability to weather the change. Local businesses do not have much price resiliency and also do not have the reserves to keep up with the change, she asserted.

There were a lot of comments about the value of entry level jobs and their value in preparing young people for work when they're done with their schooling. Also a lot of feedback about taking away the sub minimum wage with the comment that, if it is eliminated, a lot of workers would actually make less than they make today.

The Chamber of Commerce is happy to be a resource as the council goes through this process, she volunteered.

With regard to Superintendent Provost's comments, the living wage is at \$13.36 an hour, Ms. Callaghan clarified. This figure changes every year based on changes in the Consumer Price Index (CPI). The City has made a commitment to work toward the goal of paying minimum wage. As 2022 comes around, our living wage could very well be around \$15 an hour, she projected.

This is an aspiring employer that is aspiring to pay every employee a living wage. There is an aspiration to meet those goals; to become a living wage employer, she noted.

3. **Approve Minutes of October 23, 2017 Meeting:** Councilor Bidwell moved to approve the minutes of the meeting of October 23, 2017; Councilor Carney seconded the motion. The motion was approved on a voice vote of 4 Yes, 0 No.

4. **Items Referred to Committee**

A. 17.419 Resolution to Support \$15 Minimum Wage - referred by City Council 12/07/2017

Councilor Sciarra read the text of the resolution.

Councilor Klein moved to put the resolution on the floor for discussion. Councilor Bidwell seconded. Councilor Klein moved to forward the resolution with a positive recommendation. Councilor Carney seconded.

Councilor O'Donnell thanked the committee and council members for making time to consider this resolution. This committee has made resolutions in the past, he reminded.

This is a national effort; the "Fight for \$15" is federal legislation that at one time or another has had the sponsorship of both Senator Markey and Senator Warren. At the state level, Massachusetts is not alone in pursuing this, he advised. There are two tracks within the state – a legislative track (in the state senate, the initiative is led by Jody Herrell) and an effort to put the question on the ballot. Organizers fairly recently got the number of signatures required to put it on the ballot. At multiple levels of government there are efforts to put this forward, and he thought it would be beneficial for the City Council to put its own opinion forward.

It is a non-binding resolution that will not change the law in Northampton or the Commonwealth, he clarified. Some people have mentioned there are repercussions to changing the minimum wage. Definitely there are, he concurred. If there is a change in a complex ecosystem, there would definitely be changes. But not doing something also is a policy decision for which there are consequences for low-wage workers and the local economy. The status quo is that, every year, the value of the minimum wage declines because of increases in the cost of living. Certainly, federal minimum wage has not kept up with inflation.

One of the best features of this proposal is that it would peg minimum wage to the cost of living. If it passes, nothing will change, but he thinks it is important for their voices to be heard in this debate.

The piece that is piquing the curiosity of all the business owners is that they would like to have some kind of tiered system for wage earners of a certain age or maybe retirees, Councilor Klein observed. She wondered aloud if this was something that had been examined; if state legislators had taken that into account.

He personally likes the legislation as it is written which does not make any mention of a tier, Councilor O'Donnell responded. Washington State did this and has bifurcated the minimum wage between the coastal area and the rest of the state. New York has effectively six minimum wages; one for fast food, others for other categories. He has not seen carve-outs for different age groups. His first reaction is not to favor that; in particular, to try not to discriminate in employment based on age or other factors.

It is something the task force may be in favor of, he stated.

He had questions about the legislative process and queries about a second tier; in theory, he is quite responsive to that, Councilor Bidwell remarked. He asked if there is room in the drafting process for consideration of alternative language.

Councilor O'Donnell said he believed so because the way it is written is supposed to go into effect in two weeks. His understanding is that it has not moved out of its current holding pattern and is still open to debate.

Councilor Carney said she had also heard from folks around the tiered system. A lot of the arguments are that some employers would naturally go toward paying lower wage younger workers rather than older workers that still need to earn minimum wage, thereby edging out older workers. She worked at 14 and earned the minimum wage. Not many youth earning minimum wage would agree with the principle of earning less than their counterparts, she suggested. She objects.

She has been part of AFL Massachusetts, Carney disclosed, and, as part of her day job, she worked on gathering signatures for a ballot question even though they are in support of legislation in the state house. The initiative came out of the national "Fight for \$15," she confirmed.

It will always be difficult to keep up with the minimum wage but they are at a point where they have not kept up with inflation for decades and have really fallen behind, she asserted.

She has received numerous e-mails which have been forwarded to the full city council and also received a memo. She read aloud a memo from Finance Director Susan Wright.

Councilor Bidwell said he has really appreciated all the e-mails and referrals to articles. When he suggested at the City Council meeting to refer the item to committee this was exactly what he was hoping for. Nothing has changed his opinion to support it, but he thinks they have begun to get some sense of what local impacts might be in a limited amount of time.

From a larger macro level, with the lag of minimum wage in keeping up with the cost of living etc., as best he can tell, they are going to have to hope for the best as far as impacts. He thinks there is reason to believe that some businesses will actually flourish and do a better job of keeping good employees. Some business and nonprofits will probably adapt and survive. There are some that are going to struggle. High rent cities are areas where the impact is greatest. He would not be surprised if some businesses don't make it but thinks they have to accept the fact that they don't know what is going to happen. At a larger policy level, it is quite persuasive and worthy of consideration.

He thinks it is worth exploring whether another tier could be created for employees who are not supporting families as wage earners. He would like to encourage the legislative delegation to look into that in the process of continuing to craft the legislation. He would propose a minor clarification.

Councilor Carney expressed her opinion that this committee cannot amend the resolution. It is not going to Legislative Matters; it is going to council, she clarified. She encouraged Councilor Bidwell to save the amendment until the City Council meeting.

With regard to the concept of tiering, some of the material she's looked at tells them that if they are talking about raising the minimum wage to \$15, they are raising the wages of almost 100,000 workers in Massachusetts or 21% of the state work force, Councilor Klein advised. 91% of those affected are over 20 years old and 56% are women. In talking about tiering in terms of age, the vast proportion of people affected are not teenagers working their first job, she pointed out.

The UMass Labor Center and UMass Economic Department are particularly progressive and in favor of raising wages, she continued. What is particularly compelling to her is that they are talking about human dignity. They can talk about the homeless and keep focusing on what is needed for their marginalized populations, but one thing that has been proven for centuries is that if people work for a living and are compensated based on the amount that they work and how hard they work, that goes a long way toward helping people live with dignity and to flourish. Anything they can do at a local level to encourage action at the state level, she thinks they should go for it. She is really pleased that this came to their floor and that the Massachusetts state legislature is considering it. She encouraged Community Resource members to forward the resolution with a positive recommendation and said she hoped they can approve it as a council.

Councilor Bidwell said he would do a little further research and perhaps bring some research to the council on Thursday about the possibility of another tier.

Councilor O'Donnell confirmed that there is an automatic carry-over provision in the latest version of the council rules.

Councilors confirmed they don't need to vote twice. Suzanne Beck asked if they intended to do two readings at Thursday's meeting.

Councilor Sciarra called the motion to a vote, and the motion to forward the resolution with a positive recommendation passed unanimously 4:0.

- 5. Adjourn.** At 6:06 p.m., Councilor Klein moved to adjourn the meeting; Councilor Carney seconded. The motion was approved on a voice vote of 4 Yes, 0 No.

Prepared By:

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