

MEASURE D

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE D

This initiative ordinance, if approved by a majority of the voters, would add a new chapter to the San Jose Municipal Code (the "Code") to require employers to pay their employees a minimum wage of \$10.00 per hour for work performed within the City of San Jose. The minimum wage required by California state law is \$8.00 per hour, and the federal minimum wage is \$7.25 per hour. Employers are required to pay the highest of the local, state or federal minimum wage. The proposed ordinance would make the new minimum wage effective 90 days after certification of the results of this election and require the City to adjust it each year beginning January 1, 2014 based on increases in a specified Consumer Price Index.

The proposed ordinance would apply to most employers. It would not apply to employers that (1) do not maintain a facility in the City of San Jose and (2) are exempt from the Business License Tax under the Code. The minimum wage requirement would not apply to a person who works less than two hours per week. The proposed ordinance also seeks to apply to participants in welfare-to-work programs, administered by the County of Santa Clara, by limiting the number of hours the participants would be required to work to the number of hours equal to the cash benefits divided by the minimum wage.

The proposed ordinance includes a number of administrative requirements and enforcement provisions. Covered employers would be required to post current and prospective minimum wage rates at the place of employment, notify the employees of current and prospective minimum wage rates, and maintain certain payroll records. The proposed ordinance would prohibit retaliation or discrimination against any person seeking to enforce the rights provided by the ordinance. The City would be required to administer and enforce the provisions including, investigating possible violations, issuing administrative citations and compliance orders, and filing a lawsuit in court. Remedies available include award of back wages, civil penalties, equitable relief, and payment of reasonable attorneys' fees and costs. Any person harmed by a violation of the minimum wage requirement, or any member of the public, would have the right to sue in court to enforce the requirement.

A "yes" vote is a vote to require payment of a minimum wage of \$10.00 per hour for work performed in San Jose under certain circumstances and to approve the implementation and enforcement of the requirement as described above.

A "no" vote is a vote to continue payment of the higher of the state and federal minimum wage which is currently \$8.00 per hour.

The above statement is an impartial analysis of Measure D. If you would like to read the full text of the measure, see www.sanjoseca.gov/clerk/elections/Election.asp or call (408) 535-1260 and a copy will be sent at no cost to you.

/s/ Richard Doyle
City Attorney
City of San Jose

ARGUMENT IN FAVOR OF MEASURE D

Do you believe \$8 an hour is too little to live on in San Jose? If your answer is "yes," then vote "yes" on Measure D.

Measure D increases the minimum wage in San Jose from \$8 to \$10. That's all it does, but that single action is of real importance to tens of thousands of local families.

Measure D sets our minimum wage at a level that reflects our values and our sense of fairness. It means that those who work hard and play by the rules can earn a livable wage, pay their bills, and take care of their kids.

Measure D recognizes the difficulty of earning the state minimum in one of the highest cost cities in the country. San Jose rents average \$1,800 a month. That's \$400 more than the monthly pay of a minimum wage worker.

Fortunately, increasing the minimum wage is both the right thing to do and the smart thing to do. When low-wage workers receive a raise, they spend virtually every dollar close to home. That is likely to help small neighborhood businesses. Raising the minimum wage will generate an estimated \$70 million dollars in demand for local goods and services. More local spending leads to more local hiring.

Outside political interests will probably contribute record amounts to defeat Measure D. Many of these groups lobbied against raising the state minimum wage when it was only \$6 an hour. They falsely argue a higher minimum wage will lead to the loss of jobs although they know leading economists have repeatedly refuted this phony claim. These groups have relentlessly opposed any effort to raise the minimum wage. Their values are not our values.

\$8.00 is too low for San Jose. Vote "yes" on Measure D.

/s/ Michael M. Honda
Member of Congress

/s/ Geovanno Belaski
Owner, Azucar Latin Bistro

/s/ Judy Chirco
Small Business Owner

/s/ Norman Kline
Small Business Owner

/s/ H. Robyn Levine
Owner, Details Clothing Co.

REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE D

Proponents of Measure D claim it only raises wages and creates jobs.

Both claims are simply false - and anyone who reads Measure D can see it.

Measure D does a lot more than raise wages: it creates a costly new city bureaucracy, it authorizes the City to audit every business in San Jose, and it allows more lawsuits. It also raises the minimum wage every year, with no cap.

Proponents claim that increasing wage costs will help businesses grow. Common sense tells you that such a claim is false. Independent surveys show that businesses owners are clear what they will have to do: cut jobs or hours, or raise prices to make up the difference.

In fact, Measure D will hurt those who need help the most - non-profit groups who provide job training and medical care. It will cripple cultural groups that rely on paid interns (who exchange training and opportunity for less pay). And it will mean fewer opportunities for young people or those trying to transition to a new career.

Big labor spent a lot of money to put Measure D on the ballot. Labor Council leader Cindy Chavez has brought in labor organizers to push for Measure D. This isn't about fixing our economy, balancing the budget or creating jobs - it's about Big Labor's national agenda hurting small businesses. And it will cripple San Jose's fragile recovery.

Say No to more city bureaucracy and frivolous lawsuits.

Say No to Cindy Chavez' wage hike.

Vote NO on D.

/s/ Chuck Reed
Mayor of San Jose

/s/ Annie Le
Owner, Lee's Sandwiches

/s/ Jan Schneider
Owner, R & J Jewelry and Loan

/s/ Geri Wong
President, San Jose Downtown Association

/s/ Teresa Nguyen
Owner, Motif Restaurant

ARGUMENT AGAINST MEASURE D

It's simple: Measure D means some people will get paid more, but a lot more people will lose their jobs or have their hours cut.

Measure D raises the government mandated minimum wage by 25 percent. And most small businesses say they will have to cut jobs or raise prices to stay open.

Measure D means you'll have to pay more for groceries, gas - even a hamburger.

And it will hurt those who need help the most. Goodwill Industries, which helps train people with disabilities, estimates that if this measure passes it will have to cut 100 job-training positions.

John Hogan from TeenForce - a non-profit group that helps find jobs and training for young people - says: "We do need to look at the minimum wage - but not like this, not this fast. It will make it harder for us to find jobs for kids who need them."

Measure D will add to city bureaucracy - costing city taxpayers more than \$600,000 per year, every year. And that's just the start. And, every business in the city will face audits and will be forced to open their financial records for 4 years, costing even more.

Congress is already considering a bill to raise the minimum wage for every American - and without all the flaws of Measure D.

We all want residents to make more money, but Measure D is too much, too fast and too flawed. It hurts non-profits group's ability to help those who need help the most. It will mean fewer jobs in San Jose and make it harder to grow our economy. But it will grow city expenses and create a costly new City Hall bureaucracy.

/s/ Chuck Reed
Mayor of San Jose

/s/ Jeanne Katsuro
Owner, Classic Rock Jewelry, Japantown, San Jose

/s/ James Duran
Co-Chair, California Hispanic Chamber of Commerce Public Policy Committee

/s/ John J. Hogan
CEO TeenForce

/s/ Matthew R. Mahood
President & CEO, San Jose Silicon Valley Chamber

REBUTTAL TO ARGUMENT AGAINST MEASURE D

Raising the minimum wage from \$8 to \$10 is the right thing to do. It's that simple.

The opponents of Measure D are trying to mislead you. The truth is that there is widespread support among businesses and nonprofits for raising the wage. Here are the facts:

- Numerous San Jose companies support Measure D, including Lunardi's Markets, Azucar Restaurant, Pacific Printing, and All Star Building Maintenance, to name a few.
- United Way Silicon Valley and the Silicon Valley Council of Nonprofits, which represents the nonprofit sector in San Jose, both support Measure D. Most San Jose nonprofits already pay \$10 an hour.
- Measure D will level the playing field for local businesses by ensuring that large chain stores pay a fair wage.

The evidence from other cities that have raised the minimum wage proves that the opponents of Measure D are wrong about job losses and price increases.

Measure D will help our whole community by ensuring that people who work hard and play by the rules earn a fair wage.

Measure D will help thousands of working adults to become self-sufficient.

In San Jose, \$8 an hour is not enough to keep people off government assistance. \$8 an hour isn't fair to workers, it isn't fair to employers who pay decent wages, and it isn't fair to taxpayers who are forced to subsidize poverty wages.

Vote for fair wages. Vote "yes" on Measure D.

www.RaiseTheWageSJ.com

/s/ Dana L. Magat
Rabbi, Interfaith Council Chair

/s/ Eduardo A. Samaniego
Priest, Most Holy Trinity Church

/s/ John L. Freeseemann
Pastor, Holy Redeemer Lutheran Church

/s/ Paul Lunardi
President, Lunardi's Markets

/s/ Lawrence E. Stone
Santa Clara County Assessor