City Council
of the
City of Las Cruces

Special Meeting

March 4, 2013
4:32 P.M.
Council Chambers, City Hall

MEMBERS PRESENT:	**STAFF:**
Mayor Ken Miyagishima	Robert Garza, City Manager
Councillor Miguel Silva, District 1	Harry (Pete) Connelly, City Attorney
Councillor Greg Smith, District 2	Esther Martinez-Carrillo, City Clerk
Councillor Olga Pedroza, District 3	
Councillor Nathan Small, District 4	
Councillor Gill Sorg, District 5	
Councillor Sharon Thomas, District 6	

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I. RESOLUTION(S) FOR DISCUSSION

(1) Resolution No. 13-122: A Resolution to Support Legislation to Increase Minimum Wage Rates.

Councillor Small Moved to Approve Resolution No. 13-122 and Councillor Thomas Seconded the motion.

Councillor Smith said I have a possible conflict of interest regarding this item. One of my wife's clients has expressed opposition to Senate Bill 416 in the past but I'm not sure of their current status on this because this Senate Bill has been amended twice. I am willing to recuse myself if the Council feels my judgement might be impaired.

Councillor Small said I see no reason for Councillor Smith's recusal.

Alice Anderson, Member of the Public said I am in favor of raising the minimum wage because I feel we must have a fair day's wage for a fair day's work.

Sara Nolan, Member of the Public said I support the minimum wage increase and I support this resolution. I think by supporting this resolution it would send a strong message to the Obama administration that we are a city that supports a minimum wage at the Federal level as well.

Judith McCarthy, Member of the Public said people have been frightened by the raising of the minimum wage and there are threats of the economy going broke every time there is a proposal for raising the minimum wage. I think all work should be respected and one of the ways we show respect is by giving salaries so I believe it is the government's rule to raise minimum wage.

Shahid Gustafa, Member of the Public said I am with the Mountain View Co-op and I am in support of raising the minimum wage. I would encourage Council to support the raising of the minimum wage but also look into an actual livable wage and make that rate also available to the citizens.

Councillor Smith said I understand that the Mountain View Co-op pays more than the minimum wage and is a successful business model. Can you tell us how it is that you are able to pay your employees at a higher wage?

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Shahid Gustafa said we establish a livable wage for our employees and we determine that amount twice a year by looking at some national and regional information. Generally it comes down to efficiency and labor management and I would be very concerned as a businessman if I had to worry about a hike in minimum wage. It is hard to find employees who can afford to work at minimum wage and we try to find quality employees.

Councillor Silva asked what is your entry level wage?

Shahid Gustafa said currently, it is $9.20 an hour.

Councillor Sorg said there is an error in the resolution. The second "Whereas" at the end states "Santa Fe has a minimum wage of $9.92 per hour," but as of March 1st that is now $10.21 so I'd like to amend it so that it reads $10.21 instead of $9.92.

Harry (Pete) Connelly, City Attorney said actually it's $10.31.

Councillor Sorg said then I'll amend my amendment to state $10.31.

Councillor Sorg Moved to Amend Resolution No. 13-122 on the second "Whereas" at the end states "Santa Fe has a minimum wage of $9.92 per hour," as of March 1st that is now $10.31 so it should read $10.31 instead of $9.92 and Councillor Smith Seconded the motion.

Mayor Miyagishima called for the roll on the Motion to Amend Resolution No. 13-122 on the second "Whereas" at the end states "Santa Fe has a minimum wage of $9.92 per hour," as of March 1st that is now $10.31 so it should read $10.31 instead of $9.92 and it was Unanimously Approved. 7-0

Councillor Thomas passed out a handout to Council and said I keep noticing that there is a lack of agreement on whether or not by raising the minimum wage it causes jobs to be lost. The handout is about how you look at research and on the second page it shows all the different studies that were done regarding minimum wage which shows that the raising of the minimum wage neither causes fewer jobs or results in the loss of jobs. So I think all the things we're hearing, like raising the minimum wage is a job killer, aren't really true and at the most it's neutral. I also hear that if you get a raise in minimum wage then it's just a waste because you will have to pay more for things but that's not necessarily true either. Albuquerque just passed to raise their minimum wage by $2.35 and yes, hotels and restaurants do get the greatest impact but the cost for them is only 2.08%. The cost to other industries is only .19% so a few employers might have to raise prices in order to pay higher labor cost but the consumers would only be paying pennies more.

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Councillor Pedroza said I am in favor of supporting the minimum wage increase and I spoke to a farmer who stated he currently pays his employees $12.50 an hour. I think it is a matter of paying a living wage because there are a lot of people in our area who live in poverty and they have to work more than one job due to the economy. There is no reason why we shouldn't increase the minimum wage and this would at least help a family who is living in poverty to at least make a little bit closer to a living wage.

Councillor Small said the minimum wage, at least at the Federal level, brings an important guarantee and is part of this country and it's economic opportunities and economic development. The fact that this resolution isn't specific to the State speaks in a positive sense. There are incredible amounts of pockets of poverty within Dona Ana County and within the City of Las Cruces so this is not a silver bullet but it seems to me that this is a balanced way of continuing that conversation and moving forward.

Councillor Sorg said I just want to say that I stand by what I said last week and that most economists agree that a higher minimum wage would have a neutral effect on the economy.

Councillor Smith said I feel we've been elected to represent our citizens as well as what we think is in the best interest of this community and that is part of the reason why I have struggled with this question. I do believe that when we wish to make something important happen we have to be ready

to do the hard work that makes those things happen. One of my initial concerns is if we are saying there is a neutral effect on the employment situation then why are we working so hard to pass this piece of legislation? We do have an obligation to look at what it means to our local community and we do have some specific issues in this community. We are close to both Texas and Mexico and I think it is a very real factor that there is the possibility of jobs moving across the borders into those areas if the people who have their businesses here or are planning on having their businesses here feel that the environment is more conducive there. I think the Co-op is a good example of people caring about their employees and what the living wage is and demonstrating that it can be done by a business without the government imposing that upon them.

We also need to take into consideration that the recession is taking place in most of the country and has not yet left our area. There are business people in our community who are still trying to figure out what the Affordable Care Act will mean to the cost of doing business when it comes into full effect and at the same time we are talking about an increase in minimum wage. We talked last week about a resolution that expresses our desire to find an effective way to raise the wages in our community without destroying the small local business and I do commend the staff for coming up with general language for this resolution but I still think it focuses specifically on raising the minimum wage as the only way to do that. The Senate Bill has been amended to include a training wage and to include an exception for people with eleven employees or less so I think we need to be cautious that this can continue to be a moving target in Santa Fe. Perhaps we need to setup an example and lead by example by doing what the Co-op has done and determine what we believe is a living wage for this area and set that threshold for our employees and maybe even for those who do contracts with the City. It was suggested to me that perhaps we should have an economic plan that maps out specifics regarding how we as a community and we as a governing body are going to set in motion those policies and those actions that will increase the wages in our community.

Councillor Silva said I have had problems with this from the very beginning. I feel this is one of those feel-good types of legislation and I think we need to take a more comprehensive approach because I don't think we have identified the problem yet. We need to define the difference between minimum wage and living wage. I think we need to look at the different regions because we are different from places like Albuquerque and Santa Fe and we need to see where we place and decide where we should place. I have a problem with this resolution because it leaves out food prep and restaurant workers and because it is so generic that anyone can take it and use it for whatever they want which is why I'm not supporting this resolution. I think we need to have a comprehensive plan if we are going to help people who are near the poverty level and express the need for them to have an education. I think we need to take a step back and work together to figure out how we are going to help the approximately 50,000 people who are living in poverty in our community.

Sara Nolan, Member of the Public said this isn't just a feel-good policy, it isn't perfect but we are asking for an agreement to support the minimum wage at the highest level of government as possible. The data that we presented a few weeks ago was from a national business journal for 2011 and the income was the take home pay for a family of four. New Mexico has the largest income quality in the country and if we can't start with wages as a stepping stone for a more broader and

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progressive policy then I don't know where to start. We would have suggested a higher minimum wage if we thought it was possible but we are debating over just a dollar increase and we can't even get broad support without talking about specific legislation. I am feeling a little confused about what it is we are exactly debating. We did our best to collect the most accurate data for Las Cruces but we can't predict everything that is going to happen with raising the wage in New Mexico.

Councillor Thomas said earlier I said that the raising of minimum wage does not cause a decrease in jobs and it wasn't about whether or not a dollar can help a family out of poverty because those are two different things. We need to look at how many people are trying to live on that wage and how many people are in those families so it needs to be a broader look. I do support this resolution and I personally don't think it goes far enough. There are all kinds of different groups working on education and other ways to try to eradicate poverty. This is just one piece of it that would give some intermediate relief to those at the very bottom who desperately need it.

Councillor Small said I appreciate the statement that was made by Councillor Silva regarding tip workers and I would certainly agree with an amendment to this resolution that would specify that Council seeks to make sure that tip workers are also part of the conversation. This resolution is broad and general because some are less comfortable with a State raising the minimum wage and support it more at the Federal level. I fully support weighing in on different issues at the Legislature and I support us having a voice at the State because we represent the second largest community in New Mexico. I haven't heard any discussions regarding rolling back the minimum wage and I think it is a good thing that this wage has been put in place.

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Harry (Pete) Connelly, City Attorney said this resolution is to support the minimum wage and only the minimum wage.

Councillor Small said this would be for the minimum wage of tip workers.

Harry (Pete) Connelly said the way the resolution was drawn is to support an increase in the minimum wage pursuant to the Senate Bill. It is to support the minimum wage, not to support Piece A, Piece B, Piece C, and Piece D.

Councillor Small said it does not mention the Senate Bill so it seems to me that an amendment to specify tip workers is totally appropriate.

Mayor Miyagishima said I support our attorney on that issue because this wasn't advertised as such so the public wasn't aware and if they were aware then I can imagine that the restaurant owners would be here. It would totally change the resolution.

Councillor Small said that does make sense but this doesn't mention the Senate Bill.

Councillor Sorg said we don't need an amendment regarding tip workers because tip employees do have to be paid the minimum wage. If they don't get enough tips to bring them up to the minimum

wage then the employers must chip in the difference to get them to the minimum wage.

Councillor Pedroza said there have been discussions that stated that most businesses already pay their employees more than the current minimum wage so why is there so much opposition to this resolution? If employers are already paying more than minimum wage then it is illogical that there would be a loss of jobs. I have talked to people who are in the soup kitchens and food pantries and they say that poverty and hunger are rapid in our society so given that fact I think we should support whatever increase in minimum wage that is passed.

Councillor Smith said regarding income in equality, I do not think by simply raising the minimum wage that you are going to address that issue. There will still be people who are comfortable with making many times what their employees make and that will have to be addressed in a different way. There is a possibility that jobs are lost in small businesses and then picked up in larger businesses but there have been a lot of issues raised with these large corporations making a whole lot of money and their workers only getting minimum wage or not a living wage. So, in the process of doing what we think is helping our people we end up hurting some of our local businesses then we have made our employees more at the mercy of the national and larger chains. I think that is a very real concern. I'd like to make a couple of amendments, starting with the removal of the second "Whereas" paragraph. In the fifth "Whereas" which states "Whereas City officials believe that an increase in minimum wage will enhance the quality of life," I would suggest that replace "will" with "may be one way to enhance the quality of life for lower wage citizens." On the sixth "Whereas" it states that "the City is supportive of Legislative" instead of saying "measures" I'd encourage us to say "efforts to address the question of living wage at the highest level of government possible." I think we keep coming back to the question of what a living wage is and how we can implement it. I am not comfortable in saying that I believe that minimum wage is the way to do it. Then for Item 1 "that the City Council supports these efforts to obtain a living wage." That in my mind speaks to what we have been saying about trying to get our people to a living wage.

Councillor Thomas said I don't think we need to remove the entire second "Whereas," we can leave in the section that states "currently the State of New Mexico has a minimum wage of $7.50 per hour for all employees" and take out the rest of it.

Councillor Smith said I would be comfortable with that.

Councillor Small said I think it would be appropriate for the forth "Whereas" to state that "an increase in minimum wage is one way to enhance the quality of life of lower wage citizens." This isn't a silver bullet but that extra take home pay can bring some benefits to the people in that wage scale.

Councillor Smith said the problem I have with saying "is one way" is that is one step away from say "will" but if you're willing to make those other adjustments then I'm willing to make that one.

Councillor Small said I appreciate that and I am willing to make those other adjustments.

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Councillor Silva said no one has defined "living wage" yet so without any research or studies in front of me that states this is the living wage for this area then it will be very hard for me to accept it. There have already been two amendments to the Senate Bill which I don't agree with and we're arguing about this because businesses don't like to be told what to do by the government. This will affect all of us and businesses are a vital part of our community. The Las Cruces Chamber and the Hispano Chamber both have stated that they do not support this and the Green Chamber is being very cautious about putting out a statement regarding whether or not they support it. I cannot support any type of generic resolution that can come back against us at some point for whatever reason.

Councillor Smith Moved to Amend Resolution No. 13-122 for the second "Whereas" beginning with the word "accept" delete the rest of that statement so it would read "Whereas, currently the State of New Mexico has a minimum wage of $7.50 per hour for all employees" and Councillor Small Seconded the motion.

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Mayor Miyagishima called for the roll on the Motion to Amend Resolution No. 13-122 for the second "Whereas" beginning with the word "accept" delete the rest of that statement so it would read "Whereas, currently the State of New Mexico has a minimum wage of $7.50 per hour for all employees" and it was Approved. 6-1 Councillor Smith, Councillor Pedroza, Councillor Small, Councillor Sorg, Councillor Thomas and Mayor Miyagishima voted Aye. Councillor Silva voted Nay.

Councillor Smith Moved to Amend Resolution No. 13-122 to change the fifth "Whereas" to "Whereas, City officials believe that an increase in minimum wage is one way to enhance the quality of life of lower wage citizens while also stimulating the local economy and" so we are replacing "will" with "is one way to" and Councillor Small Seconded the motion.

Mayor Miyagishima called for the roll on the Motion to Amend Resolution No. 13-122 to change the fifth "Whereas" to "Whereas, City officials believe that an increase in minimum wage is one way to enhance the quality of life of lower wage citizens while also stimulating the local economy and" so we are replacing "will" with "is one way to" and it was Approved. 5-2 Councillor Smith, Councillor Pedroza, Councillor Small, Councillor Sorg and Councillor Thomas voted Aye. Mayor Miyagishima and Councillor Silva voted Nay.

Councillor Smith Moved to Amend Resolution No. 13-122 to change the sixth "Whereas" to "Whereas the City is supportive of legislative efforts" instead of "measures" "to address the question of a living wage at the highest level of government possible" so we're replacing "measures" with "efforts" and we're replacing "minimum" with " question of a living wage" and then after the word "wage" we're taking out the word "question" and Councillor Thomas Seconded the motion.

Mayor Miyagishima called for the roll on the Motion to Amend Resolution No. 13-122 to change the sixth "Whereas" to "Whereas the City is supportive of legislative efforts" instead of "measures" "to address the question of a living wage at the highest level of government possible" so we're replacing "measures" with "efforts" and we're replacing "minimum" with " question of a living wage" and then after the word "wage" we're taking out the word "question" and it was Approved. 4-3 Councillor Smith, Councillor Pedroza, Councillor Small, and Councillor Thomas voted Aye. Mayor Miyagishima, Councillor Sorg and Councillor Silva voted Nay.

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Councillor Smith Moved to Amend Resolution No. 13-122 to change the first roman numeral one to state "that the City Council supports" and instead of saying an "increase in minimum wage" saying "these efforts to obtain a living wage"and Councillor Small Seconded the motion.

Mayor Miyagishima called for the roll on the Motion to Amend Resolution No. 13-122 change the first roman numeral one to state "that the City Council supports" and instead of saying an "increase in minimum wage" saying "these efforts to obtain a living wage" and it was Approved. 5-2 Councillor Smith, Councillor Pedroza, Councillor Small, Councillor Sorg and Councillor Thomas voted Aye. Mayor Miyagishima and Councillor Silva voted Nay.

Mayor Miyagishima called for the roll on the Motion to Approve Resolution No. 13-122 as Amended and it was Approved. 5-2 Councillor Smith, Councillor Pedroza, Councillor Small, Councillor Sorg and Councillor Thomas voted Aye. Mayor Miyagishima and Councillor Silva voted Nay.

Meeting Adjourned at 5:58 p.m.