Stinnett, Chair
Moloney, Vice Chair
Kay
Lamb
Farmer
Scutchfield
Brown
Mossotti
Bledsoe
Lane

A G E N D A
Budget, Finance & Economic Development Committee
June 23, 2015
1:00 P.M.

1. **March 17, 2015 Committee Summary** (1-4)

3. **Monthly Financial Reports** (5-24)

2. **Local Minimum Wage Ordinance -** Mossotti (25-75)

3. **Items Referred** (76)

"The Budget, Finance and Economic Development Committee, to which shall be referred matters relating to the Department of Finance and Administration and the Office of Economic Development respectively, including but not limited to accounting; budgeting; purchasing; revenue; the urban county courts and constitutional officers; fiscal operations of the government; revenues and expenditures of the government and organization changes which affect the fiscal operations of the government (consideration limited to operational aspects only). Additionally, this committee shall review the final audit report and management letter of the accounting firm recommended by the Mayor and selected by the council to conduct the annual financial audit of the Urban County Government and shall report its findings concerning the same to the Mayor and council for appropriate action."

Council Rules & Procedures, Section 2.102 (1) Effective January 1, 2015. Adopted by the Urban County Council September 25, 2014.

2015 Meeting Schedule

January 27	June 23
February 24	August 25
March 17	September 22
April 28	October 27
May 26	December 1

Budget, Finance, and Economic Development Committee

March 17, 2015

Summary and Motions

Vice-Mayor Kay called the meeting to order at 1:00 p.m. All committee members were present: Bledsoe, Brown, Kay, Lane, Moloney, Mossotti, Stinnett, Ford, Scutchfield, Farmer, and Evans. Council Members Akers and Gibbs were also in attendance.

1. **February 24, 2015 Committee Summary**

   Stinnett stated the agenda items are out of order as printed, and Council will hear the Wellness Center Update third.

   Kay commented on the last paragraph on the first page of the February 24, 2015 summary. Stinnett stated they would check the recording and also with Ms. Greathouse to ensure the accuracy of the information before reporting out to Council.

A motion was made by Farmer to approve Summary: February 24, 2015 Budget, Finance & Economic Development Committee, seconded by Lane. Motion passed without dissent.

2. **Monthly Financial Report**

   Bill O'Mara, Commissioner of Finance, gave a presentation of the monthly financial report.

   Rusty Cook, Director of Revenue, gave a presentation of the major revenues. Moloney inquired if the franchise fees are down because of the mild winter. Cook replied they are actually up, year over year, $1.5 million due to electric rate increases that took effect at the beginning of 2014.

   Melissa Leuker, Budget Director, gave a presentation of other revenues. Stinnett inquired about the payment for audits of the Sherriff and the County Clerk and Leuker replied the amount for the County Clerk is $700,000 and the Sherriff's audit is approximately $200,000. Brown inquired about the $914,000 deficit in the Intergovernmental line item in the Cash Flow Variance Revenue chart. Leuker stated this was a comparison of the prior year to the current year, and that she could find out the increase from last year is and report back to Council.

   In response to a question from Brown, Leuker stated the Mayor's Proposed Budget will show actuals through to February 2015. In response to Moloney, Leuker stated the positive variance is $15 million at the end of February.

3. **Wellness Center Update**

   Jennifer Wuorenmaa, Administrative Officer, gave a presentation of the Comprehensive Wellness Center update. She stated that an RFP committee reviewed 2 proposals for a comprehensive wellness fitness center for employees. Wuorenmaa stated that the committee rejected both proposals based on price and the potential for a new Government Center. She

stated that she would be willing to work with both Marathon and the YMCA on employee wellness issues.

4. Local Minimum Wage Ordinance

Mossotti gave a brief introduction and stated her desire to raise the local minimum wage. Mossotti introduced Jason Bailey, Director of the Kentucky Center for Economic Policy. Bailey gave a brief overview of the research presented to Council.

A motion was made by Kay to extend the time for the Minimum Wage presentation, seconded by Lane. Motion passed without dissent.

Moloney inquired about the impact for low wage earners In Fayette County who may be displaced by workers from out of town with more experience and the ability to commute for work, stating he did not want to create more competition for entry level jobs. Bailey stated currently that half of the workers in Fayette County don't live in Fayette, and there is already a competitive labor market. Bailey gave examples from studies of counties whose neighbors have passed a minimum wage increase and the impact to those counties, stating there were no statistically significant instances of a decrease in the number of available jobs, and acknowledged there are not yet many studies that have looked at this.

Bailey further stated there would likely be small price increases as a result, especially in the restaurant industry, and there is not strong evidence that an increase, particularly of this size, would harm any substantial number of workers, but that there is substantial evidence that a number of workers would benefit.

Lane stated his concern, explaining that the unemployment rate in Fayette Co. is 3.8%, whereas 4%-5% is considered full employment, making Fayette County close to a full employment economy. Lane commented that the study mentions 150,000 employees, but the latest data lists 184,700 people as employed in Fayette County. Bailey stated that the American Community Survey data is from 2013 and looks at the number of workers rather than the number of jobs. Bailey informed that the data was trimmed for a margin of error, including only looking at workers aged 16-64.

Bailey added that as we move towards lower employment, wages are driven up, stating this trend can be seen nationally. Bailey added that unemployment data presents a more positive view of unemployment than the reality, stating that a number of workers, who are called "missing workers", drop out of the labor market during economic downturn and are not included in the unemployment number.

Lane referenced the number of college students in Fayette County, stating 82% of the people in the data have a degree, which could indicate that these workers are supplementing their incomes and that 75% of the households have no children, which could also indicate student or retired workers, in addition to the nearly 50-50 split of full-time and part-time employees, which would also point toward students. Lane feels

that the best way to improve the wage is to let the free market guide those changes and that Council Members should not be making decisions for all of Fayette County's businesses about what their wages should be. Lane further cautioned against possible unintentional consequences and referenced calls he has received from local business owners.

Stinnett inquired about Bailey's claim that research indicates there is no impact on employment and questioned what research this was drawn from, calling to mind other studies and economists who have concluded that there is an impact on employment when the minimum wage is increased. Bailey responded they did not do any original research and that the impact is small compared to the number of people who benefited. He stated the research he looked at showed there would be around 500,000 fewer jobs, but that 24 million workers would get a raise. Bailey cited another study which looked at 64 other studies and 1,500 estimates of impact, which found 0 or near 0 employment effects, in addition to a statement signed by 100 economists including 7 Nobel prize winners, and 8 former presidents of the American Economic Association that says "the weight of evidence now shows that increases have had little to no negative effect on employment even during times of weakness in the labor market." Bailey stated that the small number of studies of local increases suggest a small to zero effect with a number of people who would benefit.

Stinnett inquired if they had looked at the impact of the Affordable Care Act, noting the impact it has had on wages. Stinnett noted that next year penalties for employers with 50-100 employees will take effect. Bailey stated that they did not. Stinnett inquired about the methods they used to gather their data. Bailey stated these are descriptive statistics using the US Census Bureau's America Community Survey, which is self-reported. Stinnett asked what their estimate of total employees currently making minimum wage, to which Bailey replied they did not have an exact number, but they know 31,300 workers report making less than $10.10 an hour. Bailey estimates there are between 3,000-6,000 full and part-time workers who make minimum wage in Fayette County.

Moloney reiterated his previous concerns, and stated it is very important to not harm the lowest wage earners in the city. Bailey commented that he cannot be certain how many people could lose out on unemployment to job candidates from neighboring counties. Bailey stated this kind of competition already exists and there is no way to predict the impact. Bailey continued, stating very low income people are less able to apply for and compete for jobs when the wages are too low, due to the cost of transportation, child care, and other barriers. Moloney stated that in Lexington we have many great social services including the Chrysalis House, Hope Center and other non-profits who help put people to work and he does not want to see their efforts undone.

Stinnett opened the floor for Public Comment. There was not enough time in the meeting to hear all members of the public who were signed up to speak.

<u>A motion by Farmer to approve continuing the discussion of the Local Minimum Wage Ordinance at the next Budget, Finance & Economic Development meeting, in June, seconded by</u>

Ed Lane. The motion passed with a 9 - 1 vote (Aye: Bledsoe, Brown, Kay, Lane, Moloney, Stinnett, Ford, Scutchfield, Farmer Nay: Mossotti)

A motion was made by Brown to remove the Local Minimum Wage Ordinance from the Budget, Finance and Economic Development Committee agenda. The motion failed for lack of a second.

5. Items Referred

A motion was made by Lane to remove the Wellness Center & Lease item from Committee, seconded by Kay. The motion passed without dissent.

A motion was made by Scutchfield to adjourn seconded by Moloney. The motion passed without dissent.

The meeting was adjourned at 3:00 p.m.

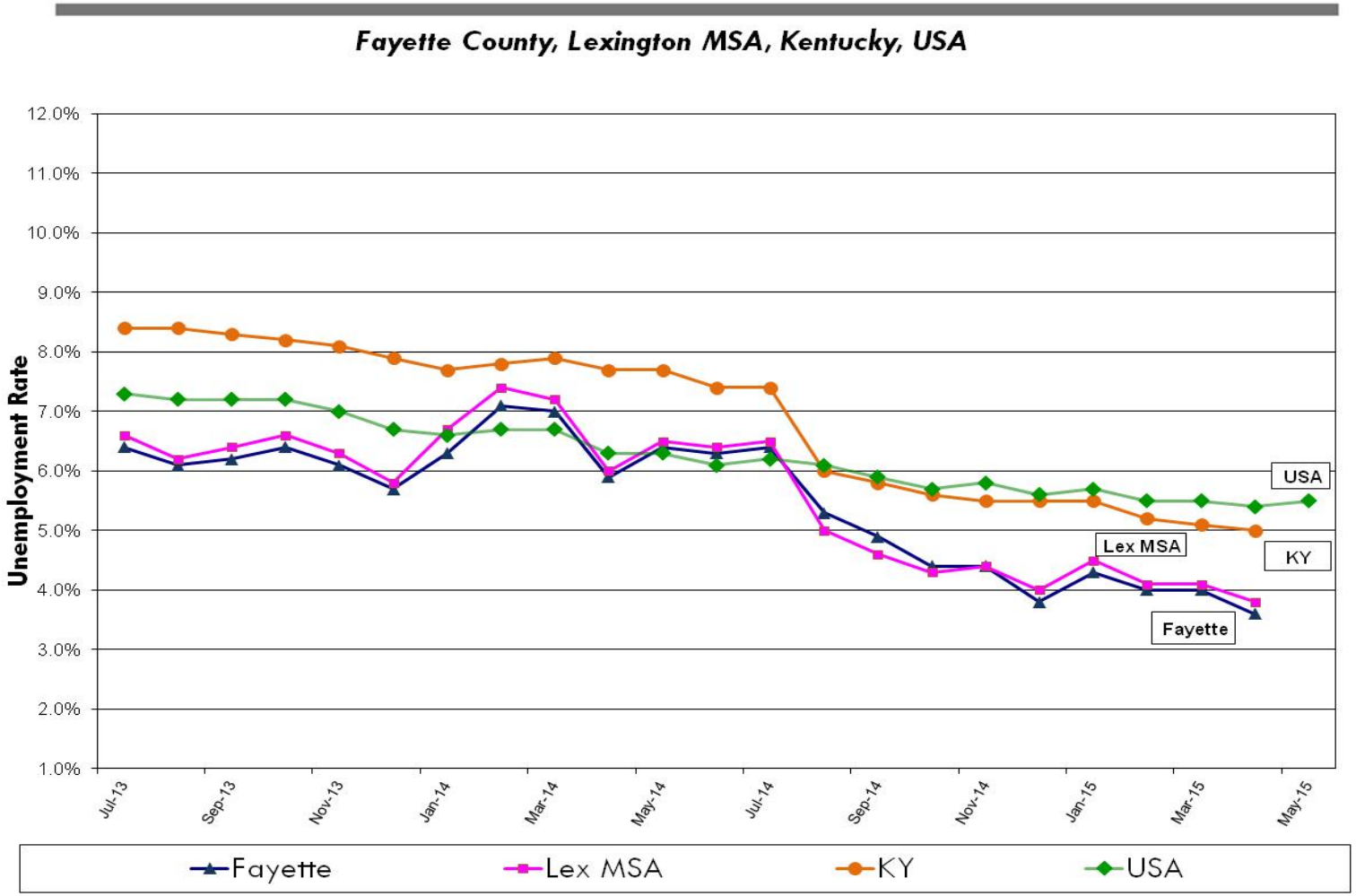
DS 3-24-2015

Budget, Finance & Economic Development Committee

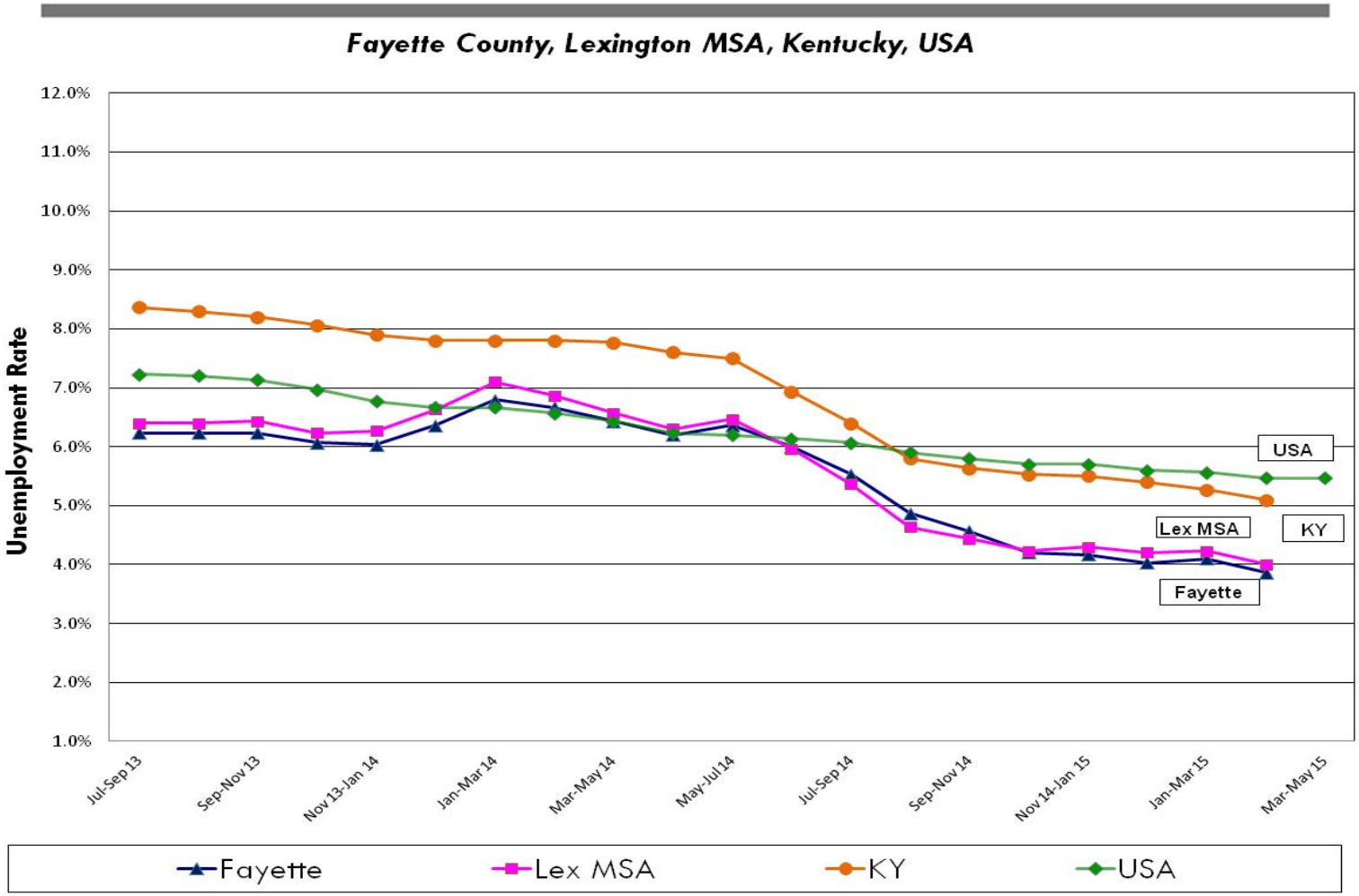
Financial Update

June 23, 2015

Comparative Unemployment Rates



Comparative Unemployment Rates
Three Month Moving Average



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Comparison of Economic Indicators 2014 / 2015

Comparison of Economic Indicators

Economic Indicators		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fayette County Unemployment Rate	2013	6.9%	7.0%	6.6%	5.9%	6.4%	7.1%	6.4%	6.1%	6.2%	6.4%	6.1%	5.7%
	2014	6.3%	7.1%	7.0%	5.9%	6.4%	6.3%	6.4%	5.3%	4.9%	4.4%	4.4%	3.8%
	2015	4.3%	4.0%	4.0%	3.6%	N/A							
Quarterly Fayette County Employment	2013	-	-	178,300	-	-	180,300	-	-	182,600	-	-	189,300
	2014	-	-	180,000	-	-	184,700	-	-	184,800	-	-	N/A
	2015	-	-	N/A	-	-	N/A	-	-	N/A	-	-	
Fayette County Permits Issued	2013	1,169	955	1,131	1,299	1,781	1,490	1,692	1,411	1,201	1,294	1,163	1,359
	2014	1,157	999	931	1,461	1,815	1,660	1,696	1,529	1,399	1,605	1,058	1,112
	2015	1,134	1,858	1,019	1,108	1,431	-	-	-	-	-	-	-
Fayette County New Business Business Licenses	2013	218	258	339	634	456	222	152	218	183	285	195	164
	2014	244	280	366	807	279	187	194	213	219	242	158	137
	2015	197	224	330	749	362	-	-	-	-	-	-	-
Home Sales (MSA)	2013	511	541	758	809	984	956	1,075	1,009	829	790	725	618
	2014	524	517	693	787	997	1,069	1,006	1,021	854	860	681	794
	2015	571	651	884	963	1,140	-	-	-	-	-	-	
Fayette County Foreclosures	2013	79	44	46	42	38	54	89	52	41	47	39	45
	2014	31	40	34	53	16	53	35	25	46	25	42	25
	2015	33	20	36	24	18	-	-	-	-	-	-	-

N/A indicates information not available.

BLS Releases Date for Fayette Co. Quarterly Employment - 6 months after quarter end

May 2015 MTD
Actual Compared to Adopted Budget

May 2015 Monthly Actual Compared to Adopted Budget

Revenue Category	Actual	Budget	Variance	%Var
OLT- Employee Withholding	20,626,445	19,590,115	1,036,330	5.3%
OLT - Net Profit	1,646,122	1,523,726	122,396	8.0%
Insurance	5,399,089	2,740,336	2,658,753	97.0%
Franchise Fees	2,039,965	2,078,718	(38,753)	-1.9%
TOTALS	29,711,622	25,932,895	3,778,727	14.6%

May 2015 YTD
Actual Compared to Adopted Budget

May YTD Actual Compared to Adopted YTD Budget

Revenue Category	Actual	Budget	Variance	%Var
OLT- Employee Withholding	158,659,064	160,167,663	(1,508,599)	-0.9%
OLT - Net Profit	32,988,242	32,102,204	886,038	2.8%
Insurance	27,639,447	26,665,501	973,946	3.7%
Franchise Fees	22,121,473	20,037,936	2,083,537	10.4%
TOTALS	241,408,225	238,973,304	2,434,921	1.0%

May 2015 YTD/May 2014 YTD
Current Year Compared to Prior Year

	Actual YTD Compared to Actual Prior YTD			
Revenue Category	**May '15 YTD**	**May '14 YTD**	**Variance**	**%Var**
OLT- Employee Withholding	158,659,064	152,661,519	5,997,545	3.9%
OLT - Net Profit	32,988,242	29,579,956	3,408,286	11.5%
Insurance	27,639,447	26,178,985	1,460,461	5.6%
Franchise Fees	22,121,473	20,727,515	1,393,958	6.7%
TOTALS	241,408,225	229,147,975	12,260,250	5.4%

FY 2015 Code Enforcement Nuisance Abatement/Lien Collections

Code Enforcement Lien Collections

Month	Administrative Collection Fees		Miscellaneous		Penalty & Interest		Total Collections	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
July	1,601	1,875	1,690	1,366	29,846	35,459	33,137	38,700
August	877	1,950	1,432	1,489	48,014	53,878	50,323	57,317
September	1,275	1,475	993	1,568	29,689	57,003	31,957	60,046
October	1,275	1,575	1,040	1,305	22,962	38,168	25,277	41,048
November	825	525	1,198	572	15,340	7,892	17,363	8,989
December	525	975	2,157	884	44,938	25,904	47,620	27,763
January	450	701	351	1,014	10,678	34,699	11,479	36,414
February	1,451	375	936	468	20,104	18,881	22,491	19,724
March	450	326	1,092	828	27,280	19,402	28,822	20,556
April	450	525	1,504	515	38,744	15,124	40,698	16,164
May	825	450	1,612	2,632	41,773	57,624	44,210	60,706
Totals	10,004	10,752	14,005	12,641	329,367	364,034	353,376	387,427

2015 Fiscal Year - Cash Flow Variance Revenue (Actual to Budget)

For the eleven months ended May 31, 2015			
	ACTUAL	BUDGET	Variance
Revenue			
Payroll Withholding	$158,659,064	$160,167,663	($1,508,599)
Net Profit	32,988,242	32,102,204	886,038
Insurance	27,639,447	26,665,501	973,946
Franchise Fees	22,121,473	20,037,936	2,083,537
Other Licenses & Permits	4,435,120	3,848,353	586,766
Ad Valorem	21,546,318	21,317,117	229,202
Services	20,157,545	20,632,525	(474,980)
Fines and Forfeitures	206,615	198,518	8,097
Property Sale	224,979	45,000	179,979
Intergovernmental	415,531	573,689	(158,157)
Investment Income	1,649,332	256,667	1,392,665
Other Financing Sources	200,883	150,000	50,883
Other Income	3,154,034	1,826,842	1,327,192
Total Revenue	**$293,398,582**	**$287,822,014**	**$5,576,567**

2015 Fiscal Year - Cash Flow Variance Expense (Actual to Budget)

For the eleven months ended May 31, 2015			
	ACTUAL	BUDGET	Variance
Expenses			
Personnel	($167,447,747)	($175,185,251)	$7,737,504
Operating	(34,997,168)	(42,716,661)	7,719,493
Debt Service	(30,261,961)	(30,469,829)	207,867
Partner Agencies	(17,716,364)	(17,436,097)	(280,267)
Insurance - Expense	(1,138,197)	(1,138,197)	1
Operating Capital Expenditures	(833,127)	(426,900)	(406,227)
Total Expenses	**(252,394,564)**	**(267,372,935)**	**14,978,371**
Interfund Transfers			
Transfers	(3,674,430)	(2,254,853)	(1,419,576)
Change in Net Position	**$37,329,588**	**$18,194,226**	**$19,135,363**
	Year-End Reallocation		(10,636,400)
		Variance	**$8,498,963**

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2015 Fiscal Year - Cash Flow Variance Revenue (CY to PY)

	May 2015	May 2014	Variance
Revenue			
Payroll Withholding	$158,659,064	$152,661,519	$5,997,545
Net Profit	32,988,242	29,579,956	3,408,286
Insurance	27,639,447	26,178,985	1,460,461
Franchise Fees	22,121,473	20,727,515	1,393,958
Other Licenses & Permits	4,435,120	4,282,383	152,737
Ad Valorem	21,546,318	21,296,357	249,961
Services	20,157,545	20,909,507	(751,962)
Fines and Forfeitures	206,615	245,564	(38,949)
Property Sale	224,979	50,147	174,831
Intergovernmental	415,531	1,311,780	(896,249)
Investment Income	1,649,332	432,605	1,216,727
Other Financing Sources	200,883	150,000	50,883
Other Income	3,154,034	2,324,391	829,642
Total Revenue	**$293,398,582**	**$280,150,711**	**$13,247,871**

2015 Fiscal Year - Cash Flow Variance Expense (CY to PY)

	May-2015	May-2014	Variance
Expenses			
Personnel	($167,447,747)	($162,206,268)	($5,241,480)
Operating	(34,997,168)	(32,220,470)	(2,776,698)
Debt Service	(30,261,961)	(32,865,174)	2,603,212
Partner Agencies	(17,716,364)	(16,594,304)	(1,122,060)
Insurance - Expense	(1,138,197)	(1,128,508)	(9,689)
Operating Capital Expenditures	(833,127)	(1,030,517)	197,391
Total Expenses	**(252,394,564)**	**(246,045,240)**	**(6,349,324)**
Interfund Transfers			
Transfers	(3,674,430)	(20,018,208)	16,343,778
Change in Net Position	**$37,329,588**	**$14,087,262**	**$23,242,326**

- Questions ?

Fund 4002 Sanitary Sewers Operating Fund

Revenue & Expenditures Statement

Year to Date Through May 31, 2015

Title	Original Budget	Amended Budget	YTD Through 5/31/2015	Remaining Budget	Percent Collected/Used
Revenues:					
Charges for Services	48,800,000	48,800,000	45,224,770	3,575,230	92.7%
Fines and Forteitures	5,000	5,000	27,745	-22,745	554.9%
Intergovernmental Revenue	494,430	494,430		494,430	0.0%
Property Sales	36,000	36,000	48,500	-12,500	134.7%
Investment Income (non-op)	200,000	200,000	-571,860	771,860	-285.9%
Other Income	20,000	20,000	749,150	-729,150	3745.8%
Total Revenue	49,555,430	49,555,430	45,478,305	4,077,125	91.8%
Expenses:					
Personnel	11,623,580	11,629,750	9,216,203	2,413,547	79.2%
Operating Expenses	23,381,640	23,605,898	14,464,024	9,141,874	61.3%
Transfers Out		6,230	6,230	0	100.0%
Capital	5,150,670	6,715,894	2,077,399	4,638,495	30.9%
Total Expenditures	40,155,890	41,957,772	25,763,856	16,193,916	61.4%
Net Difference	9,399,540	7,597,658	19,714,449		
FY Available Fund Balance	0	0			
	9,399,540	7,597,658			

FUNDS 4002-4004:

Unrestricted Fund Balance 6.30.14 $0 M

Capital Reserves $42 M

Fund 4003 Sanitary Sewers Construction Fund

Revenue & Expenditures Statement

Year to Date Through May 31, 2015

Title	Original Budget	* Amended Budget	YTD Through 5/31/2015	Remaining Budget	Percent Collected/Used
Revenues:					
Charges for Services			331,247		0.0%
Intergovernmental Revenue			8,653,129		0.0%
Other Financing Sources	37,272,940	76,675,850	39,158,207	37,517,643	51.1%
Other Income			244,703	244,703	0.0%
Total Revenue	37,272,940	76,675,850	48,387,286	37,762,346	63.1%
Expenses:					
Operating Expenses	1,100,000	53,271,928	46,168,463	7,103,465	86.7%
Transfers		-5,280	-6,230	950	0.0%
Capital	32,077,650	87,934,619	20,374,884	67,559,735	23.2%
Bond Refunding		137,260	137,260	0	100.0%
Total Expenditures	33,177,650	141,338,527	66,674,377	74,664,150	47.2%
Net Difference	4,095,290	-64,662,677	-18,287,091		
FY Available Fund Balance	0	0			
	4,095,290	-64,662,677			

FUNDS 4002-4004:

Capital Reserves **$42 M**

* Review of the amended budget in process to align to current program & construction schedule

Fund 4051 Water Quality Operating Fund

Revenue & Expenditures Statement

Year to Date Through May 31, 2015

Title	Original Budget	Amended Budget	YTD Through 5/31/2015	Remaining Budget	Percent Collected/Used
Revenues:					
Charges for Services	13,081,250	13,081,250	12,174,149	907,101	93.1%
Fines and Forteitures	10,000	10,000	9,335	665	93.4%
Investment Income (non-op)	20,000	20,000	8,063	11,937	40.3%
Other Income			2,133	2,133	0.0%
Total Revenue	13,111,250	13,111,250	12,193,680	921,836	93.0%
Expenses:					
Personnel	4,457,060	4,463,160	3,544,992	918,168	79.4%
Operating Expenses	4,779,760	5,603,719	2,420,936	3,182,783	43.2%
Capital	782,670	686,361	9,485	676,876	1.4%
Total Expenditures	10,019,490	10,753,240	5,975,413	4,777,827	55.6%
Net Difference	3,091,760	2,358,010	6,218,267		
FY Available Fund Balance	0	0			
	3,091,760	2,358,010			
Unrestricted Fund Balance					
6.30.14	**8.7 M**				

Fund 4052 Water Quality Construction Fund

Revenue & Expenditures Statement

Year to Date Through May 31, 2015

Title	Original Budget	* Amended Budget	YTD Through 5/31/2015	Remaining Budget	Percent Collected/Used
Revenues:					
Intergovernmental Revenue			479,480		
Total Revenue	0	0	479,480	0	0.0%
Expenses:					
Operating Expenses	2,631,000	6,900,400	1,010,831	5,889,569	14.6%
Capital	1,700,000	3,949,092	720,105	3,228,987	18.2%
Total Expenditures	4,331,000	10,849,492	1,730,936	9,118,556	16.0%
Net Difference	-4,331,000	-10,849,492	-1,251,456		
FY Available Fund Balance	0	0			
	-4,331,000	-10,849,492			
Unrestricted Fund Balance					
6.30.14	**8.7 M**				

* Review of annual amended budget in process to align to current program & construction schedule

Fund 4121 Landfill Operating Fund

Revenue & Expenditures Statement

Year to Date Through May 31, 2015

Title	Original Budget	Amended Budget	YTD Through 5/31/2015	Remaining Budget	Percent Collected/Used
Revenues:					
Charges for Services	6,783,600	6,783,600	6,385,463	398,137	94.1%
Investment Income (non-op)			3,649	3,649	0.0%
Other Income	200,000	200,000	150,000	50,000	75.0%
Total Revenue	6,983,600	6,983,600	6,539,112	451,786	93.6%
Expenses:					
Personnel	700,560	700,560	568,441	132,119	81.1%
Operating Expenses	4,602,950	4,625,429	2,845,553	1,779,876	61.5%
Transfers	200,000	203,170	153,170	50,000	75.4%
Capital	390,000	512,618	101,832	410,786	19.9%
Total Expenditures	5,893,510	6,041,777	3,668,996	2,372,781	60.7%
Net Difference	1,090,090	941,823	2,870,116		
FY Available Fund Balance	0	0			
	1,090,090	941,823			
Unrestricted Fund Balance					
6.30.14	**16.2 M**				

Fund 4122 Landfill Construction Fund

Revenue & Expenditures Statement

Year to Date Through May 31, 2015

Title	Original Budget	Amended Budget	YTD Through 5/31/2015	Remaining Budget	Percent Collected/Used
Revenues:					
Transfers In		3,170	3,170		100.0%
Total Revenue	0	3,170	3,170	0	100.0%
Expenses:					
Operating Expenses		12,566		12,566	0.0%
Total Expenditures	0	12,566	0	12,566	0.0%
Net Difference	0	-9,396	3,170		
FY Available Fund Balance	0	0			
	0	-9,396			
Unrestricted Fund Balance					
6.30.14	**16.2 M**				

Fund 1115 Urban Svc Operating Fund

Revenue & Expenditures Statement

Year to Date Through May 31, 2015

Title	Original Budget	Amended Budget	YTD Through 5/31/2015	Remaining Budget	Percent Collected/Used
Revenues:					
Licences and Permits	1,400,000	1,400,000	1,425,690	-25,690	101.8%
Taxes	33,418,000	33,332,000	33,364,925	-32,925	100.1%
Charges for Services	1,915,900	1,915,900	1,833,304	82,596	95.7%
Fines and Forteitures	3,000	3,000	723	2,277	24.1%
Intergovernmental Revenue	70,620	70,620	57,929	12,691	82.0%
Property Sales	165,000	165,000	133,804	31,196	81.1%
Investment Income (non-op)	40,000	40,000	377,482	-337,482	943.7%
Other Income	107,000	107,000	81,260	25,740	75.9%
Total Revenue	37,119,520	37,033,520	37,275,117	-241,597	100.7%
Expenses:					
Personnel	15,045,220	14,976,056	11,971,140	3,004,916	79.9%
Operating Expenses	22,658,560	23,108,399	17,488,112	5,620,287	75.7%
Transfers Out	-2,329,120	-2,326,190	-2,326,190	0	0.0%
Capital	7,724,540	8,963,615	3,236,110	5,727,505	36.1%
Total Expenditures	43,099,200	44,721,880	30,369,172	14,352,708	67.9%
Net Difference	-5,979,680	-7,688,360	6,905,945		
FY Available Fund Balance	22,500,000	22,500,000			
	16,520,320	14,811,640			

FUND 1115:

Restricted for Urb Svc **$29.9M**

The Minimum Wage and Lexington's Working Poor: Low Hours or Low Wages?

By

Kenneth R. Troske

Introduction

- A number of states and local communities have recently raised their minimum wage
- LFUCG is considering adopting a local minimum wage
- The argument is made that raising the minimum wage is a way to help “working poor.”

Introduction

- Want to compare the impact of raising the minimum wage on low wage workers and workers in poor households
  - How much does this policy help poor workers?
- Also consider alternatives to the minimum wage that would provide better assistance to the working.

Analysis

- Use data to look at the impact of raising the minimum wage from $7.25 to $10.10 an hour.
- Low wage workers are workers who earn less than $10.10/hour.
- Poor workers are workers who live in families below the poverty line.

Summary Statistics for Adults in Fayette County, 2013

	All non-elderly adults	All workers	Workers Under $10.10	All Poor Workers (Using 2013 Census Poverty Definition)
Weighted Sample (Fayette Co.)	204,027	151,873	43,328	18,656
Individual Demographics				
Age in years	38.4	37.6	29.9	28.5
Age 16 to 19	7.00%	5.50%	14.80%	7.00%
Age 20 to 29	25.40%	28.00%	50.10%	61.90%
Age 30 to 39	23.10%	24.80%	12.90%	15.80%
Age 40 to 49	17.70%	18.60%	11.80%	6.30%
Age 50 to 59	19.10%	17.40%	7.50%	6.50%
Age 60 to 64	7.70%	5.60%	2.90%	2.50%
Married	45.20%	44.70%	21.40%	10.70%
Male	49.60%	50.90%	50.00%	41.30%
No High School Diploma/GED	12.10%	7.90%	15.70%	11.90%
Enrolled in School	20.80%	19.70%	36.30%	51.30%
White	77.00%	76.30%	69.00%	73.70%
African-American	14.40%	14.90%	19.70%	16.80%

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Source: Author's tabulation of 2013 American Community Survey

Summary Statistics for Adults in Fayette County, 2013

	All workers	Workers Under $10.10	All Poor Workers (Using 2013 Census Poverty Definition)
Individual Work Behavior			
Annual hours worked	1746.93	1500.64	963.86
Usual work hours per week	38	34.1	28.5
Weeks worked in 2011	44.6	42.5	34
Hourly wage rate	$22.76	$8.11	$13.79

Source: Author's tabulation of 2013 American Community Survey

Summary Statistics for Adults in Fayette County, 2013

	All workers	Workers Under $10.10	All Poor Workers (Using 2013 Census Poverty Definition)
Family Characteristics			
Family Total Income	$71,532.02	$34,604.32	$8,520.76
Number of family members	2.4	2.1	1.6
Number of children living at home	0.63	0.36	0.5
Number of children living at home (less than 5 years old)	0.15	0.07	0.16
0-100% of Poverty	12.70%	33.50%	100%
How Worker Fits Into Household			
One worker (single or married) with kids	8.30%	8.40%	20.80%
Living with Parent or Relative	11.30%	19.60%	3.00%
Two workers in married couple with or without kids	34.30%	13.00%	4.80%
One worker (single or married) without kids	26.30%	24.10%	32.00%
Non-Relative in household	15.70%	33.30%	39.40%

Source: Author's tabulation of 2013 American Community Survey

Characteristics of Workers

- Know from previous work that minimum wage workers tend to be young, either still in school or just out of school and just staring their career.
  - Over 60% of minimum wage workers earn the minimum wage for less than a year.
- Minimum wage workers in Lexington appear to be quite similar to typical minimum wage worker in the country.

Characteristics of Workers

- The fact that *poor* workers look so much different than *low wage* workers means that raising the minimum wage will have little impact on *poor* workers.
- Poor workers earn $13.79/hour on average.
  - They are poor because they work few hours, not because they earn low wages
  - Poor workers face significant barriers to employment—child care costs, little education, disabilities
  - Increasing the minimum wage provides little help in overcoming these barriers.

Effect of Increase in the Minimum Wage

- Substantial evidence showing increasing the minimum wage cause some people lose their jobs.
- Estimates suggest that a 10% increase in the minimum wage will lead to a fall in employment of between 0.75% to 3%.
  - CBO (2014); Neumark and Washer (2014), Yelowitz (2012), Baskaya and Rubenstein (2012), Aaronson, French and Sorkin (2013), Meer and West (2015)
  - Conservative estimate for state or local minimum wage is around 2%.

Estimate of Job Loss from Raising Minimum wage to $10.10

Elasticity	Job Loss	Low Wage Workers	% of Low Wage Workers
-0.075	850	43,328	1.96%
-0.1	1,132	43,328	2.61%
-0.2	2,274	43,328	5.25%
-0.3	3.405	43,328	7.86%

Source: Author's tabulation of 2013 American Community Survey

Effect of Increase in the Minimum Wage

- Increasing the minimum wage to $10.10 an hour with a 2% fall in employment:
  - Using information on hours worked per year and average hourly wages for low wage workers we can calculate the annual cost of raising the minimum wage to $10.10/hour
    - Increase in wages due to workers who keep their jobs: $117.5M
    - Decrease due to workers losing their job: $25M
    - Overall Increase: $92M
  - $92M represents the tax necessary to raise the minimum wage

Impact of Policies on Poverty Rate (Elasticity =-0.20)

	All Individuals	Individuals in Families with low wage worker	Individuals in poor families
Baseline Poverty Rate	17.40%	26.40%	100%
Raise Minimum Wage to $10.10 with hours reduction	16.20%	22.20%	92.50%
Full time, full-year work for non-elderly adults	13.40%	11.60%	76.40%
Population	290,579	76,415	50,436

Source: Author's tabulation of 2013 American Community Survey

Effect of Increase in the Minimum Wage

- Increase in minimum wage is financed by increases in prices of goods produced by low wage workers (MaCurdy, 2015).
  - These goods are predominately consumed by individuals in poor households
  - Minimum wage is financed by a regressive tax on low income households
- Primary Impact on Small Businesses
  - Not Wal-Mart or Home Depot

Summary of Results

- A $10.10/hour minimum wage in Lexington will cause 5.25% of low wage workers to lose their job
- Helps some workers hurts other workers
- An increase in the minimum wage will have a small impact on poverty
  - Because of the effect of the tax and loss of benefits, small impact on financial well-being of workers.

Recommendations

- Instead of raising the minimum wage in the county, Lexington could consider adopting a local EITC or at least waive the local occupation tax.
  - EITC would have a much larger impact on poverty
- Could also adopt programs to improve education or job training in the county

Recommendations

- Economists feel it is bad idea to make policy by trying to manipulate prices
  - Always leads to significant distortions and involves significant costs
  - Seldom helps the group you are trying to help
- Always better to have the government either tax or transfer resources directly
  - Much better government

Recommendations

- Poor Lexingtonians are poor because they have few skills, very little education and often face significant barriers to employment.
- Raising the minimum wage does not address these fundamental problems.

Recommendations

- If we are truly interested in helping poor workers, we should spend our efforts addressing the lack of education and training, not trying to fight the fact that people with few skills receive low wages.
- What are we trying to accomplish?

THANK YOU

February 3, 2015

Dear Council Colleagues,

As Lexington legislators, I feel it is incumbent upon us in 2015 to explore, discuss, and debate the idea of raising the minimum wage in Fayette County—as part of our ongoing effort towards sustaining a livable community for all Lexington citizens.

According to the Kentucky Center for Economic Policy, not only has the current minimum wage lagged behind inflation, it has also failed to keep up with growth in the economy. Had the minimum wage grown along with productivity since 1968, its value today would be $18.30, which is 252.4 percent of the current $7.25 per hour.

Kentucky's minimum wage has been $7.25 since 2009. Increasing the minimum wage to $10.10 by 2016 would return it to approximately its inflation-adjusted 1968 peak according to the Kentucky Center for Economic Policy, and that would make the wage high enough for one full-time worker to keep a family of three out of poverty.

FYI: U.S. Census Bureau, 2009-2013 5-Year American Community Survey

- The U.S. Census indicates that Fayette County tracks closer with the national earnings breakdown.

Full-time, year around workers with earnings	Earnings in the past 12 months (in 2013 inflation-adjusted dollars)		
	United States	Kentucky	Fayette County
$1 to $14,999	6.00%	7.40%	6.80%
$15,000 to $24,999	14.30%	17.30%	15.50%
$25,000 to $49,999	37.20%	40.90%	36.60%
$50,000 to $74,999	20.90%	20.00%	20.60%
$75,000 or more	21.70%	14.50%	20.50%

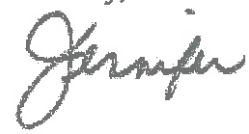
Source: Travis Lane, Director of Research, Commerce of Lexington

I believe that we must continue to work to ensure that we are helping full-time workers earning the least, pay for today's essentials like food, housing, transportation and child care... The basics of life.

Simply stated, putting more money in the pockets of regular everyday people who will then spend it, makes good economic sense.

In order to move forward and begin the review process, I will make a motion to place this item in the Budget & Finance Committee during Council Comment at this afternoon's Work Session.

Sincerely,



Jennifer Mossotti
Councilmember, 9th District

"I used to work at McDonald's making minimum wage. You know what that means when someone pays you minimum wage? You know what your boss was trying to say? "Hey if I could pay you less, I would, but it's against the law." — **Chris Rock**

KCEP
KENTUCKY CENTER for ECONOMIC POLICY

WWW.KYPOLICY.ORG KCEP | 433 CHESTNUT STREET | BEREA, KENTUCKY 40403 | 859-986-2373

March 10, 2015

Who Stands to Benefit from a Minimum Wage Increase in Lexington

By Jason Bailey

The Lexington-Fayette Urban County Council is considering a proposal to raise the local minimum wage. New Kentucky Center for Economic Policy (KCEP) analysis of Census data shows that an increase to $10.10 an hour would directly lift the wages of an estimated 20 percent of those who work in Lexington/Fayette County, or 31,300 workers. The minimum wage increase would provide relief from stagnant or declining wages for many workers on the bottom, and is supported by an extensive body of research suggesting little to no harm to employment.

Workers Benefitting Are Overwhelmingly Adults, and Most are Women and Full-Time Workers

The attached table provides a detailed breakdown of who would benefit from the proposed increase. Total potential beneficiaries include 41,000 workers, 31,300 who make less than $10.10 an hour and 9,700 who make slightly above the new minimum wage but could also see an increase as wage scales at the bottom are adjusted upward (see "Note on Methods" below).

Contrary to stereotypes, the workers who would benefit from the increase are overwhelmingly adults. Ninety percent of direct beneficiaries (those whose wages are currently below $10.10) are at least 20 years old. In fact, there are more workers over the age of 50 who would benefit (making up 14 percent of those directly affected) than there are teenagers.

Those who would benefit most commonly work in retail stores (19 percent of the total number of workers directly affected), restaurants and food services (19 percent), and health and educational services (7 percent each). Fifty-six percent of workers in hotels, motels and other accommodation services would benefit, and 50 percent of restaurant and food service workers. Fifty-four percent of those directly benefitting work full time (at least 35 hours a week), with the remainder working part time.

Fifty-seven percent of workers who would benefit directly are women. Seventy-three percent are white, and 15 percent African American. These workers have a range of education levels. Eighteen percent are not high school graduates, 33 percent have just a high school degree, 35 percent have some college and 15 percent have four years or more of college.

Seventy-six percent of workers with family incomes below the poverty line would benefit from the increase. Twenty-six percent of workers benefiting have a child in the household.

Workers' Wages Have Been Stagnant or Declining and Are Inadequate to Make Ends Meet

A substantial number of workers in Lexington stand to gain in part because wages for many have been stagnant or declining in recent years. Median annual earnings for workers living in Fayette County were only $25,359 in 2013, substantially less than they were in 2007 after adjusting for inflation.[1] Wage stagnation and decline has been going on for more than a decade in Kentucky and the nation as a whole. In fact, the late 1990s were the only period in the last 35 years in which Kentucky and U.S. workers saw real wage growth at the middle and the bottom of the wage distribution.[2]

The erosion in the value of the minimum wage is a big cause of this decline for workers at the bottom. The minimum wage has lost more than 25 percent of its value in inflation-adjusted terms from its peak in 1968. If it had kept up with average workers' wages over that time period, it would be $10.65 in 2013, and if it had kept up with the growth in productivity since then it would be $18.30.[3] According to a recent report, the erosion of the minimum wage since the 1970s explains about two-thirds of the growing gap between low- and middle-wage workers.[4]

The minimum wage is also inadequate relative to what it takes to meet families' basic needs. The Economic Policy Institute has produced estimates of the income needed in localities across the United States to provide a "secure yet modest" standard of living, meaning enough income to afford housing, food, child care, transportation, health care, other necessities and taxes. That study found that a family of four in Lexington with two parents and two children needed $62,982 in 2013, while a family with one parent and one child needed $43,368. But a full-time, year-round minimum wage worker makes only $15,080.[5]

Tipped workers also have difficulty making ends meet, in large part because the tipped minimum wage of $2.13 an hour has not been increased since 1991. While it was previously set at 50 percent of the regular minimum wage, it is now only 30 percent. Tipped workers are twice as likely to fall under the poverty line as all workers, and waiters are almost three times more likely. Because of their low wages, 46 percent of tipped workers and their families rely on public assistance to make ends meet.[6]

Because the federal government has not taken action to keep the minimum wage up to date, states and localities across the country are doing so. Twenty-nine states plus DC either have a higher minimum wage than the federal minimum of $7.25 or are phasing in a higher minimum wage; 14 cities and counties now have minimum wages higher than their state minimum; and 31 states plus DC have a higher tipped minimum than Kentucky's $2.13 (in eight of those states, the tipped minimum is equal to the regular minimum wage).[7]

Research Suggests that Minimum Wage Increases Have Little to No Harmful Effect on Employment

Claims that increases in the minimum wage will eliminate a large number of jobs are not supported by the substantial body of research on this question. The minimum wage is one of the most extensively-studied topics in economics, and the conclusion of a vast body of evidence is that modest increases have little to no effect on employment.

This research can be summarized as follows:

- An analysis of 64 minimum wage studies containing 1,500 estimates of the impact of minimum wage increases found that the bulk of the estimates clustered around zero or near-zero employment effects, and concluded that "if there is some adverse employment effect from minimum wage raises, it must be of a small and policy-irrelevant magnitude."[8]
- A new book that reviews the literature on the minimum wage states: "it appears that if negative effects on employment are present, they are too small to be statistically detectable. Such effects would be too modest to have meaningful consequences in the dynamically changing labor markets of the United States."[9]
- A statement signed by 600 economists, including seven Nobel Prize winners and eight former Presidents of the American Economic Association, said that "in recent years there have been important developments in the academic literature on the effect of increases in the minimum wage on employment, with the weight of evidence now showing that increases in the minimum wage have had little or no negative effect on the employment of minimum wage workers, even during times of weakness in the labor market."[10]

Particularly relevant to the question of a Lexington ordinance is the research on local minimum wage increases. While that literature is somewhat limited because only 14 cities and counties have passed

minimum wage increases—many of them recently—the credible research that has been done to date suggests that increases do not harm employment. Rigorous studies of laws in San Francisco and Santa Fe find no statistically significant negative effects on jobs or hours worked, including in low-wage industries like restaurants.[11]

Also, studies that compare adjacent counties across state borders after one state raises its minimum wage are highly relevant to city ordinances, and they also find little or no harm to employment from an increase. An influential 1994 study that has helped shape current thinking about the issue found that a minimum wage increase in New Jersey had no harmful effect on fast food employment in that state compared to counties in neighboring Pennsylvania, which had not increased its minimum wage.[12] A recent follow-up study applied that methodology to 288 bordering counties in states with different minimum wages between 1990 and 2006, and the study found "no adverse employment effects" from an increase in the minimum wage.[13]

Researchers have identified a number of mechanisms of adjustment that explain the lack of a harmful impact on employment from minimum wage increases. According to a recent literature review, the most important such channels are the cost savings and improved productivity from a reduction in labor turnover (in a recent year, 37 percent of food service and hotel workers quit their jobs), improvements in organizational efficiency, reductions in wages of high earners and minor price increases.[14]

Similarly, there is no discernible evidence that a higher tipped minimum wage harms jobs; states with a tipped minimum wage equal to the regular minimum wage do not have a smaller percentage of the workforce made up of tipped workers than states like Kentucky where the tipped minimum is just $2.13.[15]

Note on Methods

KCEP's estimates of the impact of a minimum wage increase in Lexington/Fayette County are based on analysis of 2013 American Community Survey data drawing on methods developed by the Institute for Research on Labor and Employment at the University of California, Berkeley and the Economic Policy Institute.[16] The analysis is based on persons ages 16-64 who work in Lexington/Fayette County. Hourly wage estimates are calculated from reported annual labor earnings, hours worked per week and number of weeks worked per year. To help address reporting error in these figures, the analysis excludes cases where the resulting hourly wage is less than half of the statutory minimum wage in 2013. Indirectly affected workers are assumed to be those making between $10.10 and $11.50 an hour, slightly less than the most common ripple effect of 15 percent above the new wage for state and federal minimum wage increases from 1983 to 2002 identified by Wicks-Lim.[17] Estimates of workers in the accompanying table are rounded to the nearest hundred.

The Kentucky Center for Economic Policy is a non-profit, non-partisan initiative that conducts research, analysis and education on important policy issues facing the Commonwealth. Launched in 2011, the Center is a project of the Mountain Association for Community Economic Development (MACED). For more information, please visit KCEP's website at www.kypolicy.org.

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[1] In 2007, median annual earnings in Lexington/Fayette County were $30,086 in 2013 dollars. Data is from the American Community Survey 1-year estimates; difference between the two years is statistically significant.
[2] Jason Bailey, et al., "The State of Working Kentucky 2014," Kentucky Center for Economic Policy, August 2014, http://kypolicy.org/dash/wp-content/uploads/2014/08/State-of-Working-KY-2014-final.pdf. Josh Bivens, et al., "Raising America's Pay: Why It's Our Central Economic Policy Challenge," Economic Policy Institute, June 4, 2014, http://www.epi.org/publication/raising-americas-pay/.
[3] David Cooper, "Raising the Federal Minimum Wage Would Lift Wages for Millions and Provide a Modest Economic Boost," Economic Policy Institute, December 19, 2013, http://www.epi.org/publication/raising-federal-minimum-wage-to-1010/.
[4] Bivens, "Raising America's Pay."
[5] Economic Policy Institute, Family Budget Calculator, http://www.epi.org/resources/budget/.
[6] Sylvia A. Allegretto and David Cooper, "Twenty-Three Years and Still Waiting for Change: Why It's Time to Give Tipped Workers the Regular Minimum Wage," Economic Policy Institute and University of California Berkeley Institute for Research on Labor and Employment, July 10, 2014, http://www.epi.org/publication/waiting-for-change-tipped-minimum-wage/.

[7] National Conference of State Legislatures, "2014 Minimum Wage by State," September 17, 2014, http://www.ncsl.org/research/labor-and-employment/state-minimum-wage-chart.aspx. Michael Reich, et al., "The Mayor of Los Angeles' Proposed City Minimum Wage Law: A Prospective Impact Study," University of California Berkeley Institute for Research on Labor and Employment, September 2014, http://irle.berkeley.edu/cwed/briefs/2014-05.pdf. Allegretto and Cooper, "Twenty-Three Years and Still Waiting for Change."

[8] Chris Doucouliagos and T. D. Stanley, "Publication Selection Bias in Minimum Wage Research? A Meta-Regression Analysis," Research Papers in Economics, October 24, 2008, http://ideas.repec.org/p/dkn/econwp/eco_2008_14.html.

[9] Dale Belman and Paul J. Wolfson, "The New Minimum Wage Research," *Employment Research* (April 2014), pp. 4-5, http://research.upjohn.org/cgi/viewcontent.cgi?article=1220&context=empl_research.

[10] Economic Policy Institute, "Economist Statement on the Federal Minimum Wage," http://www.epi.org/minimum-wage-statement/.

[11] Literature is reviewed in Michael Reich, et al., "Local Minimum Wage Laws: Impacts on Workers, Families and Businesses," University of California Berkeley Institute for Research on Labor and Employment, March 2014.

[12] David Card and Alan B. Krueger, "Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania," The American Economic Review, September 1994, http://davidcard.berkeley.edu/papers/nimin-aer.pdf.

[13] Arindrajit Dube, T. William Lester and Michael Reich, "Minimum Wage Effects Across State Borders: Estimates Using Contiguous Counties," University of California Berkeley Institute for Research on Labor and Employment, November 2010, http://www.irle.berkeley.edu/workingpapers/157-07.pdf.

[14] John Schmitt, "Why Does the Minimum Wage Have No Discernible Effect on Employment?" Center for Economic and Policy Research, February 2013, http://www.cepr.net/documents/publications/min-wage-2013-02.pdf. Reich, "Local Minimum Wage Laws."

[15] Allegretto and Cooper, "Twenty-Three Years and Still Waiting for Change." Heather Boushey and Sarah Jane Glynn, "There Are Significant Business Costs to Replacing Employees," Center for American Progress, November 16, 2012, http://cdn.americanprogress.org/wp-content/uploads/2012/11/CostofTurnover.pdf.

[16] Jeremy Welsh-Loveman, Ian Perry and Annette Bernhardt, "Data and Methods for Estimating the Impact of Proposed Local Minimum Wage Laws," University of California Berkeley Institute for Research on Labor and Employment, June 2014, http://www.irle.berkeley.edu/cwed/briefs/2014-01-data-and-methods.pdf. Cooper, "Raising the Federal Minimum Wage."

[17] Jeanette Wicks-Lim, "Mandated Wages Floors and the Wage Structure: New Estimates of the Ripple Effects of Minimum Wage Laws," Political Economic Research Institute Working Paper Series, May 2006, http://www.peri.umass.edu/fileadmin/pdf/WP116.pdf. 15% above the new minimum wage, which equals $11.62 an hour, is also the lower bound (most conservative) estimate used in Welsh-Loveman, et al., "Data and Methods for Estimating the Impact of Proposed Local Minimum Wage Laws."

Beneficiaries of Potential Lexington Minimum Wage Increase

Category	Directly affected ($10.10 or less)	Percentage of the total directly affected	Share of category directly affected	Indirectly affected ($10.10-$11.50)
Total	31,300	100%	20%	9,700
Sex				
Female	17,700	57%	22%	4,200
Male	13,700	44%	18%	5,600
Age				
Less than 20	3,000	10%	61%	400
20 to 34	19,000	61%	31%	4,600
35 to 49	5,000	16%	10%	3,200
50+	4,300	14%	10%	1,500
Race				
White	22,700	73%	18%	7,700
African American	4,800	15%	27%	1,300
Other	3,800	12%	37%	700
Education				
Less than high school	5,500	18%	52%	500
High school	10,300	33%	24%	4,100
Some college	10,900	35%	24%	3,000
4+ years college	4,600	15%	8%	2,100
Children in household				
1 child	3,600	12%	13%	1,500
2 or more children	4,400	14%	13%	1,400
No children	23,400	75%	25%	6,900
Family income				
Less than poverty line	11,100	35%	76%	1,100
Between poverty line and twice poverty	11,600	37%	41%	5,100
200%-400% poverty	5,500	18%	10%	2,900
Above 400%	3,200	10%	5%	700
Full-time/Part-time				
Full-Time (35+ hours per week)	16,900	54%	14%	6,300
Part-Time	14,500	46%	42%	3,400
Industry				
Construction	1,400	4%	19%	500
Manufacturing	700	2%	4%	400
Wholesale trade	400	1%	10%	900
Retail trade	6,100	19%	35%	3,200
Transportation and warehousing	1,600	5%	30%	500
Financial, Insurance, Real Estate	500	2%	9%	000
Professional, scientific and management	600	2%	7%	200
Administrative and waste management	1,900	6%	33%	400
Educational services	2,300	7%	13%	600
Health services	2,100	7%	8%	700
Social assistance	1,300	4%	33%	500
Restaurants and food services	5,800	19%	50%	900
Arts, entertainment, recreation	1,100	4%	31%	100
Accommodation	1,000	3%	56%	000
Other	4,700	15%	24%	800

Source: Kentucky Center for Economic Policy analysis of American Community Survey data; see Note on Methods.

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To: Councilmember Jennifer Mossotti and Legislative Aide Robert Bolson

From: Anna Baumann, Kentucky Center for Economic Policy

Re: Questions regarding the local minimum wage ordinance

Date: June 17, 2015

Issue: There is a concern that raising the minimum wage would draw people from around Lexington to compete for jobs.

Some workers living outside of Lexington would be able to afford, under the new minimum wage, to commute to the city for work. Under this scenario, employers outside the city would be incentivized to raise their own wages. Some cities have found this to be one good reason to work with surrounding areas to raise the minimum together. In Maryland, for instance, two counties (Montgomery and Prince George) plus the District of Columbia teamed up to raise the regional wage which they negotiated to $11.50 per hour by 2016, with future increases tied to inflation.

To some degree, this pressure would extend to state lawmakers and increase the likelihood that the state's wage is raised.

Issue: Some are concerned that raising the minimum wage would cause people to fall off the benefits cliff.

In addition to your well-stated point that our goal should be to move hard-working people off public assistance and into economic security and self-sufficiency, there are a number of reasons the exaggerated "benefits cliff" argument shouldn't keep us from raising the minimum wage. Most importantly, these programs are designed to encourage work and self-sufficiency, and therefore phase out as income rises. If they are not structured well enough to do so, then the problem is with the program, not with paying workers a more decent wage.

- **Tax Credits:** At a $10.10, single and married filing jointly households (with 1 or 2 full-time workers, respectively) are eligible for the **EITC**. In fact, the credit increases with income to encourage work before phasing out gradually. The **Child Tax Credit** has a generous threshold and is available even to upper middle income families.
- **SNAP or food stamps** phase out as income rises. For each additional dollar a SNAP recipient earns, benefits decline by 24 to 36 cents.
- Under expanded **Medicaid**, workers making up to 138% of the federal poverty line (FPL) are eligible for Medicaid. Through **KCHIP**, children in families making up to 218% of the FPL are eligible for health coverage. These thresholds cover most types and sizes of households with one or two full-time workers making $10.10 (and all children in these scenarios). For those who are not covered by Medicaid—for example, single, full-time

working adults without children, or adults in households with two full-time earners—generous subsidies are available through the health exchange, Kynect.

- The **Child Care Assistance Program (CCAP)** phases out as income increases through a co-pay schedule. The income boost from a minimum wage increase from $7.25 to $10.10 would cause copays to increase for single, full-time, minimum-wage working parents between 13 and 22 percent of that income boost, depending on the number of children.
    - There are some scenarios under which workers would lose eligibility, such as in a 4 or 5 person household where two full-time workers see their wages increase the full amount, from $7.25 to $10.10.
    - But these are problems with CCAP. The program needs a more graduated rate structure that encourages work and better pay, regardless of whether the minimum wage is raised. Also, child care advocates are in favor of raising the income threshold to 200% of the FPL. It is currently 140% of the 2011 FPL and will go up to 150% in July. However, since it is tied to the 2011 FPL, it's value has eroded and amounts to just 138% of the 2015 FPL. In 2014, only 9 states had a threshold lower than 138% of the FPL.

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March 11, 2015

LEXINGTON HERALD-LEADER kentucky.com

Voters want cities, counties to have authority to set minimum wage rate

By Beth Musgrave
bmusgrave@herald-leader.com

More voters in Kentucky want local governments to set laws on wages and union membership rules rather than the state legislature, according to the latest Bluegrass Poll.

Almost half — 46 percent — of 1,917 registered Kentucky voters said cities and counties should have the right to enact laws setting a minimum wage and ordinances that regulate whether workers at a unionized employer can opt out of paying union dues without losing their jobs, sometimes referred to as "right to work."

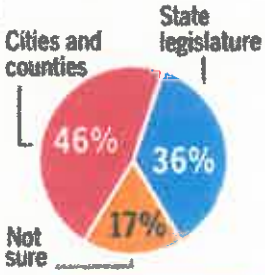
Only 36 percent of poll respondents said those decisions should be left to the state legislature. An additional 17 percent said they aren't sure who should decide.

The Bluegrass Poll, conducted by SurveyUSA on

See WAGES, A5

Minimum wage/right to work

Should cities and counties in Kentucky have the right to enact laws raising the minimum wage or allowing people to work in union businesses without joining a union or paying union dues, or should those issues be left to the state legislature?



Margin of error: +/- 2.2 percentage points

Source: SurveyUSA

CHRIS WARE | cware@herald-leader.com

Capilouto right to raise minimum wage

May 20, 2015

The University of Kentucky is about to take a huge step toward improving the quality of life for hundreds of its employees, and other workers in this labor market.

UK recently announced that President Eli Capilouto will ask the board of trustees at its meeting next month to approve a pay plan that will make $10 an hour the minimum starting pay for all its nonstudent hourly workers.

Currently the low end for hourly workers is about $7.54 an hour. That would mean an increase of almost $100 a week, pretax, for UK's lowest paid workers.

On an annual basis, assuming a 40hour work week, it means a jump from $15,683 to $20,800, before taxes and other deductions.

That difference, staff trustee Sheila Brothers said, can be "transformative ... People can change neighborhoods, change cars and add padding to their retirement."

Under Capilouto's plan, which has an estimated cost of $1.3 million, the next tier of employees, now making up to $11.99 an hour, will receive a salary bump.

In total, about 950 employees will be affected on the main campus, which plans to roll out the new wage scale July 1, and on the medical campus, which will institute the new minimum wage on Oct. 1.

Capilouto is absolutely right to propose this just, forward thinking move that will benefit the university as well as the employees.

It's a smart move that will make it easier to attract quality employees, reduce costly turnover and improve services for the entire university community.

That's why Walmart wagered $1 billion to raise the minimum wage for 500,000 workers in its stores to $9 this year and $10 next year.

When the wage hike was announced in February, Bloomberg Business reported it was made "with the goal of retaining better employees and making them more productive in their jobs."

Higher minimum wages also mean fewer people who work will depend upon taxpayer funded social welfare programs, such as Medicaid or food stamps, to keep their families housed, fed and healthy.

The federal minimum wage has been stuck at $7.25 an hour since 2009, the heart of the recession. While 29 states, and some local governments, including Louisville, have adopted a higher minimum wage, the Kentucky General Assembly has not seen fit to give Kentucky workers a boost.

Legislation to raise the minimum wage in Fayette County has been introduced but will not likely come before council until this fall.

UK is not alone. The University of Louisville began a similar effort a couple of years ago, moving to a $10 an hour minimum with a plan to step up annually to reach $11 an hour by July 2017.

In Lexington, city government fulltime employees begin at a minimum wage of $11.15 an hour. And now Walmart workers throughout the state are making more.

We commend UK on joining the ranks of employers who recognize that when workers receive a decent wage, everyone benefits.

The New York Times ; http://nyti.ms/1FMAFLu

U.S.

Kentucky Governor Raises Minimum Wage With Executive Order

By NICHOLAS FANDOS JUNE 8, 2015

WASHINGTON — Gov. Steven L. Beshear of Kentucky signed an executive order on Monday raising the hourly minimum wage for certain state employees to $10.10. The change, which angered state Republicans and drew praise from the governor's fellow Democrats, affects almost 800 employees, including those making the current hourly minimum of $7.25.

In a telephone interview on Monday, Mr. Beshear called on his fellow governors nationwide — particularly those with unsympathetic state legislatures — to follow suit with similar executive orders. "There are a number of states where the chief executive favors raising the minimum wage but has issues with their legislature in terms of getting a statewide minimum wage increase passed. I would certainly encourage them to take a step like this," Mr. Beshear said.

In January, Pat Quinn, the departing Democratic governor of Illinois, signed an executive order raising the minimum wage for employees of state contractors, but it was rescinded by the new Republican governor, Bruce Rauner.

Mr. Beshear's action drew criticism here and in Kentucky from right-leaning groups who argued that the increase could strain the state's budget and hurt its economy as it continues to recover from recession. Others praised the move, suggesting it would move the state forward even as lawmakers

continue to fight over the issue.

The executive order comes as efforts in the Kentucky legislature to raise the minimum wage for all employees statewide to $10.10 an hour have stalled. Legislation passed the Democratic-controlled House of Representatives in February, but was a nonstarter in the Republican-led Senate.

The Senate president, Robert Stivers, a Republican, while not directly critical of Mr. Beshear's action, warned that the costs associated with the increase — estimated at $1.6 million annually by the governor's office — would add a sizable burden to the state's already-stretched budget. "This decision came as a function of the executive branch; hopefully it doesn't cause any future-year fiscal problems," Mr. Stivers said in a written statement. "Make no doubt we have several budgetary challenges, in Medicaid expansion and teacher pensions, to name a few."

Michael R. Strain, the deputy director of economic policy studies at the conservative American Enterprise Institute, said that $10.10 was simply too high in a state like Kentucky and would discourage hiring there. He added that the minimum wage issue should be addressed at the federal level

The increase, which takes effect in July, will affect almost 800 employees of Kentucky's executive branch who currently fall below the $10.10 wage threshold, as well as employees of private companies working on government contracts. State employees working in veterans nursing homes, behavioral health facilities, and state parks are likely to see the biggest increase, according to a statement from the governor's office. Kentucky has 32,827 employees.

Mr. Beshear, whose second term ends in December, framed Monday's action as a positive step he could take unilaterally before leaving office. As an executive order, though, the fate of the increase will probably be determined by his successor. Jack Conway, the state attorney general and this year's Democratic nominee for governor, is generally supportive of minimum wage increases, while Matt Bevin, the Republican candidate, is opposed.

Kentucky joins several large municipalities, including Seattle and most recently Los Angeles, in approving minimum wage increases in recent months amid federal inaction on the subject.

Kentucky.com

Herald-Leader Editorial

Reward work, raise the minimum wage

June 10, 2015

The arguments against raising the minimum wage — at the local, state or national level — weaken each time another major employer takes the step voluntarily.

A big blow fell Monday when Gov. Steve Beshear signed an order to raise the wages of about 800 executive branch employees July 1. The minimum will rise from $7.25 to $10.10 an hour.

"Any reasonable review of unbiased research shows that raising the wage is a smart business decision," Beshear said.

Members of the Urban County Council's Budget, Finance and Economic Development Committee should keep this in mind when, on June 23, they consider legislation to raise the minimum wage in Fayette County.

Seattle, Louisville, Los Angeles, Walmart, the University of Kentucky, Kentucky state government, fill-in-the-blank can do it without destroying the economy or their business model, so why can't we?

It's a hard question to answer because the truth is that raising the minimum wage will not destroy our local economy or any business that's not already on the ropes.

What it might destroy, or at least lessen, is the desperation of thousands who work hard and long but don't make enough money to pay for basic necessities, much less to get ahead.

It could also do some damage to the subsidies taxpayers provide low-wage employers in the form of safety-net programs, such as food stamps and Medicaid.

As Bloomberg View columnist Barry Ritholtz founder of Ritholtz Wealth Management, wrote recently, "right now, the wealth transfer goes in the wrong direction: from taxpayers to the owners of fast-food outlets. In effect, the public helps restaurants and other lower-wage employers save on labor costs."

Better, Ritholtz figures, to transfer wealth from the owners to their workers in the form of higher wages.

Council members must keep in mind that they have put $3 million in the budget for the upcoming year to help local non-profits provide essential services, and agencies clamoring for more.

That's in addition to the significant financial commitments the urban county government has made to reduce homelessness, make housing more affordable and employ disadvantaged youth during the summer.

Perhaps it would be more efficient to raise the minimum wage so workers need less assistance and contribute more to the city coffers in payroll taxes.

We agree with those who say it would be better to have a minimum wage increase at the national or state level. It's clear that the local proposal — raising from the current federal minimum of $7.25 to $8.20 in the first year, $9.15 in the second, $10.10 the third year and tied to the consumer price index after that — is not a cure for poverty in Fayette County.

But it would be an important signal that our community values workers more than businesses that count on public subsidies — rather than fair wages — to keep their workers healthy, fed and housed.

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To: Councilwoman Jennifer Mossotti and Legislative Aide Robert Bolson

From: McKenzie Cantrell (Kentucky Equal Justice Center) and Anna Baumann (Kentucky Center for Economic Policy)

Re: Section 14(c) of the Fair Labor Standards Act and Lexington's Proposed Minimum Wage Ordinance

Date: June 12, 2015

Issue

Rick Christman from Metro Industrial Services—a non-profit "helping people with barriers to employment to become self-sufficient" (barriers are otherwise defined as "intellectual disabilities")—testified at the June 8, 2015, public hearing on Lexington's proposed minimum wage ordinance that he is concerned that the ordinance does not exempt workers with disabilities. His program is certified to employ and pay individuals according to section 14(c) of the Fair Labor Standards Act.

Analysis

Under section 14(c) of the Fair Labor Standards Act, employers are authorized to pay a special or sub-minimum wage to workers with disabilities that permanently impair their productivity for the work performed. The impairment can be mental or physical or caused by age or the particular requirements of the job. Employers must go through a certification process with the Department of Labor. The program was designed as a way for workers with disabilities to receive vocational training and wages in order to reach their economic potential, but the program has been criticized for failing to account for the needs of the modern disabled worker.

The definition of "employer" in the Kentucky Wage and Hour Act (KRS Chapter 337) exempts some workers from receiving the benefits of the minimum wage. These exemptions include:

> "*Any individual classified and given a certificate by the commissioner showing a status* of learner, apprentice, *worker with a disability*, sheltered workshop employee, and student under administrative procedures and administrative regulations prescribed and promulgated by the commissioner. This certificate shall authorize employment at the wages, less than the established fixed minimum fair wage rates, and for the period of time fixed by the commissioner and stated in the certificate issued to the person (italics added). KRS 337.010(2)(a)(5).

The Lexington and Louisville minimum wage ordinances refer to the state's definition of "employee," and therefore include an exemption from the local minimum wage for disabled workers. The Lexington proposed ordinance reads:

Chapter 13A, Minimum Wage

Sec. 13A-1. Definitions.

For purposes of this Chapter, the following definitions shall apply:

(1) *Employee*: has the same meaning as found in KRS 337.010(2)(a).

The quoted section of KRS 337.010(2)(a)(5) above referencing programs with certificates for workers with disabilities is incorporated into the Lexington ordinance definition of "employee" due to its location within KRS 337.010(2)(a).

Conclusion

Mr. Cristman's concern regarding the relationship between section 14(c) and the proposed Lexington minimum wage ordinance has already been addressed by the ordinance's definition of "employee," which specifically calls for the same interpretation as the definition found in KRS Chapter 337. Therefore, any program currently authorized under state or federal law to pay a worker a special or sub-minimum wage would be authorized to pay the same wages if the Lexington proposed ordinance goes into effect.

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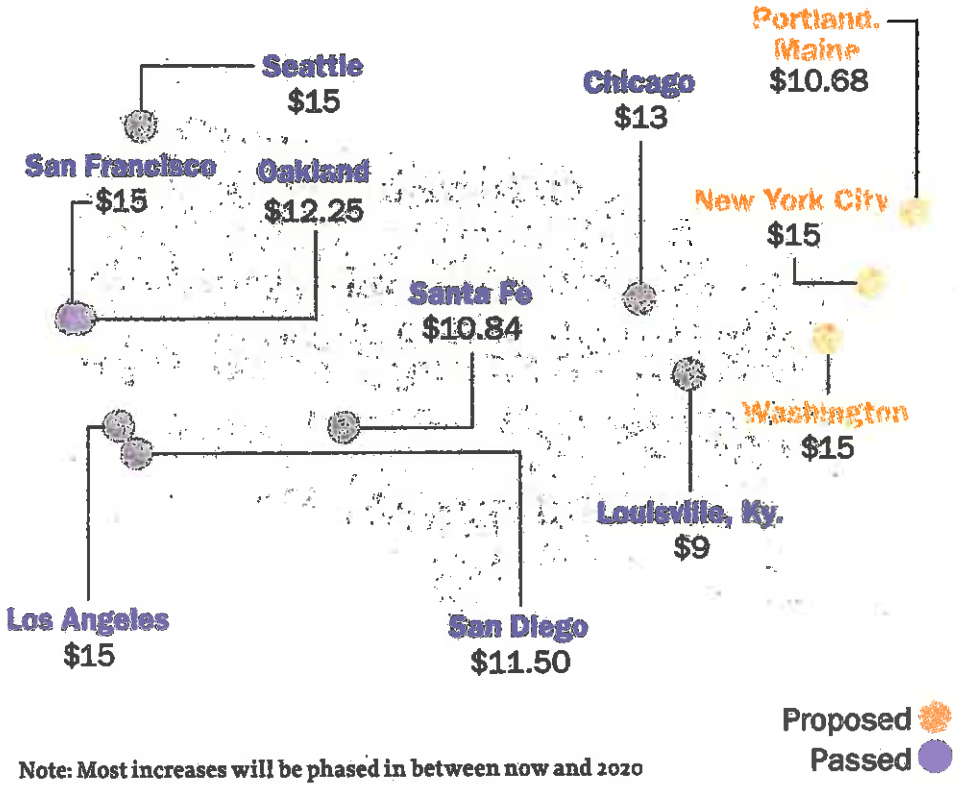
ECONOMY

Mapping the Minimum Wage

Los Angeles became the latest and largest city to raise its minimum wage, voting on May 19 to up the figure from $9 an hour to $15 by 2020. (The federal minimum is $7.25.) Here's how the hike compares with those of other major cities that have passed or proposed higher wage floors:



Note: Most increases will be phased in between now and 2020

FOLLOW-UP

Bailing Out the Bees

Insects generally aren't a constituency that gets much attention from the

pesticides and the loss of nutrition as native flowers are replaced by

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Tipped Minimum Wage Value

The value of the **tipped minimum wage** has declined as well, from at least 50 percent of the federal minimum wage between 1966 and 1996 to just 30 percent of the full wage, or $2.13 per hour, today. While employers are supposed to make up any difference between tips and the full minimum wage, wage abuse is not uncommon. Nationally, the poverty rate for tipped workers is nearly twice as high as for non-tipped workers.

Sylvia Allegretto and David Cooper, "Twenty-Three Years and Still Waiting for Change: Why It's Time to Give Tipped Workers the Regular Minimum Wage," Economic Policy Institute, July 10, 2014.

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Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc.
P.O. Box 11610 • Lexington, KY 40576
859.233.4600 • 1.800.244.2275 • www.commaction.org

June 18, 2015

Councilmember Jennifer Mossotti
Lexington-Fayette Urban County Government
200 E. Main Street
Lexington, KY 40507

Councilmember Mossotti,

On behalf of the staff and Board of Directors of Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. (the Council) I once again would like to thank you for bringing forth a proposal to incrementally raise the minimum wage in Lexington to $10.10 an hour over the next three years. The Council's Board of Directors are in support of your proposal and recently submitted a resolution to that effect to Mayor Gray and all members of the Urban County Council, as well as to the governing bodies of the other three counties in which we serve and to the Governor's office.

I have worked in the nonprofit sector for over 20 years and as the Executive Director of one of the largest human services infrastructures in Central Kentucky, I am well aware of the division among area nonprofits on the matter of raising wages. The degree to which a nonprofit will be impacted by the passing of the proposal is based on several factors, such as size, composition of the nonprofit and, certainly, the percent of the organizational budget spent on salary. While I cannot speak for other nonprofits, I would like to share with you some details on the Council's current budget structure.

As stated in our Board of Director's Resolution in Support of the Minimum Wage, the Council has structured the salary of its employees so that the lowest paid wage per hour currently begins at $11.37. In 2001, after conducting substantial research, Council staff recommended to the Board of Directors a process to adjust the salary schedule to ensure that all staff were paid a living wage. Using a phase-in process very similar to the one in your proposal, in 2001, base salary was set at $8.20 per hour, with a dollar increase to $9.20 in 2002 followed by another dollar increase to $10.20 in 2003. At the time, the estimated additional annual cost to the Council

was $250,000. Potential budgetary difficulties were discussed, but the Board of Directors was committed to its staff and so the Council forged ahead because it was the right thing to do.

For over 12 years the Council has maintained this budget structure through both financially strong and lean years. The key to making this work is, in no small part, as a result of joint Board and staff commitment, ongoing support from local governments, continued funding from the giving community, and adequate time for budgetary planning and amendments, which may take as long as six months.

Thank you for your time and your efforts on this important matter.

Sincerely,

Malcolm J. Ratchford, M.S., CCAP
Executive Director
Community Action Council
P.O. Box 11610
Lexington, KY 40576
Office: 859-244-2213
Fax: 859-244-2219
malcolm.ratchford@commaction.org

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DRAFT 06/18/2015

ORDINANCE NO. ____-2015

AN ORDINANCE CREATING CHAPTER 13A OF THE LEXINGTON-FAYETTE URBAN COUNTY CODE OF ORDINANCES ESTABLISHING A MINIMUM WAGE IN LEXINGTON-FAYETTE COUNTY OF $8.20 PER HOUR BEGINNING JANUARY 1, 2016, $9.15 PER HOUR BEGINNING JANUARY 1, 2017, AND $10.10 PER HOUR BEGINNING JANUARY 1, 2018; ESTABLISHING A MINIMUM CASH WAGE FOR TIPPED EMPLOYEES OF $2.41 PER HOUR BEGINNING JANUARY 1, 2016, $2.73 PER HOUR BEGINNING JANUARY 1, 2017, AND $3.09 PER HOUR BEGINNING JANUARY 1, 2018; PROVIDING FOR AN INCREASE IN THE MINIMUM WAGE AND TIPPED EMPLOYEE CASH WAGE TIED TO THE CONSUMER PRICE INDEX THEREAFTER; AND PROVIDING REMEDIES FOR EMPLOYEES PAID LESS THAN THE MINIMUM WAGE OR TIPPED EMPLOYEE CASH WAGE.

WHEREAS, at least twenty cities across the United States have increased their local minimum wage, including Louisville, Kentucky; and

WHEREAS, a minimum wage increase would reduce labor turnover, improve organizational efficiency, increase worker purchasing power in our local economy, and reduce reliance on social services;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 – That Chapter 13A of the Code of Ordinances be and hereby is created as follows:

Chapter 13A, Minimum Wage

Sec. 13A-1. Definitions.

For purposes of this Chapter, the following definitions shall apply:

(1) *Employee*: has the same meaning as found in KRS 337.010(2)(a).

(2) *Employer*: has the same meaning as found in KRS 337.010(1)(d).

(3) *Gratuity*: has the same meaning as found in KRS 337.010(2)(c).

(4) *Tipped Employee*: has the same meaning as found in KRS 337.010(2)(d).

(5) *Wage*: has the same meaning as found in KRS 337.010(1)(c)(1).

Sec. 13A-2. Amount of Minimum Wage.

(a) Every employer within the jurisdictional boundaries of Lexington-Fayette County shall pay to each of its employees wages at a rate of not less than $8.20 per hour beginning on January 1, 2016; $9.15 per hour beginning on January 1, 2017; and $10.10 per hour beginning on January 1, 2018.

(b) Beginning on January 1, 2019, and each year thereafter, the minimum wage shall automatically increase by an amount corresponding to the previous calendar year's increase (i.e. January 1, 2018 through December 31, 2018), if any, in the Consumer Price Index for the south urban region as published by the Bureau of Labor Statistics, U.S. Department of Labor or its successor index, with the amount of the minimum wage increase rounded up to the nearest multiple of five cents. The adjusted minimum wage shall be determined by the Lexington-Fayette Urban County Government, Department of Finance and announced by April 1 of each year and shall become effective as the new minimum wage on the corresponding January 1. However, in calculating any increase to adjust the minimum wage, the Consumer Price Index, as set forth above, shall be limited to an annual increase of no more than 3%.

(c) If the federal minimum hourly wage as prescribed by 29 U.S.C. § 206(a)(1) or state minimum hourly wage as prescribed by KRS § 337.275(1) is increased in excess of the minimum hourly wage in effect under this Chapter, the minimum hourly wage in effect under this Chapter shall be

increased to the same amount, effective on the same date as the federal or state minimum hourly wage rate.

Sec. 13A-3. Tipped Employees.

(a) Notwithstanding the provisions of Sec. 13A-2 of this Chapter, for any tipped employee engaged in an occupation in which he or she is customarily and regularly receiving more than thirty dollars ($30.00) per month in tips from patrons or others, the amount paid such employee by the employer shall be an amount equal to:

1. $2.41 per hour beginning on January 1, 2016; $2.73 per hour beginning on January 1, 2017; and $3.09 per hour beginning on January 1, 2018; and
2. an additional amount on account of tips received by such employee which amount is equal to the difference between the wage specified in paragraph (1) and the wage in effect under Sec. 13A-2.

(b) Beginning on January 1, 2019, and each year thereafter, the cash wage amount specified in Sec. 13A-3(a) shall automatically increase by the same percentage as the standard minimum wage, as specified under Sec. 13A-2(b). Provided, however, that the cash wage amount calculated hereunder need not be rounded to the nearest multiple of five cents.

(c) The employer shall establish by his or her records that for each week where credit is taken, when adding tips received to wages paid, not less than the minimum rate set forth in Sec. 13A-2 was received by the employee. No employer shall use all or part of any tips or gratuities

received by employees toward the payment of the statutory minimum hourly wage as required by Sec. 13A-2. Nothing, however, shall prevent employees from entering into an agreement to divide tips or gratuities among themselves.

(d) If the amount of the federal cash wage established by 29 U.S.C. § 203(m)(1) is increased in excess of the cash wage required under this Chapter, the cash wage required under this Chapter shall be increased to the same amount, effective on the same date as the federal cash wage rate.

Sec. 13A-4. Remedies.

(a) Any employee who is paid less than the minimum wage established under the provisions of this Chapter may bring a civil cause of action, authorized in KRS 337.020, against his or her employer for the full amount of wages due from the employer.

(b) In addition to the civil remedy provided in subsection (a) directly above, any employee who is paid less than the minimum wage established under the provisions of this Chapter may submit written notice of such to the Lexington-Fayette Urban County Government Citizens' Advocate.

Sec. 13A-5. Severability.

Each section and provision of this Chapter is hereby declared to be independent and, notwithstanding any other evidence of legislative intent, it is hereby declared to be the controlling legislative intent that if any provision of this Chapter, or the application thereof to any person or circumstance, is held

to be invalid, the remaining sections or provisions and the application of such sections or provisions to any person or circumstances other than those to which it is held invalid shall not be affected thereby, and it is hereby declared that such sections and provisions would have been passed independently of such section or provision so known to be invalid.

Section 2 – That this Ordinance shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL:

_____
MAYOR

ATTEST:

_____
CLERK OF URBAN COUNTY COUNCIL

IF THE MINIMUM WAGE WAS REALLY "NEVER MEANT TO BE A LIVING WAGE,"

THEN, WHY DID FDR, THE PRESIDENT WHO SIGNED IT INTO LAW IN 1938, SAY:

"No business which depends for existence on paying *less than living wages* to its workers has any right to continue in this country... By living wages, I mean more than the bare subsistence level – *I mean the wages of a decent living.*"

– Franklin D. Roosevelt

SHARE THIS IF YOU AGREE THAT THERE'S NO JUSTIFICATION FOR A MINIMUM WAGE BELOW A LIVING WAGE!

Budget, Finance & Economic Development Committee

Items	Referred By	Date Referred	Status
Solid Waste User Fee Structure	Stinnett	2.1.11	Waste Management Task Force
Activity Based Costing/Financial Efficiency	Lane	1.16.12	1.31.12
Quarterly Development Reports	Stinnett	2.28.11	January 2015
Fayette County Minimum Wage Ordinance	Mossotti	2.10.15	March 2015
Right to Work Discussion	Bledsoe	2.10.15	
Economic Contingency Fund	Farmer	3.17.15	
Street Light Funding Mechanism	Stinnett	4.21.15	

PAS 6.16.15