



## RESOLUTION NO. 39237

1 BY REQUEST OF MAYOR STRICKLAND

2 A RESOLUTION providing for the submission of an initiative to the electors of the  
3 City of Tacoma as an alternative to City of Tacoma Citizens Initiative No. 1,  
4 at the General Election to be held on November 3, 2015, relating to minimum  
5 wage in the City of Tacoma; and directing the City Clerk to transmit to the  
Pierce County Auditor a certified copy of this resolution.

6 WHEREAS an initiative petition ("Citizens Initiative No. 1") for the enactment  
7 of an ordinance intending to establish a minimum wage in the City of Tacoma has  
8 been signed by registered voters equal in number to at least 10 percent of the total  
9 votes cast in the last preceding mayoral election and has been transmitted to the  
10 City Council pursuant to the provisions of the City Charter, and  
11 City Council pursuant to the provisions of the City Charter, and

12 WHEREAS, under the City Charter, the City Council may enact, reject, or  
13 take no action on an ordinance proposed by the initiative process within 30 days,  
14 and

15 WHEREAS the City Council has chosen not to take final action on Citizens'  
16 Initiative No. 1, and to submit the proposal to the people at the November 3, 2015,  
17 General Election, and

18 WHEREAS a Minimum Wage Task Force ("Task Force") was established on  
19 May 5, 2015, through Resolution No. 39187, and Resolution No. 39194 increased  
20 the Task Force membership to 15 members and two alternates, to consist of nine  
21 City Council nominees intended to be geographically and culturally diverse to  
22 represent the entire Tacoma community, six members representing business and  
23 citizen groups, and two alternates, and  
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WHEREAS the Task Force met eight times between May 28, 2015, and June 29, 2015, and, at the July 7, 2015, City Council meeting, the City Council adopted Resolution No. 39231, accepting the Task Force’s final report, which contained two proposals (A and B), and

WHEREAS the Task Force members agreed that raising the minimum hourly wage in Tacoma from \$9.47 to \$15 on January 1, 2016, would be unprecedented and very difficult for small businesses and small non-profit organizations to implement, and that raising the minimum wage should be done incrementally, in phases or steps over time, and

WHEREAS, while the Task Force agreed on a number of elements of an alternative proposal to the initiative that will appear on the November 2015 ballot, it did not reach unanimous agreement on a single alternative, and ultimately offered the Mayor and City Council two options for phasing in increases to the minimum wage, and

WHEREAS Proposal A was endorsed by nine Task Force members, and would achieve a minimum hourly wage of \$15 for everyone working in Tacoma by 2024, and, for businesses with 150 or more employees, the minimum hourly wage for employees would be \$15 by 2020, and

WHEREAS Proposal B was endorsed by six Task Force members, and would achieve a minimum hourly wage of \$12 for everyone working in Tacoma by 2019, and



1 WHEREAS the City Council discussed options at the July 7, 2015, Special  
2 Study Session, and Mayor Strickland agreed to bring forward an alternative for City  
3 Council consideration at the July 14, 2015, Council meeting, and

4 WHEREAS the City Council has decided to propose an alternative to  
5 Citizens Initiative No. 1 with a ballot title as required under RCW 29A.72.050, and

6 WHEREAS, if approved by the voters, the alternative proposal to Citizens  
7 Initiative No. 1B would establish minimum wage rates for employees aged 16 and  
8 over performing work in the City of Tacoma of not less than \$10.35 per hour  
9 beginning February 1, 2016; \$11.15 per hour beginning January 1, 2017; and  
10 \$12.00 per hour beginning January 1, 2018, adjusted annually thereafter based on  
11 the Consumer Price Index (CPI) as calculated and used by the state of Washington  
12 at that time, and requiring that an impact assessment be conducted in 2018 and  
13 every two years thereafter; Now, Therefore,

14  
15 BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

16  
17 Section 1. That the Pierce County Auditor, as *ex officio* supervisor of  
18 elections in Pierce County, Washington, is hereby requested to submit to the  
19 qualified electors of the City of Tacoma, for their approval or rejection at the  
20 General Election to be held on November 3, 2015, an alternative to Citizens'  
21 Initiative No. 1 as set forth in the attached Exhibit "A," establishing minimum wage  
22 rates for employees aged 16 and over performing work in the City of Tacoma of  
23 not less than \$10.35 per hour beginning February 1, 2016; \$11.15 beginning  
24 January 1, 2017; and \$12.00 beginning January 1, 2018, adjusted annually  
25 thereafter based on the Consumer Price Index (CPI) as calculated and used by the  
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state of Washington at that time, and requiring that an impact assessment be conducted in 2018 and every two years thereafter.

Section 2. The City shall submit an alternative to Citizens' Initiative No. 1 to the electorate of the City of Tacoma in the form substantially as follows:

**CITY OF TACOMA INITIATIVE MEASURE NO. 1B**

Concerns Establishing a Minimum Wage In The City Of Tacoma

As an alternative, the City Council has proposed Initiative Measure No. 1B

The Tacoma City Council adopted Resolution No. 39237 concerning establishing a minimum wage. If passed by the voters, Initiative 1B would require employers to pay a minimum hourly wage to employees aged sixteen (16) and over performing work in Tacoma of not less than \$10.35 per hour beginning February 2016, \$11.15 beginning January 2017, and \$12.00 beginning January 2018, adjusted annually thereafter based on the Consumer Price Index (CPI) as calculated and used by the State of Washington at that time, and requiring that an impact assessment be conducted in 2018 and every two years thereafter.

Should either of these measures be enacted into law?

- Yes. . . . .
- No . . . . .

Regardless of whether you voted yes or no above, if one of these measures is enacted, which one should it be?

- Measure No. 1. . . .
- Or
- Measure No. 1B. .

Section 3. That, prior to August 4, 2015, the City Clerk shall send to the Pierce County Auditor, as *ex officio* supervisor of elections, a certified copy of this



1 resolution, together with an initiative substantially in the form set forth above, for the  
2 November 3, 2015, General Election.

3 Adopted \_\_\_\_\_

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5 \_\_\_\_\_  
6 Mayor

7 Attest:

8 \_\_\_\_\_  
9 City Clerk

10 Approved as to form:

11 \_\_\_\_\_  
12 Deputy City Attorney  
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## EXHIBIT "A"

1 AN ORDINANCE relating to employment in Tacoma; amending the Tacoma  
2 Municipal Code by adding thereto a new Chapter 18.20, entitled "Minimum  
3 Wage," to establish the minimum hourly wage rates for employees  
4 performing work in Tacoma; and prescribing remedies and enforcement  
5 procedures.

6 WHEREAS, it would be in the best interest of the public health, safety and  
7 welfare to enact the ordinance as set forth below; Now, Therefore,

8 BE IT ORDAINED BY THE VOTERS OF THE CITY OF TACOMA:

9 Section 1. Adding New Chapter 18.20 TMC (Minimum Wage). That the  
10 Tacoma Municipal Code is hereby amended by the addition thereto of new  
11 Chapter 18.20 to Title 18 of the Tacoma Municipal Code, entitled "Minimum Wage,"  
12 establishing the minimum hourly wage rates for employees performing work in  
13 Tacoma, and prescribing remedies and enforcement procedures, as set forth in the  
14 attached Exhibit "A."

15 Section 2. Effective Date. That this ordinance shall take effect on  
16 February 1, 2016.  
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**EXHIBIT "A"**

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**Chapter 18.20**  
**MINIMUM WAGE**

**Sections:**

- 18.20.010 Findings.
- 18.20.020 Authority.
- 18.20.030 Relationship to other requirements.
- 18.20.040 Definitions.
- 18.20.050 Application.
- 18.20.060 Minimum wage required.
- 18.20.070 Waivers; exemptions.
- 18.20.080 Review.
- 18.20.090 Exercise of rights protected; retaliation prohibited.
- 18.20.100 Notice and posting.
- 18.20.110 Employer responsibilities.
- 18.20.120 Enforcement.
- 18.20.130 Severability.

**18.20.010 Findings.**

A. Many persons employed in the City are paid wages which are insufficient to sustain minimum standards of living in the City.

B. Minimum standards of living in the City are higher than the minimum standards of living in many other areas of the state.

C. Minimum wage standards promote the general welfare, health, and prosperity of residents and businesses in Tacoma by ensuring that workers can better support and care for their families.

D. Minimum wage standards promote greater income equality.

E. Minimum wage standards in the City are necessary to:

- 1. promote the health and welfare of City residents;
- 2. safeguard employers and employees against unfair competition;
- 3. increase the stability of industry in the City;
- 4. increase the buying power of employees in the City; and
- 5. decrease the need for the City to spend public money for the relief of employees who also live in the City.

**18.20.020 Authority.**

This chapter is adopted pursuant to the powers vested in the City of Tacoma under the laws and Constitution of the State of Washington, including, but not limited to, the police powers vested in the City pursuant to Article XI, Section 11, of the Washington Constitution.



**18.20.030 Relationship to other requirements.**

1 This chapter provides for payment of a local minimum hourly wage and shall not be construed to  
2 preempt or otherwise limit or affect the applicability of any other law, regulation, requirement,  
3 policy or standard that provides for payment of higher or supplemental wages or benefits, or that  
4 extends other protections; and nothing in this chapter shall be interpreted or applied so as to create  
5 any power or duty in conflict with federal or state law. This chapter not be construed to preclude  
6 any person aggrieved from seeking judicial review of any final administrative decision or order  
7 made under this chapter affecting such person.

**18.20.040 Definitions.**

8 In construing the provisions of this chapter, the following definitions shall be applied. Words in the  
9 singular number shall include the plural, and the plural shall include the singular. If specific  
10 provisions of law, code, regulation, or rule referred to herein be renumbered or amended, then the  
11 reference shall be read to refer to the renumbered and/or amended provision.

12 “Adverse action” means to discharge, suspend, discipline, transfer, demote, or deny promotion, or  
13 threaten to do any of the prior listed actions, by an employer of an employee for any reason  
14 prohibited by Section 18.20.090 of this chapter.

15 “Charging party” means the person aggrieved by an alleged violation of this chapter or the person  
16 making a charge on another person’s behalf, or the Director, when the Director files a charge.

17 “City” means the City of Tacoma.

18 “Director” means the Finance Director, or designee.

19 “Employ” shall have the same meaning as that term is given pursuant to the Washington Minimum  
20 Wage Act.

21 “Employee” shall have the same meaning as that term is given pursuant to the Washington  
22 Minimum Wage Act.

23 “Employer” shall have the same meaning as that term is given pursuant to the “Washington  
24 Minimum Wage Act”.

25 “Minimum Wage” or “Minimum Wage Rate” shall mean the minimum hourly rates of monetary  
26 compensation for work as specified in this chapter.

“Nonprofit Corporation” means any organization recognized as a nonprofit corporation under the  
provisions of Chapter 24.03 of the Revised Code of Washington (“RCW”), and exempt from the  
Washington State business and occupation tax pursuant to RCW 82.04.3651.

“Party” includes the person charging or upon whose behalf a charge is made alleging a violation of  
this chapter, the person alleged or found to have committed a violation of this chapter, and the  
Director.

“Person” means any individual, receiver, administrator, executor, assignee, trustee in bankruptcy,  
trust, estate, firm, co-partnership, joint venture, club, company, joint-stock company, business trust,  
municipal corporation, political subdivision of the state of Washington, corporation, limited  
liability company, association, society, or any group of individuals acting as a unit, whether mutual,  
cooperative, fraternal, nonprofit, or otherwise, and the United States or any instrumentality thereof.

“Tip” means a verifiable sum to be presented by a customer as a gift or gratuity in recognition of  
some service performed for the customer by the employee receiving the tip.





1 “Wage” shall have the same meaning as that term is given pursuant to the “Washington Minimum  
2 Wage Act.” Tips and employer payments toward a medical benefits plan do not constitute wages  
3 for purposes of this Chapter.

4 “Washington Minimum Wage Act” shall mean Chapter 49.46 of the Revised Code of Washington  
5 (“RCW”).

6 **18.20.050 Application.**

7 Employees are covered by this chapter for each hour worked within the geographic boundaries of  
8 Tacoma, provided that an employee who performs work in Tacoma on an occasional basis is  
9 covered by this chapter only if the employee performs more than 80 hours of work in Tacoma  
10 within a calendar year. Time spent in Tacoma solely for the purpose of traveling through Tacoma  
11 from a point of origin outside Tacoma to a destination outside Tacoma, with no employment-related  
12 or commercial stops in Tacoma except for refueling or the employee’s personal meals or errands, is  
13 not covered by this chapter. An employee who is not covered by this chapter is still included in any  
14 determination of the size of the employer.

15 **18.20.060 Minimum wage required.**

16 A. Beginning February 1, 2016, and until January 1, 2017, every employer shall pay to each  
17 employee who has reached the age of 16 years wages at a rate of not less than \$10.35 per hour.

18 B. Beginning January 1, 2017, and until January 1, 2018, every employer shall pay to each  
19 employee who has reached the age of 16 years wages at a rate of not less than \$11.15 per hour.

20 C. Beginning January 1, 2018, and until January 1, 2019, every employer shall pay to each  
21 employee who has reached the age of 16 years wages at a rate of not less than \$12.00 per hour.

22 D. Beginning January 1, 2019, and each following January 1st as set forth under subsection E, every  
23 employer shall pay to each employee who has reached the age of 16 years wages at a rate of not less  
24 than the applicable amount established under subsection E.

25 E. On September 30, 2018, and on each following September 30th, the Director shall calculate an  
26 adjusted minimum wage rate to maintain employee purchasing power by increasing the current  
27 year’s minimum wage rate by the rate of inflation. The adjusted minimum wage rate shall be  
28 calculated to the nearest cent using the consumer price index for urban wage earners and clerical  
29 workers, CPI-W, or a successor index, for the 12 months prior to each September 1st as calculated  
30 by the United States Department of Labor and as used by the state of Washington at that time. Each  
31 adjusted minimum wage rate calculated under this Subsection E takes effect on the following  
32 January 1st.

33 **18.20.070 Waivers; exemptions.**

34 Employers issued special certificates pursuant to RCW 49.46.060 are exempt from the requirements  
35 of Section 18.20.060 of this chapter to pay minimum wage to those employees who are subject to  
36 the certificate(s); provided that, the employer is in compliance with the terms and conditions of the  
37 certificate(s) issued.

38 **18.20.080 Review.**

39 The City Manager is directed to prepare and present a proposal in year 2018, and every two years  
40 thereafter, to the City Council for a study to assess the impacts of the increase in the minimum  
41 wage upon, (a) small businesses, (b) minimum/low wage workers, and (c) the City’s economy in  
42 the context of Pierce County and the greater Puget Sound region. The assessment is intended to be  
43 used by the City and business, labor, and community partners to determine strategies and goals to



1 address the findings of the assessment, and for the City Council to consider adoption of identified  
2 goals as policies to strengthen small, local businesses and others, to develop policies that are part of  
3 the City’s comprehensive campaign to reduce poverty.

4 **18.20.090 Exercise of rights protected; retaliation prohibited.**

5 A. It shall be a violation for an employer or any other person to interfere with, restrain, or deny the  
6 exercise of, or the attempt to exercise, any right protected under this chapter.

7 B. It shall be a violation for an employer to take adverse action against an employee because the  
8 employee has exercised in good faith the rights protected under this chapter.

9 C. The protections afforded under this subsection shall apply to any person who mistakenly, but in  
10 good faith, alleges violations of this chapter.

11 **18.20.100 Notice and posting.**

12 A. Employers shall give notice that employees are entitled to payment of minimum wage; the  
13 current minimum wage rate and their rights under this chapter; that adverse action against  
14 employees who exercise any right under this chapter is prohibited; and that each employee has the  
15 right to file a charge if payment of minimum wage, as required by this chapter, is denied by the  
16 employer or the employer takes an adverse action against an employee for exercising rights granted  
17 under this chapter.

18 B. The Director shall create and make available to employers a model notice, hereinafter referred to  
19 as the “Notice,” which contains the information required under paragraph A of this subsection for  
20 their use in complying with this subsection. The Notice shall be printed in English and Spanish and  
21 any other languages that the Director determines are needed to notify employees of their rights  
22 under this chapter.

23 C. Employers may comply with this section by posting the Notice in a conspicuous and accessible  
24 place in each establishment where employees are employed.

25 D. Employers may also comply with this section by including the Notice in employee handbooks or  
26 other written guidance to employees concerning employee benefits or leave rights, or by  
distributing a copy of the Notice to each new employee upon hiring. In either case, distribution may  
be accomplished electronically.

**18.20.110 Employer responsibilities.**

A. Employers shall certify compliance with this chapter upon application for and renewal of their  
City of Tacoma business license.

B. Employers shall retain records documenting hours worked by employees in the City of Tacoma,  
and the wages paid to such employees. Employers shall retain such records for a period of three  
years, and shall allow the Director access to such records, with at least five business days’ notice  
and at a mutually agreeable time, to investigate potential violations and to audit compliance with  
the requirements of this chapter. Employers shall make copies of these records available to  
employees upon request and within a reasonable period of time.

C. Records and documents relating to medical certifications, recertifications, or medical histories  
of employees or employees’ family members created for purposes of this chapter are required to be  
maintained as confidential medical records in separate files and/or records from the usual personnel  
files. If the Americans with Disabilities Act (“ADA”) applies, then these records must comply with  
ADA confidentiality requirements.



**18.20.120 Enforcement.**

**A. Powers and duties of Director.**

1 1. The Director is authorized to enforce this chapter, and may promulgate rules and regulations  
2 consistent with this chapter, provided that the Director shall hold one or more public hearings prior  
3 to adoption of final rules and regulations.

4 2. The Director shall attempt to conciliate and settle by agreement, any alleged violation or failures  
5 to comply with the provisions of this chapter.

**B. Charge filing.**

6 1. A charge alleging a violation of this chapter shall be in writing, on a form or in a format  
7 determined by the Director and signed by or on behalf of a charging party, and shall describe the  
8 violation complained of and shall include a statement of the dates, places, and circumstances and  
9 the persons responsible for the alleged violation.

10 2. A charge alleging a violation of this chapter may also be filed by the Director whenever the  
11 Director has reason to believe that any person has been engaged or is engaging in a violation of this  
12 chapter.

**C. Citations and Notices of Assessment, Determinations of Compliance, and Civil Penalties.**

13 1. The Director shall issue either (a) a citation and notice of assessment or (b) a determination of  
14 compliance no later than 60 calendar days after receipt of the charge, unless the Director extends  
15 the response date. Notice of the extended date will be provided by the Director to the parties in  
16 writing.

17 2. The citation and notice of assessment or determination of compliance shall be delivered in  
18 writing to all parties by personal delivery or first-class mail.

19 3. If the Director determines that a violation has occurred and issues a citation and notice of  
20 assessment, the assessment shall include a determination of all unpaid wage amounts that are due,  
21 plus interest of 1 percent per month. The assessment may not include any amounts owed more than  
22 three years before the date the charge was filed.

23 4. If the Director finds any violation of this chapter, the Director may issue a civil penalty in the  
24 amount of \$250, provided the Director may waive or reduce the civil penalty if the employer comes  
25 into compliance within ten calendar days of the notice or shows that its failure to comply was due  
26 to reasonable cause and not willful neglect. If the Director finds a willful violation of this chapter  
which results in a citation and notice of assessment, the Director may issue a civil penalty that shall  
not be less than \$250 or an amount equal to two times the total value of unpaid leave the employer  
failed to credit or pay the employee, whichever is greater, provided the Director may waive or  
reduce the civil penalty if the employer has not previously been found by the Director to have  
willfully violated this chapter, and the employer provides payment to the employee of all amounts  
of unpaid wages and interest due, all as determined in the citation and notice of assessment, within  
ten business days of receipt of the citation and notice of assessment.

5. Payment by the employer, and acceptance by the employee of all unpaid wages and interest  
assessed by the department in a citation and notice of assessment shall constitute full and complete  
satisfaction by the employer of all payment requirements in the citation and notice of assessment.

6. Nothing in this chapter shall be construed as creating a private cause of action for employees to  
file suit against an employer.



D. Administrative Review by Director.

1 1. General.

2 A person to whom a Citation and Notice of Assessment (“Citation”) or a Determination of  
3 Compliance (“Determination”) or civil penalty (“Penalty”) is assessed may request an  
4 administrative review of the Citation, Determination, or Penalty.

5 2. How to request administrative review.

6 A person may request an administrative review of the Citation, Determination, or Penalty by filing  
7 a written request with the Director within ten calendar days from the date of the Citation,  
8 Determination, or Penalty. The request shall state, in writing, the reasons the Director should  
9 review the Citation, Determination, or Penalty. Failure to state the basis for the review in writing  
10 shall be cause for dismissal of the review. Upon receipt of the request for administrative review, the  
11 Director shall review the information provided.

12 3. Decision of Director.

13 After considering all of the information provided, the Director shall determine whether a violation  
14 has occurred and shall affirm, vacate, suspend, or modify the Citation, Determination, or Penalty.

15 The Director’s decision shall be delivered, in writing, to all parties by first-class mail.

16 E. Appeals to the Hearing Examiner of Director’s Decision.

17 Appeal of the Director’s decision shall be made within ten calendar days from the date of the  
18 Director’s decision by filing a written notice of appeal, clearly stating the grounds that the appeal is  
19 based upon, with the Hearing Examiner, which appeal shall be governed by TMC 1.23. The  
20 Hearing Examiner shall notify all parties, by mail, of the time and place of hearing.

21 18.20.110 Severability.

22 If any provision or section of this chapter shall be held to be void or unconstitutional, all other  
23 parts, provisions, and sections of this chapter not expressly so held to be void or unconstitutional  
24 shall continue in full force and effect.

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