

**From:** [Megan Kogut](#)  
**To:** [Chris Roberts](#); [Shari Winstead](#); [Will Hall](#); [Doris McConnell](#); [Jesse Salomon](#); [Keith McGlashan](#); [Keith Scully](#)  
**Cc:** [City Council](#)  
**Subject:** Public Comment on March 28 2016 Agenda Item 8a-1 - Discussion of Minimum Wage and Paid Sick Leave  
**Date:** Sunday, March 27, 2016 3:18:01 PM

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Dear City Council,

This is a public comment in strong general support of raising the minimum wage and requiring paid sick leave in Shoreline, with one significant note of caution.

I know that Council is considering several pathways to increasing the minimum wage, especially in light of the state Initiative 1433 on track for voter consideration this fall. I really don't have a strong preference at this time about the various pathways, since I feel I don't have enough information at this time to decide.

The rest of my letter focuses on a significant note of caution I feel is missing from the staff report for the March 28 Council meeting.

In the section "External Workforce Regulations Results/Impacts", the staff report summarizes a UW study that shows "no statistically significant impact on consumer prices broadly." But an increase in consumer prices is only one impact.

Another more dramatic impact is the direct cost of an increase in the minimum wage to businesses. I feel like some numbers are missing from this discussion, as they were for the Transportation Impact Fee ordinance. The staff report states that increasing the minimum wage from \$9.47 to \$15.00 for City staff would have cost the City an extra \$191,970 in 2015. That same math should be done for businesses. By my rough calculation, one full time employee at \$15.00 instead of \$9.47 an hour is \$11,000 more a year, not including the additional costs of paid sick leave and additional payroll taxes. If a restaurant has ten full time employees (or equivalent), that added expense is \$110,000 per year, again not including related expenses. An additional five or six figure expense could "make or break" a restaurant, since so many restaurants have such small margins to begin with.

The staff reports states that "[a]necdotal negative impacts such as increased unemployment and rising costs for services and goods have so far not come to fruition." I would be careful about making blanket statements such as this. I have heard anecdotes about businesses shutting down due at least in part to the raise in minimum wage in Seattle. While employees may eventually find jobs elsewhere if their place of employment closes, there may be lost

wages and other significant impacts on employees that don't show up in overall employment and cost statistics. And, there are the perhaps more minor impacts of temporarily unoccupied commercial real estate and lost sales tax in the City of Shoreline.

So, I strongly encourage Council to consider that raising the minimum wage will very probably create "winners and losers", to borrow a term that Councilmember Will Hall used for the discussion of the Transportation Impact Fee. As you know, I strongly felt that the Transportation Impact Fee, which was to be used for roads projects that relieve relatively minor commuter traffic congestion mostly in residential areas, should not create "winners and losers" in the business community. But, I feel differently about the minimum wage and sick leave, which are very arguably about fairness, quality of life, and human rights. But, again, I want to bring up this point of "winners and losers" in the context of the discussion of minimum wage in case no one else does.

The Washington Restaurant Association, which is lobbying the Washington State Legislature for a phased version of an increase in the minimum wage, has been somewhat conservative regarding the issue. But they have written some very thoughtful articles to their members about the future of restaurants in Washington. They encourage restaurant owners to think differently and creatively, and they suggest that competing on price and/or convenience alone may not be a viable model anymore. They suggested that because people go out to eat so much more often now than they used to that they aren't choosing businesses only for their offerings and experience; they often also choose businesses for their ethics.

So, I think that there is a sea change that sets the tone for increasing the minimum wage and adding paid sick leave, and I'm excited about that. But, again, I'm here with some numbers (and I'm not late to the party this time) to make sure it's a thorough discussion.

Thank you for your time and consideration.

Megan Kogut PhD