

July 14, 2016

To: Members of the Eau Claire County Board

The purpose of this letter is to express concern about the process underway to enact a proposed Eau Claire County Living Wage Ordinance that would apply to county contractors.

As the possible impact and benefits of this proposal are being considered, relevant committees and the county staff have been receiving information from contractors about the possible effects of the ordinance. This information is not yet fully complete, nor does it yet provide a reasonably-accurate assessment of the entire cost and impact of compliance. In fact, the information that has been received from several contractors shows critical concern about possible negative impacts. Enacting this ordinance before full information is understood and considered could lead to several serious unintended consequences, including:

- Reduction in county services provided to some of the most vulnerable parts of our population who need them the most.
- Significant cost increases for county services without a funding source identified to cover them or knowing its impact on taxpayers.
- Potentially onerous compliance requirements for contractors that may inhibit their ability to continue to provide county services, create negative internal employee management issues from salary compression and other issues, and possibly lead to staff reductions.
- Loss of benefits for employees working on county contracts, since the value of benefits is not credited towards meeting the Living Wage standard. Reducing or eliminating benefits in favor of a higher wage rate was cited by some employers and an option for complying.
- Instability and uncertainty among workers engaged in county contracts as their organizations scramble to comply. A preponderance of the responses from contractors raised valid concerns about the ability to maintain staffing levels, pay benefits or provide the same level and quality of services.

In introducing this ordinance, its sponsor cited the goal of applying the same principles embodied in the county's recently-implemented salary matrix to the county's relationship with its contractors. However, those county salary standards were enacted only after thorough study to understand the costs and benefits, and time to develop a plan to implement them.

The Chamber believes that the county board should postpone action on this ordinance until such time as the full costs and implications can be understood and considered, and a fuller discussion can take place about whether the proposal itself is the best way to achieve the principles desired in the county's relationship with its contractors.

Sincerely,



Dave Johnson
Board Chair