

Yarmuth pushes council to act on minimum wage

Sebastian Kitchen, skitchen@courier-journal.com 6:58 p.m. EDT October 30, 2014



(Photo: Aaron Borton/Special to the Courier-Journal)

U.S. Rep. John Yarmuth said he has never appeared before the Metro Council and tries to leave local officials to their own business, but is encouraging Louisville's governing body to increase the minimum wage in Jefferson County because of inaction in Washington.

"Congress is too gridlocked to enact this legislation," Yarmuth, D-Louisville, told members of the council's Labor and Economic Development Committee on Thursday.

Yarmuth said he would much prefer Congress pass the legislation, which he is a co-sponsor of, at the federal level, but wants the council to act to help low income workers here. The council is debating an ordinance that would gradually increase the wage to \$10.10 an hour by 2017.

"Since there is so much gridlock in D.C., I think Louisville needs to act," Councilwoman Mary Woolridge, D-3rd District, said.

Kathy Donahue, chief operating officer of Louisville-based Packaging Unlimited, said the company competes nationally for business and a local increase would place the company at a competitive disadvantage by raising their costs by \$2.5 million a year. She said it would be difficult to increase their prices by more than 30 percent.

Packaging Unlimited has 400 permanent employees and at times has as many as 1,500 temporary workers at five different locations including Louisville, Donahue said. She said 160 of those employees are in Louisville, where there are sometimes up to 1,000 temporary workers.

"If a city only ordinance is passed to increase the minimum wage, there are up to 1,000 jobs at risk," she said of the packaging work done by the company. She said those are low skill jobs and most of those employees receive minimum wage.

The options for the company would be relocating, which she said would be difficult, or eventually laying people off because they do not have as much work because the company would lose clients after having to increase its rates. So, she said, increasing the wage in just Jefferson County would hurt those the supporters are trying to help.

Donahue said the company would not have an issue if the increase was federal because they could still compete.

Yarmuth and other supporters have said that there has not been a negative economic consequence in communities where the local minimum wage was enacted, including Santa Fe, N.M., Seattle and San Francisco.

But people, he said, "have their lives improved economically."

"If a business is paying less than a minimum wage then its business is being subsidized by taxpayers," Yarmuth said and said 47 percent of all the people who earn minimum wage are on public assistance.

Councilman Ken Fleming, R-7th District, said he believes Louisville would place itself at a disadvantage economically by approving the wage.

Economics professor Aaron Yelowitz of the University of Kentucky, who has studied the minimum wage for 10 years, said he studied Santa Fe and San Francisco and a local minimum wage can increase unemployment and hurt the local market.

"Enacting a minimum wage in Louisville will do more harm than good," Yelowitz said.

The labor committee will host a public hearing at 6 p.m. on Nov. 10, when 10 people on each side of the issue will be able to talk for up to three minutes each. People can call the council clerk at (502) 574-1100 to sign up to talk.

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