



January 21, 2014

Mr. Brian J. Bosse  
Waterfront Business Manager  
City of Santa Barbara, Waterfront Department  
P. O. Box 1990  
Santa Barbara, CA 93102

Re: Waterfront Department Janitorial Services Contract

Dear Brian,

This has been an important year for the UCP WORK, Inc. Harbor Crew and the City of Santa Barbara Waterfront Department, as we celebrated 21 years of partnership in maintaining our beautiful harbor. It was humbling to honor the entire Harbor Maintenance Department, who has been wholly invested in the success of this unique collaboration; remaining committed to supporting employment for all.

As you know, Governor Brown passed legislation this year, to increase minimum wage to \$9.00 per hour, and then to \$10.00 in 2016. Although philosophically, this is a change in the right direction, the impact on UCP WORK, Inc. will be devastating. Unlike retail businesses, who adjust their pricing to meet increased costs, State-funded non-profits are required to meet the mandate, while continuing to work with reimbursement rates that have been frozen for 9 years. The increased minimum wage will represent a 13% increase in labor costs (specific to the Harbor Crew) for 2014, with an additional 12% increase in 2016 (25% altogether).

Although this news is bleak, there may be a silver lining. In the Governor's budget proposal, he outlined some rate relief to State-funded organizations, however we remain unclear what this truly means and how it will impact our programs. Given the uncertainty of our funding and the new mandate, it is vitally important that we keep you in the loop; and we feel it would be beneficial to begin a conversation about our contract, and discuss whether there may be flexibility on the part of the City in consideration of a rate increase to ensure the sustainability of this important program/service. We would very much appreciate a meeting with all of you to brainstorm solutions and delve into this dilemma a bit further.

Again, we can't thank you enough for supporting UCP WORK, Inc. We are extremely grateful to be working with all of you, and we would sincerely appreciate your advice and feedback on this matter. It is our hope that together, we may arrive at a solution that will provide us the stability to continue to provide this important service for (at least) another 21 years.

Sincerely,

  
Kathy Webb  
Executive Director

Cc: Karl Treiberg, Waterfront Facilities Manager  
Scott Riedman, Harbor Master  
Judd Conley, Waterfront Maintenance Superintendent