

**Health & Human Services and Public Safety Committee Minutes****Tuesday, June 12, 2018, 5:30pm, Room 209, City Hall**

Committee Attendance: Councilors Belinda Ray, Chair (District 1), Brian Batson (District 3), Pious Ali (At-Large)

Councilor Attendance: Nick Mavodones (At-Large)

City Attendance: City Manager, Jon Jennings; Mayor, Ethan Strimling; Finance Director, Brendan T O'Connell; Director of Health and Human Services, Dawn Stiles; Assistant City Manager, Mona Bector

AGENDA ITEM 1 – Announcements and Approval of Minutes:

The Election results of the day's primary election are announced in room 209 starting around 8:30pm.

Councilor Batson moved to accept the minutes and the minutes were approved unanimously.

AGENDA ITEM 2 – Presentation from Finance Director on financial implications of proposed paid sick leave ordinance.

City Manager Jon Jennings introduced the Finance presentation giving background to the presentation. He explained that he tasks City staff to research the items taken up by the Council. This includes:

- Best practices
- Possible City costs
- Survey: The City Manager learned that that business groups were planning to survey their constituents and asked the Finance director to work with the chamber on that survey; Brendan wrote all but two of the questions.

Finance Director Brendan T. O'Connell

Cost to the City**Cost Categories**

- Increase in payroll expense as a result of new accruals
 - Estimated to be approximately \$107,000 (\$48k of new sick accruals plus up to \$58k of replacement employee costs)
 - Over 500 employee records impacted
 - City Clerk election workers are currently not benefits eligible. Most would not accrue a full hour of sick time in year 1 but would still accrue fractional time based on hours worked
 - Parks and Rec: Skating instructors and concessions are positions that shifts would be filled on straight or overtime.
 - Recreation would call in on straight or OT

- Riverside would call-in on straight or OT

Council Batson asked about the estimated additional cost; Mr. O'Connell noted some additional cost is greater than the normal rate because the position would may require OT. All the numbers are estimates as straight versus OT would be made on a case by case basis. Amounts in the chart are estimated using hours of new sick time accrued multiplied by either 1.0 (straight time), overtime (1.5) or a mix (1.25 – overtime and straight time).

Chair Ray said that the call out replacement is not a new cost, assuming that a person would call out whether they had sick time or not. Chair Ray asked for clarification on the cost of accrued sick time with employees who may not accrue an entire hour over the course of a year. Brendan will investigate further and provide detail on hours accrued by employee. Mayor Strimling asked for detail on which costs would be occurred regardless of sick time when people call out (how often do people call out who do not accrue sick time to test the assumption that people call out when sick). Brendan will add additional explanation

- New Staff Costs / Estimated Costs of Enforcement: \$211,000
 - Investigator
 - Support staff
 - Half time attorney
 - May be able to use outside counsel but it would likely be the same cost or higher
- Best practice is to have 2-3 employees
- Some municipalities have asked local courts to enforce
- Tacoma Washington was helpful in understanding how this may work

Councilor Batson asked what the population of Tacoma Washington: over 200,000.

- Would a population that is smaller than Tacoma need 2.5 FTEs
- The complexity of the ordinance enforcement determines FTEs

- Advertising
 - Educational outreach
 - Posters
 - No Cost as it is posted on website Portlandmaine.gov/minimumwage
 - Minneapolismn.gov is the best practice example of a great website but would cost \$5-10,000 (simple City page would have no cost)
 - Mailing would be \$5-10,000 as changes occur
- Legal costs: \$15,000-\$55,000
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Councilor Ali asked whom mailers are sent to: Answer: every effected business.

- Pass on costs
 - Contract employees (language line, Labor ready, etc.)
 - Portland based vendors
 - Update RFPs to include cost in bids
 - Increase of about \$32,000 of contract cost to the city.

Mayor Strimling asked for the explanation of how the \$32,000 number was found: Brendan noted it was $96M * 10\% * 10\% * (1/30)$

Chair Ray thanked Brendan for the work involved creating his analysis. Mayor Strimling thanked Brendan and asked for the one-time costs to be highlighted throughout the document.

Chair Ray asked Brendan for the number of minimum wage complaints there have been and the cost associated with them. Anne said in the previous meeting that many are mediated over the phone before incurring extra costs.

Chair Ray asked for clarification on whom is covered by the proposed ordinance: an employer with a physical location in the city or employees working in the City. It was noted that only businesses with a physical location in Portland would be affected. Councilor Ali asked about individuals working from home and independent contractors; it is a gray area. Councilor Batson requested further clarification from Anne, Corporation Counsel.

Greater Portland Regional Chamber of Commerce (GPRCOC) Survey:

<https://www.portlandmaine.gov/AgendaCenter/ViewFile/Item/6335?fileID=33892>

- It is in the normal range for expected responses on an external survey.
- Some questions are from the committee and some were added as expected follow up questions
- Councilor Batson asked about the method of survey distribution.
 - Thought business permitting would have contact info but it did not
 - Only certain types of businesses have licenses
 - Suggested by City Manager to reach out to the Chamber to reach all types of businesses
 - Survey Monkey
 - Sent to businesses in the GPRCOC
 - Two reminders with responses linked to email (one response per email)
 - Councilor Ali asked who sent the survey; It came jointly from the City and the Chamber
 - Brendan went over the answers of the survey
 - Most business are mature
 - Most businesses do not have locations outside of Portland
 - Are seasonal and part time definitions mutually exclusive?
 - NA and zero options to be removed
 - Survey allowed respondents to define position type themselves (full, part, seasonal and tipped)
 - How many of the no responses on question 16 have tipped employees
 - Are there any sectors that responded outside of food service/restaurant
 - #19 how many no responses even have a policy?
 - #20 respondents could choose multiple answers
 - Responses are anonymous so it cannot be known who responded but may be possible to see all responses from one person.
 - #21 more than one answer possible.

- Costs: some detailed explanations but in general \$1-2,000 per employee affected by scale.
- It will be confirmed if the expense for needing to have the money to pay for sick time (liability) exists.
- #25 additional comments were not coded as yes or no

The Mayor requested to present his math; the typical part time seasonal employee would cost about \$96 to use the one sick day earned from 3 months of work. Mayor Strimling requested an analysis of individual real employees that are representative of the positions most affected. Chair Ray said that some of the complexities of the responses to cost projections include other costs and some don't. Councilor Mavodones said that some business are using historical data versus actuarial. Councilor Batson said some employers have PTO policies that could be cut or added to based against the ordinance.

Councilor Mavodones asked if the survey will be saved for future use

Councilor Ali asked if employees responded as well; only business representatives answered in the Chamber's survey. Portland Buy Local's survey included some. Mayor Strimling said an employee survey may have value if it was the will of the committee. Councilor Batson noted the methodology of reaching employees may be difficult.

Councilor Batson asked if the survey address per diem employees; it breaks down on full-time, part-time, seasonal and tipped. It will be helpful to explore as per diem employees do not reconcile well with the ordinance.

Mayor Strimling said that a problem with the survey is that according to the state Department of Labor, the service sector is about one fifth of Portland businesses but makes up nearly half of the survey respondents. The industries most affected by the ordinance responded the most. The committee will consider the context of who responded in their analysis.

Mayor Strimling asked about removing the Not Applicable option. Brendan will update this in a future version of the survey

Mayor Strimling:

- Asked who created the survey, citing an email exchange between City staff and the Chamber. Brendan noted he drafted the questions based on a mix surveys from other municipalities and HHS Committee questions. Quincy's staff input into survey monkey.
- The Chamber input the data instead of City staff as it is their Survey Monkey account
- Asked if the results were real time? Yes
- Timing: when did the responses come in in relation to the Chamber coming out against the ordinance as written?
 - Brendan noted the survey was sent in Mid-April, prior to the Chamber taking an official stance. The questions were impartial and did not try to sway one side or the other.
 - Quincy clarified that the chamber did not have an official position until the public hearing and that the meeting that the Mayor attended was to educate their

members on the ordinance. The position was not determined until the day before the public hearing.

- Mayor Strimling commented on the perception that the Chamber's involvement and posture was not neutral.
- Chair Ray commented that she though the survey questions and methods appeared neutral.
- Question 5: how many of the 38% businesses outside of Portland would be affected

AGENDA ITEM 3 -Portland Buy Local Survey

<https://www.portlandmaine.gov/AgendaCenter/ViewFile/Item/6335?fileID=33895>

There was a calculation issue in the recorded response on some questions: amended survey results will be posted along with results from employees only.

- Portland Buy Local (PBL) is a small membership of local businesses
- Questions were only from PBL and not the City
- What is neither on question 1?
- Maryalice will send the survey responses from just employees (it was a small sample)
- Question 4: Data issue should be 81% and 19%

Chair Ray thanked everyone who collected data and asked how the committee would like to proceed.

- Request for information
 - Follow up from Brendan
 - Clarification on some results
 - Tightened up questions and methodology
 - Solicit responses from businesses that did not respond
- Questions from the last meeting
 - Corporation Council Answers
 - Family definition
 - Employer Size
 - Tipped employees
 - Flexibility for PTO already offered to be unaffected (it is in the spirit of the ordinance that PTO programs do not need to be provided)
 - Hours earned/worked
 - Caps (by calendar year?)
 - Wait period
 - City's role
- When a new draft of ordinance that the committee feels works, do a second round of surveys and public comments.
 - Work done section by section
 - By vote?
 - Needed public comment

- Work sessions with documented versions that ends with one meeting with public comment
- Timing on survey? How long to request responses?
 - When is it appropriate to send out the next survey
 - Deduplicate respondents
 - Publicize survey
 - Semi-open planning
- Do workers go to work sick?
- Helpful to have other paid sick leave comparisons by section.
 - A website has a spreadsheet that does this with ordinance language
- Every other week is focused on the Ordinance or is a standing item

AGENDA ITEM 4 - Next Meeting: June 26

- Answers to outstanding questions on Paid Sick Leave
 - Portland Buy Local Survey Results
 - Minimum Wage Costs
 - Real Life Examples:
 - Per Diem Question (Are there examples of per diems with benefits)
 - Sick time for calling out of a picked up shift outside of normal schedule?
 - Definitions with Corporation Counsel
 - Employer
 - Employee
 - Family
 - Full/part/seasonal/tipped

Meeting adjourned