

City of Cambridge

Committee Report #6

IN CITY COUNCIL

January 11, 1999

COUNCILLOR DAVIS
VICE MAYOR GALLUCCIO
COUNCILLOR TRIANTAFILLOU

ORDERED: That the City Manager be and hereby is requested to provide the following information to the Ordinance Committee for use in its consideration of the proposed Living Wage Ordinance:

- Costs to the City of this ordinance, in terms of additional employees, etc.;
- Effect of this ordinance on the Public Health Commission;
- How the ordinance interfaces with the Responsible Employer Ordinance;
- Comparison of this ordinance and the Boston ordinance;
- Effect on 9 week employee program;
- does the City already have automatic CPI cost of living increases;
- Description of any collective bargaining issues presented by the ordinance.

In City Council January 11, 1999.

Adopted by the affirmative vote of nine members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

ATTEST:-

D. Margaret Drury
D. Margaret Drury
City Clerk



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A handwritten signature in cursive script that reads "D. Margaret Drury".

D. Margaret Drury
City Clerk

Councillor Russell stated that she supports this ordinance but she has some questions. She asked whether enforcement has been a problem in other cities with this ordinance. Attorney Somberg stated that there is a problem with compliance, but as with the Cambridge law, the laws are generally self-enforced by employees.

Councillor Davis stated that Mr. Healy has given her a printout of what vendors would be covered. It appears that about 600 vendors have contracts with the City for more than \$10,000.00. Attorney Somberg stated that she has reviewed this list. Many probably do not have any employees who earn less than \$10.00 per hour. Also, contracts for purchases are not involved, the law only applies to service contracts.

Councillor Triantafillou asked whether there could be a potential action against the City. Attorney Somberg stated that she supposed that it is possible but it would be a fairly convoluted course of action for an employee to take when there is a direct right of action against the contractor.

Councillor Triantafillou said that it is important to be clear about what the cost to the City will be; she believes that there will be a cost. She is willing to support this ordinance even though there is a cost but it is important to make an informed choice.

Councillor Triantafillou asked how this will affect restaurant employees, for example, employees of a food contractor who supplies the City. Ms. Somberg stated that employees who work on the contract would have to receive a living wage, not all employees of the contractor.

Councillor Triantafillou asked what effect the ordinance will have on the Health Commission. Ms. Somberg stated that the Cambridge Hospital and clinics that supply services to Cambridge residents would be subject to the living wage. People who work in the cafeteria would be affected, and some other categories of employees.

Councillor Born asked about what agencies and organizations would fall under the category of employees receiving assistance. She also asked how this ordinance interfaces with the responsible employer ordinance. Attorney Somberg stated that this ordinance is another tool but it is specific to the living wage.

Councillor Born asked how this proposal differs from the Boston ordinance. Ms. Somberg stated that one difference is the \$10.00 per hour wage amount. Another is that the Boston ordinance has a focus on hiring halls. Also, the Boston ordinance only applies to large employers.

Mr. Slaney stated that the Boston ordinance also required a great deal of paperwork and reporting by employers which this ordinance does not include.

Vice Mayor Galluccio asked whether the ordinance covers employers who contract with the Cambridge Hospital.

Vice Mayor Galluccio moved that the committee receive a report on what the Law Department perceives the impacted employers to be and to what extent the Public Health Commission will be subject to this ordinance. For example, security guards at the Hospital start at \$8.00 per hour with no benefits. He noted that this ordinance is also a detriment to privatization.

Vice Mayor Galluccio asked whether the proposal is intended to affect the nine-week positions that the City utilizes for unskilled labor, usually for people who have no other prospect at all. Ms. Somberg stated that temporary employees are not exempted; they are covered by the ordinance. Vice Mayor Galluccio recommended taking a closer look at this issue, because although he believes that the pay is too low, these jobs can be a very important stopgap for a desperate person.

Councillor Triantafillou asked about implementation. She asked whether the ordinance contemplated one department having hearings or several. She also asked about the retaliation and discrimination provision and how it works in conjunction with other statutes and jurisdictions such as Massachusetts Commission Against Discrimination.

Councillor Triantafillou moved that the City Manager be requested to provide the following information:

1. Does the City already have automatic CPI cost of living increases?
2. Is there any collective bargaining issue with regard to changing the terms of a collective bargaining agreement presented by this ordinance?
3. Would the City Manager provide an estimate as to the cost of implementing This ordinance in terms of additional employees, etc.?

Councillor Davis stated that \$10.00 per hour seems hardly enough to be called a living wage. However, looking at the list, there seem to be potential issues, for example, special education placements across the state, the Cambridge Camping Association which hires college students seasonally and where what they are paid impacts the costs to low and moderate income families.

Ms. Somberg stated that the Campaign for a Living Wage would be interested in looking at any particular contract that raises issues that need to be addressed.

Councillor Davis then invited public comment.

Representative Alice K. Wolf, Huron Avenue, stated her strong support for the concept of a living wage and of the City Council enacting an ordinance to provide a living wage. This is a movement across the country. New York, Portland, Oregon, Baltimore and Boston have all passed living wage ordinances. It has been an effective effort in other communities. A number of these ordinances include cost-of-living increase provisions.

Elie Yarden, 143 Pleasant Street, spoke in favor of the proposed ordinance and stated that he has participated in some of the committee meetings to discuss the draft. He stated that he shares the concerns expressed by City Councillors about how this can affect various important goals, but there are consequences to the people who are performing slave labor.

Elaine DeRosa, 4 Pleasant Place, Executive Director of CEOC, stated CEOC's support for this ordinance. CEOC, a non-profit which received city assistance, pays all of its employees at least \$10.00 per hour.

Marjorie Decker, 70 Bishop Allen Drive, spoke in support of the ordinance. In fact, \$10.00 per hour does not bring a family out of poverty. She suggested a working group of campaign members and city staff to work out any issues.

Maureen Ridge, 150 Staniford Street, Director of Service Employees International Association, spoke in support of the living wage ordinance. She noted the special significance of such an ordinance when welfare reform in Massachusetts has just terminated the benefits of many poor residents, which will inevitably lower wages. She stated that changing collective bargaining language in this situation will not be a problem.

Steve Meacham, 10 Laurel Street, expressed the support of the Eviction Free Zone for this ordinance. He stated that the committee has met every two weeks over the past year. He noted that only fifty employers in Baltimore were found not to be in compliance with the ordinance.

Natalie Smith, 10 Laurel Street, staff person, Campaign for a Living Wage, spoke in support of the living wage ordinance. City Councillors are hired to protect their people, not to worry about how much money is in the bank at the end of the day.

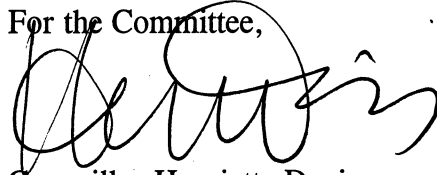
State Representative-elect Jarrett Barrios, 146 Prospect Street, spoke in support of the ordinance. It truly is a moral choice and he is very happy to see the level of support by the City Council. He urged the City Council to be aggressive.

Councillor Triantafillou moved that the questions be submitted to the City Council for reports and that the matter remain in committee. The motion passed without objection.

Councillor Davis thanked those present for their attendance.

The meeting was adjourned at 8:55 p.m.

For the Committee,

A handwritten signature in black ink, appearing to read 'Henrietta Davis', written over a circular stamp or seal.

Councillor Henrietta Davis
Chair

January 11, 1998

COUNCILLOR DAVIS
VICE MAYOR ANTHONY D. GALLUCCIO
KATHERINE TRIANTAFILLOU

ORDERED: That the City Manager be and hereby is requested to provide the following information to the Ordinance Committee for use in its consideration of the proposed Living Wage Ordinance:

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- Effect on 9 week employee program.
- Does the City already have automatic CPI cost of living increases.
- Description of any collective bargaining issues presented by the ordinance.

City of Cambridge

In City Council January 11, 1998

The Ordinance Committee held a public hearing on December 1, 1998, beginning at 7:15 p.m. in the Sullivan chamber for the purpose of considering a proposed amendment to the Municipal Code to provide a Living Wage Ordinance.

Present at the hearing were Councillor Henrietta Davis, Chair of the Committee, Vice Mayor Anthony D. Galluccio, Councillor Kathleen Leahy Born, Councillor Sheila T. Russell, Councillor Michael A. Sullivan, Councillor Katherine Triantafillou, and City Clerk D. Margaret Drury.

Councillor Davis convened the hearing and explained the purpose and the procedure. She invited a presentation from the proponents of the amendment.

David Slaney, Norfolk Street, began the presentation. Mr. Slaney introduced Attorney Judy Somberg, 48 Antrim Street, who drafted the ordinance, to explain the ordinance.

Attorney Somberg stated that the ordinance applies to three categories. One is employees of the City, which is somewhat different from most ordinances of this type. It also applies to employees of contractors who have contracts with the City of over \$10,000.00. Since these contracts must be bid under state law, there is already paperwork involved; the goal was not to add a lot of paperwork. The third category is employees of organizations receiving subsidies from the City.

Attorney Somberg explained that health insurance is not mandated because it is so very expensive in this area. There is a provision for waivers and exemptions. Exemptions are for particular jobs in such categories as youth jobs and training jobs. There is also a provision for a hardship waiver for certain non-profit employers. Ms. Somberg noted that the major enforcement contemplated is self-enforcement by employees. She stated that the City Manager should be consulted as to which city department should be involved in administration. The proposed ordinance puts it in the Personnel Department, but that is really his call. The one mandatory remedy is wage restitution; other remedies are at the City's discretion.

Attorney Somberg stated that this ordinance is in keeping with other actions of this City Council, such as the Cambridge Employment Plan. She submitted copies of two studies of the Baltimore Living Wage, one of which was just completed a year after the first study. Most of the workers affected were part-time and seasonal employees. The main effect was a more stable workforce in these categories. There were no negative effects on the city of Baltimore.

540

A report from Councillor Davis,
Chair of the Ordinance Committee,
for a hearing held on December 1, 1998,
for the purpose of considering a proposed
amendment to the Municipal Code to provide
a Living Wage Ordinance.

Report Accepted.
Order Adopted
Referred to the petition
which remains in
Committee

In City Council January 11, 1999