



CITY OF  
**PORTLAND, OREGON**

OFFICIAL  
 MINUTES

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 6<sup>TH</sup> DAY OF MARCH, 2013 AT 9:30 A.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ben Walters, Chief Deputy City Attorney; and Steve Peterson, Sergeant at Arms.

On a Y-5 roll call, the Consent Agenda was adopted.

<b>COMMUNICATIONS</b>	<b>Disposition:</b>
180 Request of Erin Cornell to address Council regarding neighborhood crime and the Office of Crime Prevention (Communication)	<b>PLACED ON FILE</b>
181 Request of Mark White to address Council regarding Community Development in Powellhurst-Gilbert (Communication)	<b>PLACED ON FILE</b>
182 Request of Mary Eng to address Council regarding the fluoride breast cancer connection and Nazis and sexual harassers in the Portland Police (Communication)	<b>PLACED ON FILE</b>
183 Request of Joe Walsh to address Council regarding fluoride (Communication)	<b>PLACED ON FILE</b>
184 Request of Richard Ellmyer to address Council regarding Portland City Commissioner's Public Housing Policy positions (Communication)	<b>PLACED ON FILE</b>
<b>TIMES CERTAIN</b>	
185 <b>TIME CERTAIN: 9:30 AM</b> – Accept the audit of the Comprehensive Annual Financial Report for FY 2011-2012 and the related Communications with Those Charged with Governance, and adopt the management responses to correct the deficiencies in financial reporting controls disclosed in the audit (Resolution introduced by Auditor Griffin-Valade) 20 minutes requested  (Y-5)	<b>37004</b>
<b>CONSENT AGENDA – NO DISCUSSION</b>	

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**Mayor Charlie Hales**

<b>186</b> Reappoint 13 members to the Portland Commission on Disability for a term to expire December 31, 2015 (Report) (Y-5)	<b>CONFIRMED</b>
<b>Bureau of Environmental Services</b>	
<b>187</b> Authorize a contract with GSI Water Solutions, Inc. for as-needed services to support implementation of the Water Pollution Control Facility and National Pollutant Discharge Elimination System Municipal Separate Storm Sewer Discharge Permits (Ordinance)	<b>PASSED TO SECOND READING MARCH 13, 2013 AT 9:30 AM</b>
<b>188</b> Authorize contract with the lowest responsible bidder for the NE 33rd Drive & Buffalo Slough Culvert Replacement Project, Phase 2 No. E10377 (Ordinance)	<b>PASSED TO SECOND READING MARCH 13, 2013 AT 9:30 AM</b>
<b>189</b> Authorize a contract with the lowest responsible bidder for the SW 86th Ave Pump Station and Appurtenances Project No. E09051 (Second Reading Agenda 166) (Y-5)	<b>185908</b>
<b>Bureau of Planning &amp; Sustainability</b>	
<b>190</b> Consent to transfer of residential solid waste and recycling franchise to Rossman Sanitary Services, Inc., dba Republic Services of Lake Oswego (Ordinance)	<b>PASSED TO SECOND READING MARCH 13, 2013 AT 9:30 AM</b>
<b>Office of Management and Finance</b>	
<b>*191</b> Authorize a contract to replace two sewer inspection vehicles for use by the Bureau of Environmental Services for \$730,162 (Ordinance) (Y-5)	<b>185909</b>
<b>*192</b> Pay claim of PGE involving Bureau of Transportation (Ordinance) (Y-5)	<b>185910</b>
<b>*193</b> Approve settlement of claims with Rachel Browning, Cabell Group involving Procurement Services (Ordinance) (Y-5)	<b>185911</b>
<b>Parks &amp; Recreation</b>	
<b>*194</b> Increase contract with MacKay Sposito, Inc. for additional construction management services provided on the Phase 1 riverbank restoration of the South Waterfront Greenway Central District project (Ordinance; amend Contract No. 30000285) (Y-5)	<b>185912</b>
<b>*195</b> Increase contract with Hart Crowser, Inc. for additional geotechnical services provided on the Phase 1 riverbank restoration of the South Waterfront Greenway Central District project (Ordinance; amend Contract No. 30002642) (Y-5)	<b>185913</b>

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<p><b>*196</b> Approve mutual general release and settlement with Nutter Corporation, Teufel Nursery, Inc. and Wolf Industries, Inc. to cover repairs to Elizabeth Caruthers Park (Ordinance)  (Y-5)</p>	<p><b>185914</b></p>
<p><b>197</b> Authorize an Easement and Equitable Servitudes agreement with the Department of Environmental Quality for city-owned property at Johnson Lake (Ordinance)</p>	<p><b>PASSED TO SECOND READING MARCH 13, 2013 AT 9:30 AM</b></p>
<p style="text-align: center;"><b>REGULAR AGENDA</b></p> <p style="text-align: center;"><b>Mayor Charlie Hales</b></p>	
<p><b>198</b> Appoint John Verssue to the Human Rights Commission, term to expire October 31, 2013 (Previous Agenda 106)  <b>Motion to accept the report:</b> Moved by Fish and seconded by Fritz.  (Y-5)</p>	<p><b>CONFIRMED</b></p>
<p><b>199</b> Appoint Rob Fullmer and reappoint Christopher Smith to the Community Budget Advisory Board for terms to expire December 31, 2015 (Previous Agenda 143)  <b>Motion to accept the report:</b> Moved by Saltzman and seconded by Novick.  (Y-5)</p>	<p><b>CONFIRMED</b></p>
<p style="text-align: center;"><b>Bureau of Planning &amp; Sustainability</b></p>	
<p><b>200</b> Amend Title 33, Planning and Zoning to make it easier for property owners to do minor home improvements in the City's historic and conservation districts (Second Reading 165; amend Title 33)  (Y-5)</p>	<p><b>185915</b></p>
<p style="text-align: center;"><b>Office of Management and Finance</b></p>	
<p><b>201</b> Authorize water revenue bonds to refund outstanding bonds and finance water system capital improvements (Second Reading Agenda 178)  (Y-5)</p>	<p><b>185916</b></p>

At 10:49 a.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND,  
OREGON WAS HELD THIS 6<sup>TH</sup> DAY OF MARCH, 2013 AT 2:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fritz, Novick and  
Saltzman, 4.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Roland  
Iparraguirre, Deputy City Attorney; and Mike Cohen, Sergeant at Arms.

<p><b>202</b>    <b>TIME CERTAIN: 2:00 PM</b> – Transmit the Revenue Bureau report regarding Broadway Cab appeal of the Private For-Hire Transportation Board decisions of December 12, 2012 regarding fleet expansion requests from existing taxi companies (Report introduced by Mayor Hales) 1 hour requested</p>	<p><b>Disposition:</b></p> <p><b>CONTINUED TO MARCH 13, 2013 AT 2:00 PM</b></p>
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At 3:36 p.m., Council recessed.

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A RECESSED MEETING OF THE COUNCIL OF THE CITY OF PORTLAND, OREGON WAS HELD THIS 7<sup>TH</sup> DAY OF MARCH, 2013 AT 3:00 P.M.

THOSE PRESENT WERE: Mayor Hales, Presiding; Commissioners Fish, Fritz, Novick and Saltzman, 5.

OFFICERS IN ATTENDANCE: Karla Moore-Love, Clerk of the Council; Ian Leitheiser, Deputy City Attorney; Wayne Dykes, Sergeant at Arms; and Greg Goodwin, Sergeant at Arms at 5:00 p.m.

	<b>Disposition:</b>
<p><b>203</b>    <b>TIME CERTAIN: 3:00 PM</b> – Authorize changes to the City Code to require Protected Sick Time for employees of businesses working in the City of Portland and enter into a contract with Oregon State Bureau of Labor and Industries for enforcement (Previous Agenda 179; Ordinance introduced by Commissioner Fritz; add Code Title 9) 3 hours requested</p> <p><b>Motion to accept Fritz substitute exhibit as amended by Saltzman, Novick and Fish:</b> Moved by Fritz and seconded by Fish. (Y-5)</p>	<p><b>PASSED TO SECOND READING AS AMENDED MARCH 13, 2013 AT 9:30 AM</b></p>

At 6:18 p.m., Council adjourned.

**LAVONNE GRIFFIN-VALADE**  
Auditor of the City of Portland



By Karla Moore-Love  
Clerk of the Council

For a discussion of agenda items, please consult the following Closed Caption File.

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**Closed Caption File of Portland City Council Meeting**

This file was produced through the closed captioning process for the televised City Council broadcast and should not be considered a verbatim transcript.

Key: \*\*\*\*\* means unidentified speaker.

**MARCH 6, 2013     9:30 AM**

**Hales:** Before we start the city council meeting this morning we have some folks here on, on a very happy day of a proclamation. And I see, I see courtney duke is here, along with sarah and barbara rice. Thanks for coming. I will read this proclamation. Let's bring you up to receive it and hear anything you have to say, so thanks for being here and good morning, come on up. Whereas residents of this region know it's greatness and success is a result of all residents regardless of gender making revolutionary contributions to society. And whereas women have been historically underrepresented, yet play and continue to play important roles international, nationally, regionally and locally in furthering knowledge and promoting positive social change, and whereas to foster the next generation of women the city of Portland seeks to encourage and support professional, educational and social opportunities for women in order to ensure that opportunities may, may, that may have not have existed in the past, are available in the present and into the future. And whereas, women's history month, is a time for all Portlanders to remember the stories and teachings of the many women who made and continue To make improvement for the livability of the city, region and world and whereas during women's history month, all americans are encouraged to reflect on past victories and struggles of women to create a society where our daughters can reach their full potential unobstructed by gender. Now, therefore, i, charlie hales, the city of roses, do hereby proclaim march 1 to march 31, 2013, to be women's history month in Portland. And encourage all residents to observe this day. Congratulations, and let's hear it for the women leaders in our community. Welcome.

**Sara Schooley, Bureau of Transportation:** Thank you. Good morning, mayor hales, and council. My name is sarah schooley, and I am an employee of the Portland bureau of transportation. Thank you for having us today to formally proclaim and celebrate march as women's history month. The women's affinity group for the city of Portland has organized variety of events this month ranging from our kickoff breakfast, films and panels to remind and educate staff on the roles of women and creating the city we live in today. For 2013, the national theme of women's history month, is women inspiring innovation through imagination, and focuses on honoring generations of women who throughout history, have used their intelligence, imagination, and sense of wonder and tenacity to make contributions to science, technology, and engineering and mathematics, also known as stem. We at the city of Portland have adopted the national theme and our events focus around learning about and supporting city staff women that work in these fields. I have two events that I would specifically like to highlight. The first is a panel of female staff titles breaking through the bias. City women. Which will be held on march 26th in the Portland building auditorium. We will be talking with staff from bes, bts, and bps to learn about how they chose their professions and their experience working for the city as a female. This panel will be facilitated by mayor hales, gail shibley, and I encourage you to attend. Secondly I would like to encourage and you any city employee to nominate female mentor, leaders and co-workers for the wonder women awards. The nominated women will be honored on wednesday, march 27th, also in the Portland auditorium. With the aurora chorus. I look forward to seeing you there. Lastly, even as the number of women in the workplace has increased, we still have a way to go. And 51% of residents in the city of Portland are women, yet 32% of city employees are women. And this is a gap that is slowly closing and needs to be continually worked on. As a female, trained in engineering and city planning, I am

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proud to be one of the 32%, and look forward to meeting the future women that the city will Employ. With that, I would like to introduce barbara rice and courtney duke. Who will speak about their experience with the city of Portland and why women's history month is an important time of year to pause and reflect.

**Hales:** Thanks, sarah.

**Barbara Rice, Portland Water Bureau:** I am barbara, and I am with the Portland water bureau. I have been a part of this committee, planning committee for, for four or five years, and I always look forward to this month. Not just because it's women and history but many women that, that are employed by the city of Portland. And i, I feel, as a part of that, very, very, very closely. An email was sent out regarding the proclamation, and my manager read that email. And she sent a reply to janet mcdonald, who is, is the chair of the women's affinity group, and she said in her email reply, that, that, that if reminded her, the proclamation reminded her of the many women, powerful and strong, that, that had impacted her in her lifetime. And i, too, feel that way. There are many women, especially many women in the city of Portland, through my years here that have impacted my scene and the learning that I have done from within the city of Portland. And so, I encourage all of you commissioners and mayor and, and all the city employees Portland, to come and be a part of the events that we have planned for this month. They are great events. I know you will enjoy them all, and if you don't know the events we're having, we sent out a calendar at the beginning of the month. But you can go to Portlandonline.com with the diverse and, and employees and look at those events, and attend which one will meet your schedules. So thank you for having us here, and I am proud to be a part of, of the 32% of the women that are employed by, by the city of Portland.

**Hales:** Thank you.

**Courtney Duke, Bureau of Transportation:** Good morning, I am courtney duke with the bureau of transportation, and i've been at the city 17 years, and I started when I was really young. But, eight of those as february 13th, eight of those has been as a working mom. On behalf of the city of Portland, city mama's group, also known as the world mom affinity group, we say thank you to the council and to the city for supporting women and working moms here at the city. One way that's done is the on-site daycare that we have, flexible work schedules and paid sick leave. And we are encouraging the over 100 moms on our email list as a part of the affinity group as well as the working moms and parents here at the city to participate in women's history month events, and we have worked with the affinity group to work on those. And we are, we are very grateful and glad that the council supports the women's affinity group as well as all the groups and the working moms group Through the activities deep, and all of our affinity groups.

**Hales:** Thank you very much.

\*\*\*\*\*: Thank you. [applause]

**Hales:** There are probably some other stories up here among the council members. Mine is that the first time I served in this room was with mayor vera katz, and she was a great leader and mentor, and she also participated in that wonderful tradition of bring your daughters to work day, and I brought my daughter to work, so that she could spend time with mayor katz, and I think it inspired her, so the mentorship part is important. Other comments? Questions from council? Thank you all. Thanks very much. And we'll all look forward to the events of the month. Council, come to order. And call the roll, please. [roll taken]

**Hales:** All right.

**Hales:** Caitlin says, don't do that, dad. Communications items first, please.

**Item 180.**

**Hales:** Good morning, and welcome, three minutes. Put your name in the record. And if you are representing a group, let us know.

**Erin Cornell:** Ok. Thank you. Good morning. I am erin cornell, and I am here today to make sure that you are aware of the great work being done by the city of Portland's office of crime

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prevention and specifically, about the impact That office has had on my neighborhood. I lived in northeast Portland, on 85th avenue just north of fremont for seven years, and my house is just three short blocks off of 82nd avenue, and drug and prostitution activity is rampant there. My house has been broken into and cars pull over for me if I go to walk. I consider myself strong person but over the last seven years I remain isolated from my neighbors because I had no tools to discern who I could trust and did not know how to go about creating change. Last fall I learned about the office crime prevention and made a phone call to brad taylor, the coordinator for my neighborhood. Brad came out to my house, and did an assessment and made recommendations for what I could do to deter crime on my property. Brad also gave me the tools that I needed to start a watch program. With his help we organized a group of 33 neighbors and counting. Brad provided crime prevention training, including the right and wrong ways to maintain our properties, the specifications for effective door locks, and the importance keeping our bushes trimmed and the positive impact of territoriality. That's the feeling you get when you step onto well maintained property that you are in someone else's space and that space is cared for. The prostitution coordination team, which is made up of four police officers and a deputy District attorney, also attended our first neighborhood watch meeting. They encouraged us to call the police when we see prostitution activity in our neighborhood, and as well as providing them with as many details about both the prostitute and the john as we can. They have promised to follow up on every reported license plate belonging to car seen picking up a woman in my neighborhood. My neighbors and I are preparing to begin foot patrols. Brad taylor will conduct a training teaching us what we need to know to stay safe while deterring crime by walking around and having a presence on our streets. We'll go out together at least once a month, and it will be a time to get to know one another better, and while also preventing crime. In the five short months since becoming involved with the office of crime prevention we have evolved from neighbors living in isolated silos to neighbors in regular contact and wave to each other on the streets. We are sharing information about criminal activity we witnessed, and more important, brain storming ways to curtail it. We are caring for each other's homes when neighbors go out of town. Talking about becoming involved in a food co-op and sharing information about how we can support friends of trees work group coming to the neighborhood. We are also investigating what it would take to turn a vacant lot, an eyesore into a community garden. We are planning summer barbecues and looking into blocking off the streets for a block party. To think that I have lived alongside most of these people for the past seven years and never even seen most of them. Thanks to the support from the office of crime prevention I feel safer in my home and empowered to create change in my neighborhood. I encourage you to lend your support to this office as I continue to support Portlanders to create safer neighbors, but stronger communities. Thank you very much for having me here this morning.

**Hales:** Thanks very much.

**Fritz:** Thank you for getting involved and taking time to talk to us.

**Cornell:** Thank you. [applause]

**Hales:** Next one please.

**Item 181.**

**Hales:** Good morning, mark.

**Mark White:** Hi. Thank you for having me again. I am mark white, president of the powellhurst-gilbert neighborhood association. There is a lot to talk about. I want to make sure the council knows what we are asking for is, essentially, for council to speak with the Portland development commission to ask them to reverse their decision on the purchase of a property for gilbert place, and just as context, the amount that we have comes to less than .2 of 1% of the total remaining for the urban renewal area, so not very much at all. There is two tracks that the Community will benefit from this project. It's a multi-use development that has economic development as part of it. And in fact, it's probably the main thrust of it. I use my street as an example of how it benefits long-term



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residents on my street, you will see a, a page in there, of the loss of value of properties on my street. There is 25 properties, and 2.3 million has been lost in the last couple of years. The average loss is 40%. So, what that means is, is essentially, almost half of folks' retirement is gone, which means that, that aging in place is not an option. It's something that's going to be mandatory, so having something close by to walk to, as far as the retail, is going to be extremely important. As far as our other residents who have moved into the area, I use lean as an example, I attached a sheet that shows that, of the 37 units there, there is now 190 residents, 120 of them are children, and 70 of them are adults, and the unemployment, underemployment rate is 65%. That's up 5% from what it was a couple of years ago. And there is also a copy of a survey in there that a third of the residents participate in, that shows that, that they are interested in starting their own business, and have some skills that will translate into that. So, one of the things that, that I would like folks to think about is affordable housing for the most part, I think, is thought of as a lifeboat. But, is it really a lifeboat if there is no oars or sales for people to move forward because the turnover at leander court is very low, so most of the people who filled out that survey, three, four years ago, are probably still there, and their lives have not changed or possibly have gotten worse. So, this is the tool that help to provide them with the ability to move forward. So, that's really what we're asking for is, is really, just the chance to get something to happen, while we understand that there is lots of things that are really challenging about this project, and with big challenges comes high risk. But, really, the only risk, the biggest risk is failure. But, really, ultimately, the biggest failure is not to try. And we're willing to try and we need your support in order to make that happen. So, thank you very much for having me, and I hope to hear from. Thank you.

**Hales:** Thanks for all your great advocacy. A lot of time put in. Thank you. Next one, please.

**Item 182.**

**Mary Eng:** Nice to see you all. The first item in the packet is the zero tolerance of harassment and discrimination memo from general petraeus at the cia. And I think that as a model statement, we need to have this kind of, of clearness about how we feel about, about inappropriate leg touching, sexual jokes, sexual pictures, And sexual harassment prevention, so something along these lines we can settle for nothing less than that clarity. We move onto the next item, is, is from, from breast cancer choices, some great information, important information on, on issues pertaining to breast cancer, and any kind of endocrine disruption, this will also look at male cancers, as well. So our cancer patients in Portland should not be permitted to drink the fluoridated water so I hope you can figure out something to do with the water supply for cancer victims. I am sure that all of you have had, have had loved ones or, or friends who have died because of cancer, and so we don't want to be pumping this into the water without some, some hope for the cancer victims. The next item is from the rose city anti-fascist. I received a memo on the expo line from young kids who were very concerned about it, on our police force, and due to the fact that I moved back and forth between los angeles and Portland a couple times, I am kind of out of touch. To me, this dark secret about the Portland police makes me wonder what other kinds dark secrets are going on here, and I wanted to draw your attention to the excellent research on sexual harassment in the police force. She's consulted with legal scholars and clarity on this and leadership from the mayor's office would be really appreciated. I think that we can get our women in law enforcement more Interested in their careers. We have got do make sure the campuses are safe. So women take their criminology class and is go into law enforcement, and then we need to make sure that they clearly know that they will not be hazard, and that's where hate crimes and racist crimes and the doj investigation into some of the problems with the police, having a nazi on the police force sends a message to certain communities, who are they? Catholics. Jewish people, black people. It sends a message that we don't care about your hate crime. If you have got a sexual harassers moved over to sex crimes, who are you going to report your rape to when you are raped on the Portland state university campus.

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This is an incomprehensible for me. It was my goal not to lose reply temper and thank you for the good works you do.

**Hales:** Thank you very much. Next one, please.

**Item 183.**

**Hales:** Good morning.

**Joe Walsh:** Good morning, mayor. Gentlemen. Commissioner Fritz. I come before today not really to talk to you. But really, to talk to the people that will watch us on tv, or people in this room. Because three of you have already officially voted to put fluoride in our water, and the other two have made public statements that you support it. When we speak about putting fluoride in the water, it's almost like a french dessert. It's not what you are going to put in the water. You are going to put an acid. It's called, and I have terrible trouble pronouncing this word. [inaudible] acid. The chemical base for this acid is  $h_2fis_6$ . F standing if the fluoride and h standing for the hydrogen. And the fi stands for hydrogen and silicon. In front of me I have the material safety data sheet on that acid. First thing it says, is it's extremely hazardous in the case of skin contact. If came into contact with this stuff, it will burn you. And in 1995, there was an accident with the truck delivering this stuff. The fluoride to the water. The truck turned over, and created a pool of liquid, about 30 feet wide. They had to evacuate 1500 people out of daytona. They had to rush 50 people up to the hospital because there was a burn to their throat, their nose and stomach. And they had to evacuate another 2000 people because they found that when they picked up this stuff, and put it on trees and houses and lawns. That's what you are going to put into your water. You have a regulation coming into this council that you cannot wear perfume. Or shaving lotion. And I always wondered why. But, I saw a sign on my doctor's office saying the same thing. So, I asked them, and he said, the sensitivity of my patients, they are vulnerable. What about the vulnerability of your citizens here. I have diabetes. I take nine medications. Any of you sitting on this council tell me what the reaction of this stuff is in my system and after you put it in my water? You make me take a shower with it. Put it in my mocha, and I don't like people screwing with my mochas. I like that taste.

**Hales:** Thank you very much.

**Walsh:** Rethink this.

**Hales:** Karla.

**Item 184.**

**Hales:** Good morning, richard.

**Richard Ellmyer:** Good morning. My name is richard ellmyer. Governing is about choices. Charlie hales has made his choice. Has chosen to follow his predecessor, sam adams, in supporting the discredited and abhorrent policy of targeted, unlimited, neighborhood concentration of public housing, and it's commensurate need to withhold from the public accurate, complete and timely public housing statistical data. You have now made yours. With the welcome, effective change of a strong mayor form of city government, city commissioners are not only free but obliged to challenge or accept the policies affecting every bureau now controlled by mayor hales. That is now your job. As a Portland taxpayer voter and constituent, I have asked each of you to submit an agenda item calling for a vote in support of a change in public housing Policy to that of equitable distribution public housing. Not one of you has shown the professional courtesy of a response of any kind. How to each. You explain the dismissal of a legitimate request by a constituent to take an action, which is now part your job description? I have offered to meet with each of you in public or in private on the subject public housing policy many, many times. Without response. Hiding from public debate and discussion on a major public policy matter indicates the fear of embarrassment due to an inability to incredibly defend the position. This is often referred to as political cowardice, and unwelcomed trait in elect public officials. This issue has been in the public domain for a decade. It is well-known to all of. You do not need more time to consider which of

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the two available public housing policies support. As always, to do nothing is a choice to support the status quo. By effectively changing Portland's form government to strong mayor, charlie hales has given each of a unique opportunity. You have chosen not to challenge this status quo of public housing policy and replace it with a policy of equitable distribution public housing. This is now your legacy. Because there is virtually no chance that after today, march 6, 2013, that you will change your position on this Matter for the remainder of your time in public office. I close with this offer. If you know that I am wrong, and want to challenge my description of your views on public housing policy, let me know, and I will arrange to have a public conversation on the matter in front of the largest audience that I can find. Thank you.

**Hales:** Thank you. All right. Let's move to consent calendar, and I don't believe that there have been any requests to, to remove items from the consent calendar. Any today? Then, let's proceed.

**Fritz:** Aye. **Fish:** Aye. **Saltzman:** Aye. **Novick:** Aye.

**Hales:** Aye. Approved. Time certain.

**Item 185.**

**Hales:** Good morning, awed tore.

**Auditor LaVonne Griffin-Valade:** Good morning. I am the city auditor, griffin-valade, and we are here to introduce jim lazarotta from moss adams llp, the audit firm responsible for the statutorily required audit of the city's financial statements. Jim will be discussing the results of the first audit of the city's comprehensive annual financial report for fiscal year 2011-2012. The comprehensive report is prepared each year by lms, the audit services division manage contract with the outside firm for this city-wide audit. Management of the contract is a responsibility placed in the auditor's office because the audit is lmf, and it would not be appropriate for that office to also oversee the contract. So, a financial statement audit determines whether the city's financial statements fairly present the city's financial position. It's akin to an independent person reviewing your atm regard receipts and bank statements for accuracy. It tells the city and the public whether the records are accurate. It's important to note that this external audit does not determine whether the city spending is good or bad, appropriate or inappropriate. Just like, like an accurate statement from your bank doesn't tell if you are spending your money on the right thing. Finally, auditing standards require that this information be presented to those charged with government, excuse me, governance of an organization, and in this case, that's you folks, so that's why we're here.

**Jim Lazarotta:** Ok. Commissioner, or excuse me, mayor hales and fellow commissioners, thanks for the opportunity to come and complete this process. As lavonne mentioned, it is kind of the culmination of the audit process, and part our audit standards that we get a chance to tell the results of the audit. We also do that with the bureaus. Certain heads or management of the various bureaus, we had that meeting on monday this week so we had a chance to go into a more detailed presentation of the results, so here's my chance to do so with you. What I would like to do briefly is just remind of the nature of what you engage us to do, or more accurately what the auditor's office engage us to do in terms of the external audit. Clearly, to report the results of that, what were our findings, what's the nature of the opinion that we issue on the financial, and we have issued to you a written communication that we're required to do so there is several topics that the audit standards say that we need to, to discuss with you, so we have done that in a written form, and I think that I just want to hit on a couple of the highlights, I am assuming that you have had a chance to read that or will get a chance to read that. We have issued a letter, or I should say, we're in the process of completing a letter to management. So, observations and best practice recommendations, which really don't deserve your time and attention, they are more designed for management, and there was one observation this year that we're working on that I thought might be interested in, and we might talk about just briefly. So, that's what we're here to do today. In terms of the nature of services, clearly we audited the city's financial statements, but you have a number of related entities that you have also engaged us to perform the audit for. So Portland development Commission is an

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example, and the fire, police, disability and retirement fund is another element that we, we performed a separate audit on and, and we did an audit of the, of the mount hood cable regulatory commission for the first time this year. Which is a related entity to the city. And we do, a is a separate audit of hydro, some of the hydroelectric activities of the city and the hydro fund of the city requires a separate financial statement audit and report. So, we did all of that. We are here really just to talk about the results of the city's audit today. And any time that we do an audit, there is a requirement that we look at the internal controls that management uses to get the activity and balances reflected in this document correctly. And we have an obligation to share the results so we'll do that today. Any time that you are in Oregon, municipal corporation, there are additional state laws that you are required to follow, and as your auditor, I am required to test your compliance with those. And there is a report in here on those, and we'll talk about that. And as you know, you've been very, very active in the grant markets getting federal grants, the city, the city expended 90 million of the grants in the year that ended june of, of 2012. And with that comes some additional compliance Requirements and some audit activity that we need to do, and some reports on that. And we'll talk about that. And then final, you are very blessed that you have got, got within your accounting division, some folks that, that you be are experienced enough to put this document together. That's, there are very few governments in Oregon that are able to have the staff that have the expertise to do, this so auditors tend to put it together and turn around and audit it. And we really appreciate not having to draft a document that we then turn around and audit. So, hats off to your staff for having the ability to put this document together in-house. So, let's talk about the audit results then. The main thing you want to know about is well, what was our overall opinion on these financial statements. And you will find that on page 11, I think that there is a green tab, if you have got a printed document in front of you and, and i'm not going to read it but what you want to know about it is that, is that it's what we call in technical terms, an unqualified opinion. We did not have to qualify any of the wording for conditions that, that were outside of the required accounting principles. So we call it a clean opinion in layman's terms. So basically, as a result of the work we did, we are able to say this document, accurately portrays the position of the city at the end of the year, and the activity that you engaged in during the year. And it has the required disclosures of the governmental accounting standards board. So, I think that, that you have got a history of getting clean opinions, and so, hats off to you for the management and oversight of the management staff that, that have to put this together. And all the folks that are involved in that. That's, that's a great accomplishment. I mentioned we have to test certain compliance with state laws. And there is a, a report on page 325, and in that, there were, there were a couple noncompliance issues that were identified, and those are also reported in your financial statements in a footnote on page 71. So, in the state laws, the primary areas that we focus your compliance with budget laws and procurement contracting and public purchasing and so forth, and there were a couple overexpenditures against the appropriated budget, and again, those are spelled out on page 71 in one of the footnotes to the financial statements. And you have two funds that ended with a negative fund balance. Primarily, as a result of incurring costs where you get reimbursements, and there is a lag between the cost and your ability to get the reimbursements on those grants. I think that that's the primary reason driving those negative fund balances. So, of all the state laws that we tested, just a couple of Areas of noncompliance, they are common. And you would rather not have an overexpenditure but, it's difficult with as many funds as the city has. Sometimes the situations at the end of the year do happen. In regards to the federal grant programs, you will find a report that starts on page 343. And it has in there the findings for the city, and it also has the findings for the Portland development commission in there. And, and we have already gone before the Portland development commission, and reported the results of that audit. And they have an audit committee, and we reported and worked with their audit committee, as well. So, we won't go over those. But, there were a couple of findings that are related to the city. So, in relation to internal controls over

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financial reporting, there were two that we identified this year. And unfortunately, there was a grant's revenue recognition issue that we identified. That resulted in an error in the financials that needed to be correct, and it's process the city goes through to determine an entry that needs to be made as part of the financial close and reporting process, and the methodology the city used to determine the appropriate grant revenue or grant receivable at the beginning of the year, didn't quite capture all of the receivables that exist. So, there was an error. It was not material to the financial statements. But it was significant enough that, that it represents the significant deficiency and controls that we needed to bring to your attention. The other was, was with Portland bureau of transportation, as part of the streetcar operation, you have acquired a number of parts used, and you have a parts inventory that sit in a warehouse, and all of that is effectively managed, but the value of that parts inventory should be reflected on your balance sheet as an asset, and then expensed as the parts are put into operation, and actually, your staff identified that, that parts inventory not been reflected as an asset on the balance sheet, and so, an entry was made in the current year to get that, that correct, and on the balance sheet and, and that also, it was not a material error, but, but it was significant enough for us to, to determine that that was a significant deficiency in controls so that's reported in there. In terms of your federal grant compliance, so, the 90 million, I think there were six programs that required our testing as major programs. A couple of those were all under the jag cluster that are managed by the police department, and we did have a couple of findings related to, to the jag programs, and that's identified on pages 349 and 350 of that.

**Saltzman:** What is jag?

**Lazarotta:** I knew you were going to ask me that. It's a federal program, and there are a number of -- justice assistance grant and the there is a couple of programs within the justice assistance grant, and a number of specific projects that the police department had requested grants for and were awarded. And within that, there are some compliance requirements that when you purchase services or work with a vendor, to buy goods and services that help you administer that grant, that you look to determine that the vendor is not suspended or debarred. Not prevented from participating in a project that is funded with federal dollars. And we found one instance out of seven contracts that we looked at, where, where the city had not checked or, or had documented that they had checked to determine that the vendor was not on that list. Of debarred vendors. And in addition, any time that, that you have a contract, or a project that's funded with federal dollars, you need to include language in the contract documents that tell the vendor that this is federally sourced, which comes with some additional requirements on their end, and you had used an existing or an open p.o. In one case, where, where you had open p.o. For projects that were not federally sourced but used it to buy some items that were reimbursed under the grant, and at that point, need to, to let that vendor know that, that this is federally sourced. And that did not happen. So, those are two related, and the final one was, was sometimes, you outsource activities under the these Grants, and you work with another agency to do services. And when you do that, there is still a federal taint to those dollars when they pass through to the other organization, so they have some compliance requirements as the city does. When you do that, you have one additional one, which is to monitor those other agencies or sub-recipients to ensure that, that they are meeting the federal requirements, and we found instances under this jag cluster program where the subrecipient monitoring was not happening. So, that will need to, to be addressed. So out of all the federal dollars, and all the programs, just, just a couple of findings relative to one of the programs that we tested. In terms of communications, again, you have got a letter from us that has all of them written, and I will just highlight, there is a couple that, that, governing boards like to hear from us. One is gosh, you did this work. Did you have any difficulties. Did our management staff put up roadblocks or were they nonresponsive or were there problems. And I feel pleased to report to you that we did not have any significant problems with management and the performance of the audit. We find your staff very responsive. Pretty dedicated individuals. Clearly some, some -- there were findings this year some,

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improvements that could be made. But we really appreciate the tone and the attitude your staff, and they want to know, and benefit from, from our observations and recommendations, and we don't get, get an attitude or a tone or a, a, oh, gosh, here come the auditors and, and we don't experience that at all. So, appreciate that. We need to tell you if there are audit adjustments or, or if there are some, mistakes that did not get corrected, so that's in the communication to you and, and there were no, no audit adjustments, in other words, our audit procedures did not trip over significant errors that required adjustments. The item, there were some miss or un, uncorrected mistakes, which are identified in the letter, and they were immaterial to the financials, and two were found by your staff, and they brought them to our attention, and we talked about how to handle that, corrections were made in the current year, and instead of restating prior years, so there is an uncorrected mistake in not going back and restating prior year financial statements, and given the dollars involved that made the most sense just to run that correction through the current year, and we agreed with that. One case was, an error that we had identified, but again, it was immaterial, and it would have required a restatement of prior years, management opted not to do that. We concurred. But, all three of those now are corrected as of the end of the year. So there is going to be no Ongoing issue from those provided similar mistakes are not provided in the future. So, the rest of those, I'll let you read. And but, those are provided to you. Finally, I mentioned that, that we often issue what we call a management letter. So, it really is a letter to management. These are items that, that deserve their attention, or we try to provide them with best practice observations and recommendations, and but, there was one this year that I thought might want to be aware of. Play, clearly, a critical role in this, and it's related to the graphs that were handed out to you. So, if you could look at that, and also, it's related to, to -- interesting, I get questioned sometimes, this is a big document. It's a lot to read and comprehend. And you know, what if you had someone come to you and say, you know, and it would be a lot to read through if, I had 15 minutes, what pages could I turn to and really get a sense the financial condition of the city. And what I say is, turn to that statistical section in the back. You have got a statistical section there that, that your crew puts together, and it's not required to be, to be in a financial statement, but it's excellent information, in the first series of tables, and there are the financial trends. The graphs that I handed to you come from the tables, a couple of the tables that are in that Section. I wanted to point out on the graph that's the general fund balance, so these are the cash and investments and assets that can fund your current operations. You have got a graph of what that ending fund balance has been for the last ten years. And you will see that the city has done a fair, a very good job of maintaining the resources necessary, there is best practice recommendations. That you maintain at least 10% of the revenues that go into the general fund, that that's retained at the end of the year to fund operations and, and to provide a buffer in case unforeseen things happen. At the end of 2012, you had 77 million. In the general fund, and that representatives 13 to 14%, and of your revenues that were deposited in that fund, and so you are well above the 10% best practice recommendation, and you get excellent bond ratings as a result of the ability to maintain that fund balance. Interesting thing, though, is that in your general fund, the accounting rule, this is, this is, basically, cash in and cash out. Not all the assets and liabilities are reflect. If you flip the page this is a graph when you take all of the general government activities and you put the statements together similar to a commercial enterprise, this shows you what the equity, or the trend, the long-term trend in what, and what this shows is that you had about 1.8 billion of net assets Back in 2002, and that's now down to 520 million at the end of 2012. So, what this represents is, is costs that the city has incurred where you've been able to put off the, the payment of that, and of the occurrence of new debt, and also, the wear and tear on capitol assets that use in general government operations, where you have not made the reinvestment, so the wear and tear, and I guess we want to bring this to your attention because we would like for you to reach out to your staff, and finance staff and ask more questions about, about these trends and what they mean and what you should know about them. Is it time to look at some of the financial policies of the

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city. And to determine if, if they are appropriate for the values you have and share and, and is there a way to look at the longer term impacts of the current decisions that you are making. To make sure we're not putting often too much of the costs we're incurring today to future generations. So, we would like to encourage you just to talk more with finance staff, and for the bureaus to have the discussions about the longer term impacts of the, of the decisions made today, and in addition, to just the current impact that it has on the general fund, for example.

**Fish:** Can I zero in on that, I appreciate you are calling this out and you are encouraging us to have these conversations. But, my mind works better around concrete. So, could you give us a for instance. You have identified some trends and concerns, boil down to a specific example?

**Lazarotta:** I can give you three. If you look at the numbers, there is 1.8 billion of net assets ten years ago. Down to 520 million today. So, what's that, 1.3 billion decrease. Almost 600,000 of that is the reduction in the value of the capital assets, so your infrastructure, buildings, equipment, roads, and the wear and tear has increased, or has outpace the reinvestment or replacement to the tune of 600 million. That's a piece of it. Probably the biggest piece is the police, fire, and pension fund. As you know, that was funded on a pay as you go basis, and instead of funded on a current basis. So, you were incurring cost but not, not setting resources aside yet. So that's a big part of it, that was about, about 760 million, I think, and then you incurred some debt, so your debt has increased 300 million over the ten years, so you have borrowed some money, so those are three concrete areas, perhaps

**Fish:** If I could, the 600 million that you identified in the reduction in value of capital assets, so that would match up with the annual report that we get that shows, I think, the figure is 160 million where we annually fall short of Meeting our needs around capitol investment?

**Lazarotta:** I think that that's directly related, correct.

**Hales:** It's accruing and add to get that total. And this is exclusive of, of bes?

**Lazarotta:** Correct. This does not include what we call the business type activities, which is the sewer and the water and, and Portland international raceway, golf courses, you know, those things that tend to have revenue streams, charges for services that cover those. This is just the general government side.

\*\*\*\*\*: Yeah.

**Saltzman:** Related to that, you had us turn to the statistical section, so the first chart talks about several assets. I guess in the trillions of dollars, a couple trillion? Is that including the value of all of our property, including our sewer and water system and all of that?

**Lazarotta:** Yes. That represents the net book value of all the assets minus the liability. If you were to liquidate everything at book value and pay off the debts that represents a number left over.

**Saltzman:** Thanks.

**Fish:** So I don't think, my recollection, we still don't include the value of trees.

**Lazarotta:** That's correct. Actually, I know that, that it brings a lot of chuckles, but I have to tell you that there is a lot of interest in environmental or green accounting, if you Will. And, and utilities, I know your own department is interested in this, not -- trees are one thing. All the watershed, and all the things that contribute to the ability to generate water and have access to water, the accounting doesn't recognize the fair value of all of that. And it's become an issue because, people want access to credit markets to, finance activities related to this green infrastructure and, and right now, the markets don't always exist that acknowledge that value. Like they want a hard asset, that, a building that you build, and then I can borrow money to, to finance that project. But anyway, that's beyond today's topic.

**Saltzman:** Since you went there one of the issues is the government accounting standards board.

**Lazarotta:** Yes. So, I just recently was appointed to the governmental accounting standards advisory council, a mouthful. Our task is to provide feedback to the standards board on setting their

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priority. What should the priorities be for what projects they take on, and in our last meeting, which was just a couple of weeks ago, this green environmental accounting issue came on the agenda. And there is about 25 members that have representatives that sit on this committee. I represent the American Institute of CPAs. So everybody represents a group involved in the governmental realm. Anyway, what I can tell you back we took a vote on what Gatsby's priorities ought to be, and it did not get one vote, unfortunately, for those very interested in that topic, so, there were other projects, 10 in particular, that got a lot of votes. So, it will be, I suspect, it will be a while before Gatsby gets enough feedback that that should move up on its priority list.

**Griffin-Valade:** The fact that we are talking about it is great.

**Lazarotta:** Yeah, that is good.

**Hales:** Other questions? I have a smaller picture, a couple of questions about your findings to get on page 343 and 344. You have a couple findings about Portland development commission practices. With respect to both tax increment revenue and the value property. And you mentioned that you did get a chance to present your findings already to the PDC. Any response yet on the issue?

**Lazarotta:** Oh, yeah, absolutely. In fact, some of these issues were brought by staff, and I think that there are a couple of representatives here if you would like to talk to them, but, no, they are very proactive. As they identified these issues and brought them to our attention, they were working on potential solutions on the ones that we brought to their attention. They have been very proactive. I believe that they have an action plan already identified for all of these. And they are well along their way towards addressing these particular issues.

**Hales:** Since she's here we might get her to come up later.

**Fish:** Can I ask another question. You mentioned, with respect to the general fund, that, that we have some guidelines that govern what an appropriate reserve is, and you noted 10%, and you also observed that, that having an appropriate level of general fund reserves affects our credit ratings and other things. So, the overall health of the body is enhanced while we maintain those levels.

**Lazarotta:** That's correct.

**Fish:** So I appreciate that, but, it begs a question in my mind that, that is probably harder to quantify, which is how do we pressure what an appropriate level of debt is. For the municipality to incur, and to what extent do you, in assessing debt, take into consideration what the debt is securing. In other words, good debt, bad debt, what's the asset that the public is receiving and how do you measure whether it is, we have the right balance? Could you give us your thinking about what some guide posts are in other cities our size?

**Lazarotta:** Boy, that is -- that's a loaded question. Well, I can tell you that, that for, for the most part, the way that, that the governments tend to evaluate what's the right amount or the OK debt is do I have the revenue stream to repay it. And am I jeopardizing the ability to deliver service by dedicating the resources necessary to repay that debt. And when it comes to, for example, for your -- a business type of activity, so the sewer, water, I think the level of debt is tripled over the last ten years, but they have been able to set rates that have covered current operations and been able to repay that debt. So, there, I think, the question becomes, is my rate, how do my rates compare? Am I, you know, the highest sewer and water rate of any, any community that I compare myself against in order to generate that revenue stream to repay it? So, I'm not giving you concrete. The other thing that I can tell you, there are some guidelines that exist. You are a member of the government finance officer's association, as an example, and you are very active in that, and in fact, you have had Ken Rust was, was president for a while of that organization. And, and so, you have had ongoing involvement. They established some best practices or policies around debt. And I believe that, that you, you had Eric Johansen for a while, and also on the staff, and I think recently retired. But he was a member of the debt committee of GFOA, and you had the benefit of his knowledge and experience in that to help with your debt management, very knowledgeable individual, but they



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established best practices and, and some guidelines, and I believe through eric you were bringing those back to the city, but those are good questions, And I think what I would encourage you to do is to reach out to your staff and your debt, finance staff and find out what those best practices, and how you compare.

**Fish:** We've been having a healthy debate in the city for a few years about this question, and often it comes under the guise of sustainability. What I think is missing in the discussion is, the distinction obtained good and bad debt, and then what is the debt securing. For example, I have a mortgage on my house. And it allows me to experience the dream of home ownership, and lots people do. We generally do that in society as reasonable debt. If I take out a loan through my credit card to pay my monthly operating expense, that's bad debt because it's going down the drain, and I think if you have other thoughts or citations things you want us to look at, it's an active area of discussion and debate about how you quantify and evaluate debt, and I would be interested in how other cities objectively, are measuring debt.

**Lazarotta:** You know, one of the debts you have is not really official debt. It's not a bond you issued but when you think about the pension fund, years ago when that was established, the decision was made that as long as we had a revenue stream that could cover the benefit checks, as people retired and needed to secure benefits, that we were ok. I don't know if there was the question about is that the best policy or should we be funding That like you attempt to fund pension plans on a current basis so the total cost that we're incurring or offered employees is really being offered through the rates and the revenue stream, so a decision was made not to do that, but you rectified that. A number of years ago you changed the policy, all the new members of the police and fire are going into, into Oregon pers, and which is prefunded, and so there will be that period of time where you address that challenge, but at least, you have changed that policy. That is an example, of well, was that the best decision we could have made at the time?

**Fiona Earle, Auditor's Office:** Pdc's response is on 352 to those two findings, mr. Mayor.

**Hales:** There it is, ok, good. Other questions? Gosh, good questions.

**Hales:** Thanks very much.

**Lazarotta:** Thank you.

**Griffin-Valade:** Thank you.

**Hales:** And we have pdc staff, if you can just come up and summarize what your response was on those findings, one and two, that would be helpful to get that into the record, since not everyone get to see these documents. Good morning.

\*\*\*\*\*: Hello.

**Faye Brown, Portland Development Commission:** Mayor hales, commissioner, I am faye brown and I am a cfo of pdc. I believe you were talking about the findings about the recording of tiff.

**Hales:** That was the first and the second about evaluation of property.

**Brown:** Right. So, what we have done is we put In place in the city of Portland a process whereby when the city of Portland records the line of credit draw, proceed that is go into pdc's cash accounts, we'll make sure that they record this on two entries, so that we don't have a netting, and so it shows that's on the record that the city sends to us, and additionally, on pdc's side, we're going to have reconciliations done by the accounting staff, so that we make sure that if at any point in time our accounts don't reflect the proceeds that come to us, we'll be able to catch it by, by reconciling the debt requests that we send over to the city.

**Hales:** Good, and how about the evaluation issue?

**Brown:** On the evaluation issue, we have in hand a couple of appraisals of properties that have come into us close to the time that we closed the books, and the accounting staff was not aware that they should have written down the properties based on those appraisals. And so we provided training to the accounting staff so they understand the gatsby requirements.

**Hales:** Thank you.

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\*\*\*\*\*: Thank you.

**Hales:** Other questions?

**Novick:** Would you like to turn to page 345. 2012-13 relates to how you book the present value of a 99-year obligation to provide parking as a part after transaction. And this, as I understand it, relates to a deal that, that pdc was involved with years ago that currently is a, there is a hole in the ground and there is no Development. But we have a 99-year obligation to provide replacement parking, which is now valued at, I think we have, 3.2 million. I wonder if at some point, beyond, you know, fixing the, the red flag that's been identified by the auditor, we can revisit this issue and, and have a better understanding of the dynamic of the negotiation that, that put the city on the hook for a 99-year lease of covering someone's parking. Particular, since there does not seem to be any current movement towards developing the site, so, we're -- we have a piece of dirt that is sitting idle, and we have got a long-term obligation, and I don't fault the other side for striking a very good deal, but it seems like it's not a great deal for the taxpayers, and I would like to understand better what we learned from this, and how in the future we can protect our side from these kinds of what appear to be very one-sided deals.

**Brown:** We would be happy to provide a response to that. And to all of the commissioners.

**Fish:** Thank you.

**Hales:** Thank you. Other questions? Thanks very much. Is there anyone signed up to testify on this item?

**Moore-Love:** We have two people signed up. Joe walsh and mary eng.

**Hales:** On this item, of course. Hello again.

**Joe Walsh:** I am joe walsh, and I represent the individuals for justice, I should have said that before. I have two questions. One, when decide to say 10% as a reserve fund, and you go above that, if sounds like from what the auditors were saying, that is you get a benefit, when people look at your bonding level, if you are higher than 10%, you get some kind of a benefit. This went, the thought went through my mind that, that since we have a \$25 million deficit, that's my understanding in the budget, that you are arguing and, and if you are above the 10%, how do you balance that? So, if you have 15%, couldn't you take that 5% and put it back into the budget, and still maintain your bond level? So that was one thing that, that went through my mind, and the other thing that went through my mind when I was listening to the audit is, is that the people that, that give the evaluation of cities, in transparency have given you a d minus. Just above an f. When I went to college, if I got a d minus, I would be in a lot of trouble. I'm just asking, because you have two new people on the council, to raise that to an a minus. Not for perfection. But that's a little ridiculous. To be that low in this kind of a city. If we were in mississippi, I could understand it. In Portland, I don't. Thank you.

**Mary Eng:** Nice to see again. I want to thank joe walsh for everything he's done. He's done some informative email updates. One of the things he sent in the last couple of weeks was a list of all the salaries. So I could become acquainted with kinds of salaries people are receiving, and I find it remarkable that, that an elderly woman called alice stands outside of the whole foods down in the pearl district every day, and I assume that she is on a social security pension but she does not have enough to eat. And she most certainly doesn't have the community center that she needs or the social infrastructure that should support her and get her out of the cold and meaningful interaction. In terms of looking at these salaries, charlie you made around \$120, \$118, if you look at what the lowest rate of a social security pension would be, that would be about \$10,000 year, a year, which is starvation wage social security. And so I know this is a huge thing to ask of you guys, but in terms of the audit, one other thing that's strikingly missing, especially during women's history month is the gender equity overhaul. Where do we have statistical analysis of the gender pay gap, and we can set milestones and markers for where we want to pull it. If women are making, according to this, this business journal, women are making 66 cents on the male dollar, and I want to know if

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that's going on in city government. Yvonne has gotten a lot of slack for this contracting. She was working with human resources, and I know the first Time that randy leonard played a joke about water boarding, when I had serious concerns about bringing in a water boarding guantanamo era fundraiser into Portland state university, he made a joke about I water board all my staff. You have got to be kidding me, is this our real government making jokes about serious human rights violations? I marched down to human resources. And well, evidently human resources couldn't figure out what kind of problem that was, we can get the neo-nazi out of the government and the sexual harassment out of our police. Where is the accountability. If you are not going to give the cutback on the salaries, rip it down to 30 or 40,000 and live starvation like the rest of us do, I want to see some accountability on equality and accountability on these basic human rights things and put the money where it really belongs with the elderly and the poor. We can take this crime problem out of the city if we get it into human interest oriented things. Thank you very much.

**Hales:** Thank you. Anyone else want to testify? Other questions? Then a motion to accept the report, please.

**Moore-Love:** This is a resolution so we don't need a motion.

**Hales:** I'm sorry I thought it was a report. So, roll call on the resolution, please.

**Fritz:** I am glad to see we received a qualified opinion and thank you for your report aye.

**Fish:** I want to thank moss adams again for really the professional way you go about your work and the clarity with which present the key findings, and I want to thank the city team that work with, and we appreciate hearing from you that there is a good cooperative, collegial relationship, and we thank you for that. Aye.

**Saltzman:** Well, thanks moss adams, and the auditor's office and all the bureaus that helped to put together this comprehensive. It looks like we're in good shape. Aye.

**Novick:** I am disappointed that we did not see some things between the city auditor and auditor, some hiccups, but aye.

**Hales:** Thank you for doing this work, I think both us in the big and the small picture this is very helpful to us, and the big picture question of what is happening to our balance sheet, and as a municipal corporation, and the questions of, you know, are ending, our ending fund balance and bond rating versus our expenditures now on both capitol and services. Very important questions. I appreciate them being raised. And I appreciate being able to explain to the public why this audit matters. And then the detailed look at specific programs and needs for improvement like we just discussed with pdc and the need for the bureaus to respond, very helpful. And I guess the other Perspective that I would have on this, we were talking about women's history month, earlier, the longer history of cities, and this one, you know, we think that this is normal. For the city of Portland to have a aaa bond rating, and a favorable audit. Wasn't always the case. And isn't always the case everywhere else. So, vigilance is appropriate and we appreciate the vigilance here, thanks for your work, aye.

**Hales:** All right. Karla. Next one. To the regular agenda, please.

**Item 198.**

**Hales:** Mr. Verrsue here. Would you like to come up. You have had a chance to meet with many if not all of the council. But we appreciate your willingness to serve.

**John Verrsue:** Thank you, mr. Mayor and commissioners. I want to thank you for the time this morning and appreciate the approval of my assignment to the commission. I am looking forward to the work and helping Portland continue its reputation of being a solid city. In terms of human relations and improving those.

**Hales:** Thank you. Any questions for john? Thanks for your willingness to do this.

**Verrsue:** Thank you very much.

**Hales:** Assuming there is no one else ready to testify, we can take a roll call on this item.

**Fish:** I move to accept the report.

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**Fritz:** Second.

**Hales:** All right. Call the roll.

**Fritz:** Thank you for your service, aye.

**Fish:** I had a chance to meet with John and have an extensive conversation, and I left the meeting somewhat perturbed because I regretted that I had not met him before he had accepted this responsibility because I had another responsibility that I would have asked him to serve. I think that he is superbly qualified for this position, and I am also delighted he has a very clear vision for how he wants to, to raise the profile and, and the substantive work level of the HRC. And I think that we are very fortunate to have someone with his background and passion for social justice available to serve in this position, and I thank you to serving. Aye.

**Saltzman:** Thank you for your service to come. Aye.

**Novick:** Thank you for your willingness to serve, aye.

**Hales:** Aye. Thank you, John. [gavel pounded]

**Hales:** Next item, please.

**Item 199.**

**Hales:** Chris Smith is here. Chris, would you like to come up? Mr. Smith could be described fairly as a serial volunteer. And we appreciate all that you are doing.

**Chris Smith:** I will admit that, that I thought hard before I pursued the opportunity to reapply. I learned a lot from the last three years serving as the Budget advisor, and I am motivated this year by having been through one of those parallel volunteers and opportunities helping to develop the Portland plan, and I think that it's, it's a critical implementation step for the plan to tie its strategies and metrics into the budget development process, and I raise my hand to do this again. Specifically, to be in a position this year where we really want to make that transition and provide that assistance to the budget process.

**Hales:** Thank you. Questions for Chris? Anyone? Thanks again. I don't believe Mr. Fullmer here so thanks for coming in, and look forward to your help. Motion, please. Previous agenda, right?

**Novick:** I would move adoption.

**Hales:** Roll call, please.

**Fritz:** Thank you for your service, aye.

**Fish:** Aye.

**Saltzman:** Thanks, Chris, aye.

**Novick:** Chris, I really appreciate the specific reason you said that you wanted to extend your service and look forward to your comments on the Portland plan's relationship to the mounted police, for example, aye.

**Hales:** Aye. Item 200.

**Item 200.**

**Hales:** Second reading. Roll call.

**Fritz:** Thanks to the mayor's office staff and to everybody who participated in the hearing last week. I want to emphasize that what used to be a type one is now a type 1x. And I know that if I was in the community, I would be freaking out about that, the first time I saw that, but the staff in the development services and planning are ready for that. And so, there is no substantial change to all of the other type 1 reviews, with changing the name to be, we're just changing the name to be consistent with other parts of it. This is a great improvement in the historic resources code, and I appreciate Commissioner Saltzman's leadership on it, as well as the, the super process of collaboration between the planning and the commission and the design review commission, and of course, great work by staff. Aye.

**Fish:** I was talking to Dean Larry the other day after reading that he was going to retire from being the dean at the end of the year, and I said that is, as a going away present the council is set to change the rules for the cost of making improvements in historic districts so he and his wife could

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renovate the house at long last when he has free time. I also want to thank dan for his tremendous leadership on this. Thank you, mayor, and colleagues and, and particularly, to the staff that, that as dan noted, a week or two ago, seized the challenge of doing this quickly and efficiently and thoughtfully. And it is, it is, it is a pleasure to have a hearing where The public comes forward and so supportive of what we're doing and so appreciative of the relationship that they have with key staff at the city, and they make us proud. Aye.

**Saltzman:** I want to thank once again, the, the cooperation between the bureau development services and the bureau planning, and sustainability, and to push these changes on a quick timeline because they make so much sense, and they help to inspire confidence in people who live in historic districts or in districts that may be designated as historic districts. I think that by making it simpler, less costly, and in some cases, no need for permit to make certain types of home improvements, you really building confidence and, and in the notion that we should be preserving our history. And so, this is a great move, and once again, I want to thank the bureaus, but matt from my office, too, for his work behind the scenes to make this happen. Pleased to vote aye.

**Novick:** I think that this has been a remarkable demonstration of how well government work and respond to community concerns. And I do want to congratulate the commissioner and his staff and the bureau's staff. Aye.

**Hales:** Great work all. Thanks, dan and staff. Thanks community members who worked so hard on this. Aye. [gavel pounded]

**Hales:** And 201, please.

**Item 201.**

**Hales:** Second reading and roll call.

**Fritz:** Thank you to everybody who participated in commenting on this issue. We will have the opportunity to shape the water bureau's capitol improvement program as part of the budget process, which is now occurring, and we have our first budget meeting tonight at the immigrant refugee community organization at 6:30, so I encourage people to get to that. And to participate in that process. And this is needed to continue with our capitol improvements. Many of the projects have been approved by city council. Some of those will need to continue, others may not, and some of them have not yet been approved, and there will be another process for doing that. I think that this is particularly important that we had the report just now, and the discussion on the appropriate amount of debt versus a bonding. And but, in particular, this, this ordinance allows for refinancing of some of our current bonds, at rates more advantageous to the rate payers and I appreciate the work of the debt manager and the water bureau in looking for opportunities to save money, thank you for your work on this. Aye.

**Fish:** The reason stated by my friend and colleague, commissioner Fritz, I vote aye.

**Saltzman:** Aye. **Novick:** Aye.

**Hales:** Aye. [gavel pounded]

**Hales:** We are recessed until 2:00 p.m. Thank you all.

At 10:49 a.m., Council recessed.

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**Closed Caption File of Portland City Council Meeting**

This file was produced through the closed captioning process for the televised City Council broadcast and should not be considered a verbatim transcript.

Key: \*\*\*\*\* means unidentified speaker.

**MARCH 6, 2013 2:00 PM**

**Hales:** we will get started. Council come to order. Please call the roll. [roll call]

**Hales:** Could you read the item please.

**Item 202.**

**Hales:** Okay. First this is a quasi-judicial hearing. Broadway cab is appealing the private-for-hire transportation december 12th, 2012 decision denying fleet expansion. First we have to ask council members if there is anyone who has a conflict of interest or ex parte communication to declare? Hearing none, there are none. The process is going to be that the revenue bureau staff is going to present the case outlining the board's decision, give the council an opportunity to ask the revenue bureau staff any questions, and then broadway cab will be able to put on their appeal case and we can call people that are interested in testifying in support or opposition to that appeal. So, first, let's have the staff presentation.

**Kathleen Butler, Regulatory Division, Revenue Bureau:** Good afternoon, mayor hales, commissioner novick, commissioner Fritz and commissioner Saltzman. I'm kathleen butler. I'm here with frank dufay. Karla is going to hand out to you a bullet-pointed summary of the reports that we sent over on february 21st, related to this appeal. I would like to ask that all of the reports be accepted into the record as exhibits. A memorandum, report on the appeal of february 21st, plus the recommendations for taxi industry reform, the private-for-hire transportation board and revenue bureau approved recommendations for permits, and the taxi driver labor market study all included in that packet. As well as the summary we're giving out today and the chart we're giving out that shows the comparative number of taxi permits per capita at comparable cities. All of those items we would hope could be made part of the record.

**Hales:** They are. Thank you.

**Butler:** I'm going to give a summary of the process that was used to arrive at the recommendations for permits. And i'm going to make it fairly brief so that the others who have come to speak today have an opportunity. But we're certainly happy to answer any questions in any of the broad topics related to the taxi industry in Portland. This group of permits that we took action on december 12th at the board, these requests were originally submitted by the taxi companies in april of 2011. At that time, there were a number of issues identified related to taxi driver, working conditions, economic conditions. And the revenue bureau and the board embarked on an investigative process of those conditions, and in january of 2012, we issued the taxi driver labor market study. That study looked at how the caps on permits and method by which the city issues permits to taxi companies impacts customer service as well as taxi driver working conditions. Subsequent to the january, 2012, release of that report, we had a series of meetings at the private-for-hire transportation board throughout 2012, where we explored specific topics addressed in the report. That included a series of six topical workshops that were very interactive with taxi drivers. Very well attended, where specific topics from the taxi driver labor market study were explored. During all of these conversations, revenue bureau goal of issuing additional taxi permits, particularly potentially to drive alone company and smaller taxi companies that have trouble keeping up with the demands in the industry with the small number of permits. That was put out there on the table throughout this entire process. On -- and then we

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took all of the standards listed in city code as criteria for reviewing the need for permit and we did a statistical analysis of the demand. That statistical analysis was subsequently audited independently by the audit staff at the city of Portland revenue bureau. They did actually two audits. So that they could be sure that our statistical analysis was correct and did, in fact, indicate a need for additional taxi permits. We issued our recommendations on september 26th, 2012, to the private-for-hire transportation board. And the board chose not to vote on those recommendations until october 10th. Specifically to give people time to respond to the recommendations for new permits and to meet code requirements for -- between the recommendations and the vote. The board took their vote. I just want to make sure that I give you the -- the motion to issue the permits as recommended by the revenue bureau carried on a vote of 9 in favor to 1 opposed, with two abstentions and one person absent on that date. Even though the board has authority to issue taxi vehicle permits to existing companies, being that the city council at that time was going to consider the new company permits on november 7th, at the request of commissioner Saltzman and also just thinking it was best to keep it all in one package, we held off actually issuing permits to the existing companies until council made a decision on november 7th about the entire package. At that time, the company was approved on november 7th, and the entire package came back to the board on december 12th for them to take another vote on the existing taxi company permits. They did so. And, again, voted to approve our recommendation. The motion carried on a vote seven in favor to two opposed with one abstention and three board members absent. So, I think what I just want to emphasize is that the recommendations were the result of a very long and open process, and the substantial margin at the private-for-hire board indicates that very many segments of the industry and representatives with an interest, tourism industry, trimet, they were all involved in the development of these recommendations, and they concurred with them.

**Hales:** Thank you, kathleen. Frank, anything to add at this point or --

**Frank Dufay, Regulatory Division, Revenue Bureau:** Frank, regulatory division. I would add that we did an awful lot of research over a long period of time. It is important to understand that. This was not a fly by the seat of your pants decision. The other thing to understand, we have not issued new permits for a long time. We are looking at 2004, 2005, we are looking 1998. That is a long time. A lot of growth in the city. A lot of need for improved infrastructure and that includes the taxi industry.

**Hales:** Thank you.

**Saltzman:** I would just ask one question. Why wasn't Broadway cab awarded more permits?

**Butler:** There were two major issues related to the Broadway cab permits. The standard that is in code and that the board has adopted asks that the companies provide evidence that their particular company needs additional permits. And there was no evidence given to us. The burden is on the company to bring forward that information and we did not receive it. But the second and perhaps more significant issue is that Broadway is now operating approximately 1,000 specially assisted transportation vehicles. There are conditions that were put into place when the taxi companies back in 2000 were given the ability to operate those special kind of vehicle permits, because prior to that, you had to be an sat company exclusively to do that. A taxi company couldn't do it. When that authority was given to several taxi companies in 2000, there were conditions put on that. The conditions were specifically designed by the board and council at that time to make sure that those vehicles were not used as taxis. And there were a number of reasons for that. What has happened over the years, is that that number has gone up from the approved 40 in 2002, very recently up to 100. And there are a lot of issues that, complaints that have come to us about those vehicles being used as taxis. And we have also noted that they're being used in violation of some of the conditions upon which they were issued. They do have meters in them, for example. What our approach has been --

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**Saltzman:** They're not supposed to have meters?

**Butler:** That's correct. It is prohibited in code, yes. And so our approach has been to work with trimet and broadway to -- and now with the entire board and with the sub committee that is working on that issue, to try to figure out whether, in fact, the rules should be changed so that taxi companies can operate sat vehicles with meters in them. And -- or whether some other solution should be designed. Which might include changing the current sat permit that broadway holds over to taxi permits. And so, at this -- the issue should be resolved fairly quickly, probably within the next 30 to 60 days. We have already started the committee report.

**Saltzman:** Specially assisted transportation vehicles are vehicles that are dedicated to serving contracts, like with ohsu --

**Butler:** Trimet is the main --

**Saltzman:** That is trimet.

**Butler:** Mainly trimet.

**Saltzman:** Okay.

**Hales:** Other questions? I'm sure we will have more later on. The next step, I believe we will allow broadway cab to put on their appeal case and we have invited speakers from city bureaus and then public testimony after that. Good afternoon, welcome.

**Stephen Kafoury:** Good afternoon mayor, members of the council. My name is Stephen kafoury. I represent broadway cab. Broadway is appealing the private-for-hire transportation board december 12th decision to issue 38 permits to radio cab, 11 to green cab, and four to Portland taxi. Broadway is challenging the decision to increase permits to other companies because it is not supported by substantial evidence. Because faulty logic led to flawed conclusions, because the bureau and board failed to follow the establish process to determine whether additional demand exists, and because inadequate process deprives stakeholders of adequate notice an opportunity to immediately respond. I have written testimony which I have submitted. I will not read through this in the interest of time. I did want to bring to your attention a couple of the appendices in here. A letter from a dr. ray mundy a national expert on taxis. And I want to emphasize that broadway did not pay for this letter. We did not hire him. This is written on his own and he has not only written a long, thorough explanation of what went wrong in this process, faulty logic and faulty process that we have. He also has -- we also have a study of other cities, comparison of other cities analysis, and finally a statement from the port of Portland saying that we have enough taxis right now. Why are we here today, mr. Mayor. Until last fall, 9-26, the city gave no indication that the process was moving towards increasing taxi permits despite many, many hearings, and you have just heard about the many hearings that were held about the taxis. But those hearings were aimed at the issue of taxi drivers and their conditions and how much money they were making. Great opportunities for many, many taxi companies to come and talk to the board and staff. There was no opportunity specifically designed for taxi companies to come and talk about the issue. There was never a time set apart for us and we were never asked to come. Then suddenly without our input, a decision was made to increase the number of permits, and we think without any rational process. What should have happened in our view, there should have been a determination of whether the present supply of permits is adequate based on a study. And I heard just now that there was a study made. We have never seen the study. I have no idea what is being mentioned just a few minutes ago. All we heard as anecdotes. If there as a determination there was increased demand necessary, then there should have been analysis of present utilization to see if that demand could be meant by changing utilization of existing permits. That was never done. If there was a demand found and a need for additional permits, equitable, rational process for allocating those permits and that did not happen. There are only two potential reasons for increasing the number of permits. The first is the finding that the present supply does not meet existing demand. Or second, a guess, future demand will rise if supply increases. City staff



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advocated both of these positions. But without any evidence of either one. Let's take the first one, present supply. You have a statement in the back of here about pdx and their limitation on the number of taxis. They do not see a need for more taxis. In fact, they have been limiting the number of taxis that come out there. This is one of the major destinations for taxis in the city of Portland. Their conclusion is that the present supply is just fine. Secondly, there were a number of anecdotes given about long waiting times for individual and individual cases. However, this was not backed up by any analysis of existing usage. The city, for example, never contacted Broadway Cab to request our data, which we have, to say can you tell us over the last year how many people had to wait how long between dispatch and arrival of the taxis? We have that information. We were never asked to our knowledge nobody else was asked either, at Radio Cab -- Radio Cab provided one month out of the whole year they were asked for the information. So, I think what we are seeing here is a decision based on speculation and anecdotes. To take the second one, second concept, if we build it, they will come. This is a totally -- totally based on guesswork. Industry analysis, as you will see in here, shows historically, increasing supply of taxis does not increase the demand for those taxis. And there is a rational and study of specific instances of why and where this happened. Lastly, once a decision was made, they would not give out additional permits, there was -- it was not based on the number that was needed. No determination said we need 30 new permits, 40 new permits, 50 new permits. That number was never determined as a number based on any study. What happened was staff asked different companies, do you want some more permits? And different companies responded differently. Yeah, we would like this many or that many and they were given on the basis of that request. You can see our detailed analysis of the problems on that on page five of our report. I won't go into it in front of you now. In summary, who is harmed by this decision? Why should the city council reverse this new staff decision and board decision to expand the number of taxis? The transportation board's own report, although we found it flawed in many specifics and sent a copy to you of our findings, that report included that drivers are not making enough money. We agree with that conclusion, that drivers are not making enough money. However, this decision to increase the number of supply, increase the number of taxis, increasing the supply without any increase in demand is going to make that situation worse. This is a simple mathematical, simple basic economics 101. If you add more permits and they have a stable demand, you are going to have smaller income for drivers.

**Hales:** Thank you.

**Raye Miles:** Good afternoon, mayor and commissioners. Raye Miles with Broadway Cab. I'm really nervous. Just bear with me. I want to respond to a few things the city commented on before I get into my written comments. One is -- I will say this whole process has had issues of communication and lack of understanding, I think on both sides, but I am not aware at any point in this process that company size or structure was a stated goal or a stated outcome. To my knowledge, we started two years ago and worked until the end of last year to improve driver conditions. It was a long process, but it was very rushed at the end. 104 weeks that we were at this, 102 of them were spent gathering data. There was not really any problem, any time spent either validating that data or problem solving in a community format or public format.

**Kafoury:** That is data she's referring to has to do about drivers, not data about taxis.

**Miles:** Yes, and it was a lot of anecdotal information. None of it that I'm aware of was actually validated. Up until the last two weeks we had no idea of where the process was headed. In the last two weeks staff recommendation was issued. It was voted on two weeks later and that was the end of the process. It was lengthy and I get why everybody is burned out and I'm not sure we are at a good place yet. To respond to the issue of sats, initially one of the conditions was that we not have meters in them. Trimet immediately kind of demanded them. They are an integral part of our dispatching system. We have operated since 2000 with them. Since we got sat permits we have had meters in them and city is well aware of this. We believe the issue was resolved in the 2009

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code rewrite, and it wasn't apparently. We still believe it was but there are different interpretations of that language and it was not addressed. We are working actively with the city. We don't want to be out of compliance. There has not been one documented instance of us violating our ethical commitment to the city with those. We are not providing taxi cab services with those vehicles within the city of Portland. We are not. There is not one documented instance proving that we are.

**Saltzman:** Did you say trimet required you to put the meters?

**Miles:** They are because it electronically collects data. It confirms what time the vehicle arrives at the location, what time they turned on the meter or started to charge trimet. What time they dropped off and the gps location at all of those time points was. It provides good and valuable data.

**Hales:** Does your contract with trimet -- I mean, do those vehicles operate on a mile and distance basis or is it a flat fee, in other words, I understand the meters are collecting data, but when you pick somebody up, when they reach their destination, but are you billing trimet based on that information as well?

**Miles:** We have two contracts with trimet. One more medical transportation which they run for the state of Oregon and one for back up transportation to their lift program. And one of them does not run on metered rates. Lift contract does -- it -- the contract is tied to city of Portland approved meter rates.

**Hales:** You bill them -- trips cost different amounts based on their length then?

**Miles:** Right. In one instance we bill the actual meter amount and then the other instance actual mileage captured by the meter.

**Hales:** Okay. Thank you. We interrupted your train of thought there. Keep going, please.

**Miles:** It seems like we were just here on this same issue. To my perspective, this was a different but related issue. I believe this process started with the very best of intentions, and I admit that I was initially defensive, but eventually I embraced the notion and actively participated in working with the city to improve the working conditions of drivers. And for most of this process, I believe we were working in the same direction. I went through the minutes from the past meetings and march 30th, in the minutes, city staff said it is very difficult to approve any additional taxi permits at this time. This is due to the current economic climate, results of the demand study and driver feedback. In 2011, city staff reported a whole bunch of charts and said in 2007, there were over 14.5 million passengers through pdx. This number dropped in the following years. Came back a little in 2010 but not enough to get back to 2007 levels. Staff also updated a chart that sultzer and garber had done, and mr. Dufay reported to see whether or not the numbers increased or decreased. He found 2007 was the high point for employment and the following years dropped. He also took it a step further and compared eight sectors of employment instead of the six that the consultant recommended, and the graph indicates there has been a dramatic decrease of employment of passengers in 2007. Business has not fully recovered. Even january of last year, staff reported that both deregulation and issuance of additional permits to fill the need such as late-night service has shown to have a negative impact on driver conditions. Then in july of 2012, they again said the question of whether or not more permits should be issued cannot be separated from the larger issues about how the permits are distributed and how the performance of each company is measured from one year to the next. We want to consider carefully the possible consequences of any changes that we make and whatever decisions we make can greatly influence someone's livelihood. Later, dropping the years prior to 2008, and the charts would show a growth trend. July of 2012, they were reporting the earlier years before the economy had dropped so drastically in order to support additional permits. I was dismayed at the final recommendations from this process. Between the addition of new companies, the addition of a new company and the issuance of the additional permits, city will increase the supply of taxi cabs by almost 20%. This

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will equate to a 20% decrease in the income to most cab drivers in the city. The only other concrete change that has been made so far is the increase permitting costs to the industry. Some by as much as 600%. So, I thank you for hearing our appeal today. To be honest, the issuance of these additional permits will not hurt Broadway cab. Our revenue comes from selling our services to drivers and we don't believe -- we believe we have -- that our permits will remain full after this is increased -- after the number of permits is increased. But it will hurt the individual drivers. It will hurt the drivers at Broadway. It will hurt the drivers at every other company. I'm here because I think the city started this process with the best of intentions, and this is truly the last hope of trying to preserve any of the earnings that the drivers stand to lose as a result of the decisions made.

**Hales:** Thank you. Questions?

**Saltzman:** Kathleen Butler a minute ago mentioned that the sat issue of perhaps allowing you to use some of the sat vehicles as I guess in-service taxi cabs is something that is under review. Would you be against that? Because that would undercut drivers? If they said, okay, let's give you 40 more permits. 40 of the 100 and allow them to be in fare service cabs.

**Miles:** And convert them. I think if there is an even exchange, it doesn't stand to hurt drivers overall. It does give us the opportunity to put some of those vehicles out at night. They currently only operate during the day because that is the only time there is substantial agency demand for business. Potentially a few of them could go out at night and help with bar service. Other than that, I don't think a one-to-one exchange should have a lot of effect on drivers.

**Saltzman:** Not sure what I mean by one to one exchange.

**Miles:** Meaning if we surrender one sat permit and given a taxi cab permit, I don't think that would greatly deteriorate cab driver earnings.

**Saltzman:** Why didn't you ask for more permits when apparently it was widely known that there was an ask out there, Portland asked, green cab asked --

**Miles:** We did ask for more permits. As a matter of course, we always do. Broadway tends to be a lightning rod for these issues and I want to make sure that they're carefully transparent deliberation. Frankly, city has not given out more permits since 1998 because there hasn't been a need to. Because the city flooded the market in 1998. It has taken this much time to recover. It has probably just recovered in about 2007, before the latest economic downturn. So, you know, we will probably be here in another 15 years that we have not given out permits since 2012 because we flooded the market.

**Saltzman:** Let me get this straight. You did ask when the -- when the call was out there, you did say you want more permits, too.

**Miles:** Yes.

**Saltzman:** And then the taxi, private-for-hire board chose the other companies and not Broadway.

**Miles:** Well, it became clear through the process that the other companies had opportunities to provide information that we didn't. Radio cab initially applied for eight permits, but somehow their application was modified and they were granted 12. Some of the documentation that was in Portland taxi's initial request, which included the fact that they were documenting -- that they were passing along trips to illegal operators, that documentation disappeared from their application when the final one was presented in late 2012. And frankly, qualitative review of green cab's application, what they presented shows they dispatched trips that are roughly equivalent to two calls per cab per shift. That's not enough to support their current level of taxi cabs, much less warrant any additional cabs, and yet they were given by far the largest fleet increase of about 25%.

**Saltzman:** Last question, okay. You just said a second ago, if we -- not we, I guess the private-for-hire board or whatever and the revenue bureau were to say take those sat permits and make you on a parity with the number of permits we gave radio. So, whatever 43 or 38. Take 38 out of

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the 100 sat cabs, put those into revenue service, you're saying that would not hurt drivers. I believe that was in your opinion.

**Miles:** No, because those are vehicles already active during the day. It really is just swapping out. It is taking one and adding another. I see this as kind of completely different.

**Saltzman:** My -- the second part of the question, is if the council were to say -- i'm not sure we have the authority to stay this. If we were to tell the private-for-hire board issue 38 additional permits to Broadway, would that hurt drivers?

**Miles:** It would if there weren't some -- if there weren't this attachment that these are intended to be replacement. They have to surrender 38 sat permits. It would just net add -- it is going to hurt -- you know, it is going to hurt. Any time you increase the denominator without increasing the numerator, it lowers the number. It lowers the ratio.

**Saltzman:** Thank you. Do we the council have the authority to ask the revenue bureau or private-for-hire board to take a particular decision on this sat issue? Or issue even -- 38 more permits?

**Roland Iparraquirre, Deputy City Attorney, Office of the City Attorney:** I will gladly kick that question over to Ken McGair who is here.

**Ken McGair, Deputy City Attorney, Office of the City Attorney:** You do.

**Saltzman:** We do. We could do either option.

**Hales:** We can accept, reverse, remand, modify, or even remand.

**McGair:** Or modify.

**Hales:** Modify or even remand I suppose.

**Saltzman:** We could get into the sat share-split issue.

**McGair:** You can modify the position.

**Hales:** That would be a modification. I have some questions. Are there other questions here?

**Novick:** Raye I did want to ask. You asked for an additional 30 permits. If that request had been granted, would that have hurt drivers?

**Miles:** Yes.

**Novick:** Thank you.

**Kafoury:** Can I answer that, Mr. Mayor? We have, Raye said and I want to repeat this. We have every six months, a request opportunity. We put in the requests as a matter of course because we're in a competitive game.

**Hales:** Is that a form you fill out? What is that?

**Miles:** We typically send a letter. There is a form you can fill out, which other people choose to.

**Hales:** I had questions about data. A little confused that you were in a long data collection process, working with the bureau about driver earnings, is that correct?

**Miles:** Yeah, so the city -- after the city completed the initial study on what they believed drivers were earning, they went through this lengthy public testimony process where there were a half dozen meetings where drivers were allowed to come testify. One thing that happened was all of this anecdotal information thrown out but never really any attempt at the end to go back and validate that anecdotal information or see if it was truly an instance, not a pattern of instances. So, we kind of feel like that may have been relied on too heavily. The drivers that showed up, which was the minority, throughout the whole time, maybe 150 different drivers out of the 900 permitted in the city, that their testimony weighed against the silence of the arena that didn't show up, didn't choose to come in and testify because they are out making a living.

**Hales:** Okay. Steven, you said, you had not seen this January 2012 taxi driver labor market study?

**Kafoury:** Mr. Mayor, that is not the report -- what I heard was -- maybe I misheard, but I heard there was a report that had gone to the audit committee and that it was a report on an analysis of demand. Listening to Raye I said, what is the story on that? I don't know. I never heard of it.

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**Hales:** We will have to get that clarified in terms of what information was available to the board and whether it was available to the public and cab companies or not. We can get staff to respond to that later. I am trying to sort that out.

**Miles:** It may be semantics that maybe we just did not understand.

**Kafoury:** If it were a study having to do with drivers, we have seen that. If it were a study having to do with a need for more taxi cabs --

**Hales:** Okay. A driver labor market -- driver labor market research is one thing, demand measurement is another. That is what you are saying.

**Kafoury:** Yeah, our understanding that the demand measurement came from things looking at other cities. It was not based on talking to us, other taxi companies, nor driving around and looking at the different taxi stands and seeing if there are taxis waiting there or not. We don't think there was any thorough documented analysis of what the need is and they certainly didn't talk to the experts like dr. mundy.

**Hales:** Other questions for Broadway cab folks here?

**Saltzman:** Attachment from the port of Portland, is that from the testimony in December or is this a new letter from the port? I couldn't really tell.

**Miles:** That is from the testimony at one of the fall meetings, I think it was October.

**Saltzman:** I think it was September.

**Miles:** May have been September.

**Saltzman:** That is their old testimony.

**Miles:** Yeah. And can I make one last comment? I feel I didn't address commissioner Novick's question very well. Yes, we did put in our application. Broadway is a lightning rod and I wanted to assure adequate debate as always. That being said, I always believe we are all kind of out for the same thing. When we do well, the drivers do well. When the drivers do well, we do well. I would say that I absolutely believe if anybody -- if Broadway is as deserving as any company with additional permits. There are additional permits warranted and they shouldn't be given out.

**Novick:** Thank you.

**Hales:** Thank you very much. We have Dante James, from the office of equity and Anna Kanwit making presentations. I want to give you the chance to do that now and then we will call up public testimony after that.

**Hales:** You are solo.

**Dante James, Director, Office of Equity and Human Rights:** Okay. Good afternoon, Mr. Mayor, city council. I appreciate the chance to come in and offer some comments for a second time. I was here once before at the end of last year speaking on this issue. Speaking more specifically on the process. Not on my knowledge of any of the individual cab companies in this city. But purely on the process by which this was done and the review that was undertaken. At that time, I testified on behalf of the Bureau of Revenue's recommendations to city council to accept the recommendations for the additional permits and licensing new city cab company in the city. And I had been invited to come and have long conversations with the Bureau about how to look at this from an equity point of view, through an equity lens, if you will. Revenue Bureau had conducted a long, comprehensive review which you have before you now. And it was my testimony that equity was and should be a part of the equation for this review. And there were substantial previous testimony on the treatment and working conditions of the various cab drivers. Lack of benefits, lack of paid time off, excessive cost of driving. Repairing or insuring the vehicles and operating the vehicles. I stated the city has been somewhat complicit in the ill treatment of the drivers because of its restrictive history in the approval of additional permits or any new licenses for the city. If owners, and company owners cannot add permits or a new company cannot come into play, the companies have little choice but to add costs to the drivers in order to

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obtain a bigger bottom line essentially. There was offered -- the argument of the reduced fare opportunities for other companies if license permits were approved, and the impact it they would have more on the current drivers. And Denver was used as a comparison and since I lived in denver for quite sometime, I was asked to offer some thoughts on that. You know, and there was a couple of differences denver to Portland, certainly, in that in denver, you cannot flag a cab. You have to call a cab and wait for it to come for you. Whereas in Portland, you can flag a cab on the street which would provide more opportunities for the use of the cabs. And secondly, in 2009, Denver granted a new license to a brand new company. It was comprised mostly of ethiopian drivers who after a four-year effort received permission for the new taxi company. And the effort was made easier because of a change to state law that shifted the burden of proof from the requesting new company to have to prove that the current companies were insufficient, to the current companies having to prove that licensing a new company would detrimentally impact the public interest. And I would suggest that that is the approach that this council could use in reviewing whether it will -- how it considers this appeal. I think currently what you have heard is the burden is borne by the new companies and those requesting the license to demonstrate that there is no sufficient need. And I would suggest that that is a hard burden to overcome. And looking at it in shifting the burden the way it was done in denver in 2009, may lead you to different opportunities for review and positions. And also -- and the company offered that was licensed in denver in 2009, was the first time in 15 years, similar to Portland, that a new company had been authorized in denver. I had a brief opportunity to look at broadway's mission and dr. Mundy's report and I can't speak to most of it. But for in looking at the city that dr. Mundy was reviewed for comparative purposes, it cites a study of denver in 2008. 2009 is when state law changed and the new company was allowed. Therefore, I would suggest that the study reviewed by dr. Mundy for 2008 no longer applies. The rest I can't speak to but I can speak to it in that perspective. It has been 15 years since a new company was licensed in this city. So there is that comparison to denver. Interestingly enough, this current company that is the new licensed request, and as well as many of the permit requesters, and the last company authorized in this city were -- was also african immigrant owned country. Majority of the drivers here african immigrants and or russian speaking. I think there is some similarity in that process. Private-for-hire board review recommended approval of the new company under the additional permits and voted twice, not just once, but voted twice by almost a two-thirds majority to request and recommend approval of licenses and the permits. Further, the new company, and those getting permits were required to purchase additional vehicles for -- that were wheelchair accessible. They have done so. They just can't put them on the street. They have had some of these vehicles for almost three months and they can't put them on the street and use them. It is clearly a drain on this company based on the fact that there has been a stay while the appeal was pending. So, in conclusion, I don't want to take up much of your time, this attempt, substantial testimony by the drivers, difficult working conditions and costs. Testimony by broadway, that there was essentially insufficient research done in this regard. And I would suggest that the study that you have and the anecdotal evidence by the drivers and company owners belie that testimony. I believe by any standard, it has been demonstrated that there would be no harm to the appellant, to broadway with the granting of these licenses. And that maintaining the status quo given all these factors will in effect be maintaining an equitable system. I would urge the council to deny the appeal. And accept the recommendations of the bureau and the board in the additional permits and licensing this new company. Thank you very much for your time.

**Hales:** Thank you. Questions for dante? Thank you very much dante. Okay. Now we will open it up to public testimony. I think we should organize it as people who are speaking in support of the appeal. Unless they have not signed up that way.

**Moore-Love:** We only have one sign up sheet. I only have six people signed up.

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**Hales:** We won't bother to sort it out that way. We will take them in order and we will sort it out.

**Hales:** Jay, I think you were on first.

**Roy Jay:** I was going to allow him to go first.

**Tesfaye Alema:** Thank you for giving me the opportunity to talk to you, mayor charlie hales, commissioner Amanda fritz, commissioner novick, commissioner Saltzman. My name is tesfaye alema I am the managing member of green transportation company, dba green cab -- I am working hard to make green transportation service -- i'm sorry. Service the most efficient, honest cab company for the citizens of Portland. Green transportation company's existence has created a positive environment by making more fair the way companies manage and contract with drivers and improve customer service performance. As mayor hales, city commissioner knows, green cab came into existence in the late 1990s against all odds. And both the company and its drivers think that you for your support for allowing -- thank you for allowing the company to be created and to grow. Green cab is the first taxi company that is in the Portland metro area to have the taxi magic credit card processing machine in every taxi company. The machine allows the customers to process their own credit cards themselves and determine the tip and amount of -- at their fingertip. This has created an increase in drivers tips which benefits the driver. Processing credit cards by electronic card is also partially responsible for the reduction of the robberies of drivers and increased the safety of the drivers. The company service area to make sure all drivers in the green cab to earn a good living and the company does what it does best to serve the citizens of Portland metro area. Green cab has expanded from providing taxi cab service to shuttle service and the special assisted transportation. The number of calls and all of the number of agency contracts have increased dramatically from the last five years to six years. In this way, green provides jobs for its drivers and through good service and competitive -- competition provides better service to the public. I have requested new taxi cabs to increase the green taxi fleet a total of 80, which will make the company more effective in covering its taxi cab calls for several years. Green has asked for more taxi cab permits continuously -- continuously demanding for increase -- to the revenue bureau from time to time. In 2012, revenue bureau issued a positive accommodation for green cab, taxi cabs for green cab has requested. The final recommendation went to the private-for-hire transportation board, and after several delays, december 12th, 2012 request was approved. On the request of the private-for-hire board I ordered three new wheelchair vans and bought another existing one. We purchased several vehicles that will be in service immediately. The fact of the matter is broadway cab has stopped the process by this appeal and we have to come to you to get the process moving again. Green cab does not have extra money that is flaunting around because of this delay in putting this new taxi cab -- it is not fair for business practice to stop small companies like green and the driver from working. I want to say to you, mayor and council members, that during the time of the process of consideration green cab has requested several documents because they wanted to determine the merits of the application for increase. green cab has provided all of the supportive documents for request and documentation and all information needed to show the increased demand for green cab taxi cab. Green has contributed to positive competition of -- city of Portland. 20 years ago and compare it to the present taxi service, you would pride yourself for permitting green cab in a period of 1998. Today I am here to say that the time that passed since the final decision day of the private-for-hire board have cost green cab and many drivers a lot of money for not using the vehicles it purchased because of the appeal of broadway. I would request mayor and commissioners to affirm the board's decision for the city taxi cabs as the board has approved. Thank you.

**Hales:** Thank you. Questions? Thank you.

**\*\*\*\*\*:** I was going to seed time.

**Hales:** You don't need to. Since this is an appeal and -- we're dealing with multiple companies, I wanted to give his company a chance to make their case.

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**Ed Trompke:** I'm ed, I represent green transportation, as I did in front of you 15 years ago. And I just have a couple of points. The board did listen to the drivers and that has been referred to here as anecdotes, but that is the sort of testimony that finders of fact listen to all of the time. They made determinations of creditability that they believed those -- at least some of the anecdote, some of the testimony they heard, and that is a creditability finding that in a quasi-judicial procedure should not be overturned on appeal by the board by council. The board did rely on it and its creditability finding should be given great weight by the council here. And the -- another issue that has been raised a couple of times by Broadway is the port of Portland. Back in 1998, and every year since, the port of Portland has been trying to give fewer cars there at the airport and more cars on the street. The code requires 24/7 coverage throughout the city. That is what green has been tasked with doing. One of the things that it was told that it needed to do back in 1998. And that is what it has been trying to do is to get 24/7 coverage throughout the city equitably spread among all of the neighborhoods. So don't rely so much on what the port says. That is not the purpose here. It is the demand in the neighborhoods, the demand for transportation services. The city is building apartments were fewer and fewer parking spaces. Folks need transportation, they need public or private-for-hire transport. The demand is there. Financial information has not been given by all of the transportation companies to the city in the kind of detail that green has provided it. And nobody can really say what the drivers earn at this point in time. Findings of creditability -- they're getting by somehow. They're living. They're surviving. But the amount of information actually delivered to the city would show that that may not be the case. And that is because the money comes from several different sources. It comes from non-city licensed ride fare, from city-licensed fares, from sat, from lots of sources, contracts that are flat-rate fares that are set up between companies and industries that need rides. So, there is not enough information there for them to say no, people can't make it. They do. And there is a need. Thank you.

**Hales:** Thank you. Questions? Thank you very much. Sorry, roy.

**Jay:** I was taking my cue from him he was saying go ahead, go ahead.

**Hales:** You were so courteous you were about to be courteous right away.

**Jay:** I'm courteous. I'm courteous.

**Hales:** All right.

**Roy Jay:** Mayor Hales, commissioners, good afternoon, how are you? I came to you also testify in support of green cab's application for an expansion of 33 vehicles. I have known this gentleman from the time he started with a mule and a wagon back in the old days and he fought all of the odds to make sure that they tried to get into the marketplace. Many years ago, used to run transportation limousine services out here and I'm heavily involved in the convention business and he has been through the evolution of -- trying to make sure that they keep jobs out here. When you bring in 33 more vehicles, that is 33 jobs for somebody. And evidently, he is going to have to -- he has the money to be able to bring in this type of equipment. We know there is a market out there. Portland is starting to expand. We are invested in Portland ourselves. But from a personal stand point, I have used his company for the past what, four, five, five years, not only for myself personally but for visitors that come from out of town. One thing that we have talked about more recently, he is going to upgrade the fleet but also upgrade the appearance of all of the drivers. All will be uniform within a year, which is something that Portland needs and this will be the first step in changing our appearance of cab drivers in town. I'm on the record. He is in agreement, and this will be the first cab company that will step it up and give Portland a new look. So, I'm in support of their application. 33 vehicles they have been going down the same road over and over and over again. They're always going to have -- somebody is going to appeal. That is just the nature of the business. But when you have somebody who wants to invest in the city and keep people working, I say just let's try to move forward. Thank you for your time. I'm not going



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to read from the speech. You can tell he is just a beginner so bear with him. Thank you for your time.

**Hales:** Thank you very much. Next three, please. Welcome.

**Vyacheslav Karkhy:** Thank you, and hello and I'm Vyacheslav Karkhy I'm with Portland taxi, one of the owners for Portland taxi. We're a small cab company, and we have been in existence for 35 years and work our butts off to get here. We have done improvements -- just don't take my word for it. Go online, Portland taxi, and see what happens. Last year, 8,000 phone calls to bigger companies and with our -- the size of our fleet, it is impossible to do anything to -- 26 vehicles just do not cover Portland metro area. They just don't. You know. Not fair that somebody just come and shut -- you know, shut us down. Thank you.

**Hales:** Make sure I understand what you said. 8,000 times last year where someone called and requested cab service and you were unable to provide it so you had to refer it to another company?

**Karkhy:** Correct. More than 8,000 phone calls, correct.

**Hales:** Thank you.

**Steve Entler:** Good afternoon, mayor. I serve two positions. First of all, taxi company representative --

**Hales:** Name on the record.

**Entler:** Steve Entler radio cab -- sorry. I'm the taxi cab company represented for the private-for-hire board and also the general manager for radio cab. I will start out by setting a few numbers straight. I have heard a lot of different ones bantered around. Ray said something about initially we applied for eight and got modified to 38, which it did. But that was because of a length of time this whole process went on. Things had changed. I also heard that somehow we got granted 38. I assure you, that is not exactly what happened. It was 13. Somebody said -- I think Steve said 38, somebody else said 12. 13 was the number. Green cab was awarded, 11, I believe it was. And Portland cab granted four. Those were the numbers that were the additional ones that have actually been granted. So, anyway, Broadway did apply for 30 additional. Left out the fact that they also own Sassy Cab and they applied for 13 there also. That was 43 in total. Over that period, while I sat on the board, I never heard any data that supported their request from anybody. And this process went on the better part of two years. I had never heard any significant argument over the applicant's -- had submitted data or requests. Especially my own. Never heard any argument that they were not needed by Broadway Cab until evidently they're feeling it now. The anecdotal comments that were mentioned, I should mention, were primarily Broadway drivers that were making those anecdotal comments. There was nobody there from radio cab saying that we didn't need any additional permits. Just primarily their own drivers. I won't say all, but primarily. In this process for radio, we submitted an overwhelming amount of data to support our request. I never saw anything from Broadway, and some of the other applicants I thought they didn't support that much. The city did their study -- can I continue?

**Hales:** Yes.

**Entler:** The city study -- all about the taxi driver labor market study. That was a process where all of the companies had to submit all of their financial and operating data to the revenue bureau. We were also brought in individually and interviewed about how we operate. And I think the interview -- they interviewed like 250 to find out what -- what they made. And there was one clear winner in that entire process, and that was radio cab. Where the drivers made roughly double what anybody else made. All of the drivers, they were all treated better and everything else. We have by and large the most call-ins per our service. There was some comments made by the port recommendations and how there were too many cabs on the street. You know, if you go out to the port and you check the on demand line, you are going to see primarily four colors of cabs. You won't see any black and whites out there. Our guys really don't work it. That was

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substantiated lately in a meeting at the port where we found out that the total amount of permits held by operators for permitted cab companies to operate at the port -- stand in the on-demand line, a total of 256, which happens to work out to 136. Exactly 100% of Broadway's permits are permitted to operate at the port. 48 for green. 100% of their vehicles are operating, are allowed to operate in the back field. 26 for Portland cab. 100% of theirs, and 19 for New Rose City. 100% of theirs. Radio cab, 27 permits, most of the time they are not even used and that is less than 20%. I think to say that -- you are going to flood the market out by adding new cabs is ingenuous when half of your vehicles -- I wouldn't say half but a good portion of the vehicles concentrated at the back field of the airport and not providing any service to the public. Like some of the other providers have mentioned, we have also invested in new vehicles and they are sitting idle waiting for the additional permits which keep getting put off and put off and put off. And I would certainly like to get something going because our demand -- our service -- our discount count that we have carefully tracked and submitted to the city, has increased every month since -- I think 2009. We track that very carefully. And now we're up to averaging approximately 120,000 dispatched orders every month that go out to our drivers. And quite frankly, we're starting to get a lot of complaints about bad service because we just don't have the capacity to supply to the customers that request it.

**Hales:** Thank you. Questions?

**Saltzman:** I guess I would like to ask each one of you. You have not testified. Let's hear your testimony.

**Kedir Wako:** My name is Kedir Wako a union cab president. Also I have been driving for Broadway since 1998. There is some -- what union cab - who calls union cab to come to the city is Broadway. Broadway abuses cab drivers -- we are abused. We fined as much as they want. For evidence Broadway -- you can consider for evidence you can have a place the city council. You can see that it is un-sustainable regulations they have it. Whatever they do to drivers nobody can challenge. Broadway flooded the city with a gypsy -- what they call it a gypsy like a city of Portland not to work those cab drivers from Beaverton in Portland. They flooded in the name of sat or reservation only or what they call it another name is I forgot I'm sorry. Theirs another name. So medical transportation or sat. So, any cab, any person who has a city permit can call Broadway and they get it. They train cab drivers, if they submitted their red car they have maybe 100, 150 cab drivers, trained by Broadway, existing cab drivers so there is no space to stay in there. I have to work hard, shut my mouth just to work for sake of living there. And because they put in 150 drivers on waiting list, don't know if that driver is still driving or not but there is a waiting list of whatever number they call it. Know that Broadway act in that for last two years cab drivers calling the private-for-hire transportation every single month of the private-for-hire -- the abuse being done cab. Even the city doesn't solve it. It is a simple, minor issue so solve by union cab. Please ask the city council to pay attention the life -- they make another formula. They hire their own cab drivers. Michael Red Diamond who was elected by us and doing against us and to oppose the cab drivers issues is not a real issue. So now asking Broadway another permit -- when Broadway ask for their own to give more permit. Driver life is not hurt. But when other people get permit driver life is going to be hurt. Driver permit -- driver license will be hurt, it will be hurt if cab company doesn't make no dispatch. If it doesn't give them the burden of fine -- if the cab drivers get a relief from the kitty of \$2000 a maximum of \$2200 a month. I appeal to Mayor Hales still to relieve all cab drivers -- not only those 50 union cab drivers, to reduce their life so they don't have to work seven days -- let them work like anyone else. Eight hours and go home and get laughable life with their kids or their family or rest. All this causes it because nobody likes to work 7 hours and stand in the sun and the rain it's just because they can't pay the burden of that kitty \$2,200 a month. And I have to make money let's say my car gas us -- my car gas is maybe you know that it is very expensive now a days. I have to fill up about 40-30 dollars a day. Company kitty is \$80 as a

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minimum. Every Friday, I will get a surprise of fine of whatever maybe a phony person called to say that this cab number cut me over, so you have to be fined. There is no outflow to us. When Broadway knows that all this has been complaining recorded by private-for-hire transportation -- I ask the city council to deny Broadway cab permit. Thank you.

**Hales:** Thank you. I know you had a question.

**Saltzman:** Well, I earlier asked -- was asking about what harm would there be -- I think Broadway cab in its defense said if you grant us more permits, that will harm drivers. I asked the question, what about if you carved out from the sat population, and they said, well, that probably would not harm drivers because it is just taking drivers from sat to I guess revenue service. I would like to get your comments on that thought. What if we --

**Entler:** Virtually all of the sat vehicles are also suburban unpermitted vehicles. They are taxi cabs that work out of town. They are doing double duty. And there is no control on that. So, what is to say you shift -- pick a number. 20, 30 permits, kill the sat and make them into cabs, what's to permit 30, 40 more cabs in the suburbs. You know, it is just -- it doesn't make any sense. And would lead to something, you know, bad. Radio is a driver-owned company. We are always looking to protect the drivers. That is where our focus is.

**Hales:** Trying to remember some of the details from 10 years ago. There are no regulations in the suburban jurisdictions?

**Entler:** There is not. The only suburban jurisdiction right now would be Vancouver. They have their own set of regulations.

**Hales:** And the cab service that is available in those areas, is generally provided by the same companies we are talking about here?

**Entler:** Well, right now, it is -- there is -- you know, economy is falling on hard times. Anybody with four wheels has a taxi sign on the top and providing service. There are probably 100 different cab companies in the suburbs, along with the players here, major cab companies here have suburban units also. The controlling factor for our company is, you know, if I flood the market with cabs, then the drivers that own the company are going to be after me. It is not so when you have got one or two or three person-owned company. They are just looking to fatten their own wallet. So, you know --

**Hales:** Smaller companies in the suburbs in addition to the major players here.

**Entler:** Right.

**Hales:** And they are. It is the wild west, they can do whatever they want, except that they can't pick up a taxi fare in Portland, right?

**Entler:** If you -- if you have a yellow vehicle that has a top light and one that doesn't have a top light, how is John Q. Public tell the difference? Most of the time they can't. You know, hail the driver and bring them over.

**Hales:** Further questions? We will have more people to testify. Any other questions for these folks? Thank you very much. And is there anyone else that would like to testify? Come on up.

**Lightning:** Yes, basically what I see the problem being here is that there was a certain amount of permits allocated, and through the process, it seems that possibly Broadway wasn't able to supply the right data or possibly wasn't given the chance to attain these permits, and one of the problems I see here is that it appears we talk about -- look through the equity lens or let's be equitable. It appears under this process that Broadway really wasn't treated fairly. I really think this should be appealed. Because Broadway has done a tremendous amount for the city, tremendous amount for the community, and by allocating these permits and them not being given the proper process has an effect on their business, effect on their overall value of their business, and I think that this should be looked at closer, and I think if they have tried to appeal this, there is definitely something to look at further, and let's put a hold on this. Let's take a better look at it. And make a better determination. Thank you.

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**Hales:** Thank you.

**Mary Eng:** Guys, i'm so honored to be here with lightning. He is such an incredible activist for the community and for ecology and I thank you so much for your support of him.

**Hales:** Name into the record.

**Eng:** Mary Eng. On the issue of the taxi issue, I wanted to tell you about Betty Houg of the national lawyers guild in Los Angeles. She has done a lot of work with taxi drivers. I wish she were here today to give this speech. The thing that really grabs me that she said is that taxi cabs are sweat shops on wheels. Sweat shops on wheels when you look at the way the workers pay incentivizing are, the length of their hours. Last taxi drive in Portland, the driver was falling asleep, which I realize so much from my fear of flying that I might die in the taxi cab on the way to the airport. That kind of consideration in terms of safety should influence the way that we guarantee equitable living wage to all taxi drivers not working overtime. It is corrupt to force them to work overtime like we do with our trimet. We have trimet drivers crashing into trees because we don't have benefits and direct hiring protocol. And in terms of monopolistic behavior and disfavor to one company over the other. The whole room should give a round of applause to the taxi drivers of Portland who work incredible hours in bad weather and bad conditions and we need to work together as a community for a more equitable outcome.

**Hales:** Thank you. Thank you very much. No one else signed up to testify. I think I would like staff to come back up. I suspect others would as well. Thomas how are you? So, I guess part of this is refamiliarization on my part. Bear with me. In terms of data collection, can you clarify what has been going on in terms of data collection? You have obviously got the studies and findings that are here in the record, but what is the ongoing practice? Are you receiving constant data from these companies that we regulate? How does it work?

**Thomas Lannon, Director, Revenue Bureau:** Good afternoon, mayor and council members. I am director of the revenue bureau. I tore myself away from the joys of the arts tax to come over and talk for a few minutes about this as I was watching --

**Saltzman:** Working the phones.

**Lannon:** All of the above. All of the above. There is no steady stream of data that we are receiving from companies. There are a number of opportunities to improve -- so that we can get live data. I believe there are technologies in place that there would be an ability to get that kind of data. That was not part of the data input that went into this particular study. The reason I came over here was to talk a little about that. Robust discussion about supply and demand and how that relates to driver equity and income. And I think that the piece that gets lost in this conversation is that a big determinant of driver income, net income, is the expense side of the equation. It is not just how many fares are drivers able to pick up and what is the rate that they are receiving per mile on those fares, but it is also the question of what were the expenses that they have to pay back to the company. A number of reforms that the bureau is bringing forward in conjunction with the recommendations have to do with containing the costs and making sure that the so called kitty, rent paid for the vehicle is capped. I just want to put that out there as one of the things that is really important determinant in terms of net income for drivers. Now, in terms of some of the earlier testimony you heard concerning the revenue bureau data -- the revenue bureau comprised a number of different divisions. Regulatory is one of the divisions, the staff required to regulate this industry. Another division, operations division, which has a section including CPAs and professional auditors. And it was the audit section that reviewed driver income by analyzing three years of income tax data as well as other financials of the companies themselves. So the audit section was also tasked with reviewing the data contained in the reports before you, including documentation of the collection effort -- comparison -- same cities we compare ourselves against. The cities were not cherry picked -- all of those representations were reviewed by our auditors. In fact, much to my staff's chagrin, I engaged deeply in the review of the reports

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making sure that the data being presented was defensible and relevant. So, in any case where you heard criticism of the given data set, I specifically tasked auditors to go back and look at that data set. So in the hearing, I believe back in November, there was -- there was -- someone made the comment that the trimet -- correction, the port of Portland data wasn't relevant and that it wasn't correct. So, we went back and took a second look at that. Where did we get that data? Well, from the port of Portland themselves. They publish that monthly. We checked specifically to make sure that we had good, reliable, relevant analysis of that data set and conclude that we did. So, given the lengthy process that was undertaken, and I think thoughtful process that involved hundreds of stakeholders over the last several years and given the fact that this is a very complex market to regulate because there are many players, many people who have an interest, we have the safety component, the customer component, the company's component and of course the drivers. Anyone of those legs of the table, if you make an adjustment to one, there is an impact to others. I would ask the council to please -- to deny this request today and uphold the private-for-hire transportation board of review's decision.

**Hales:** Thank you. Further questions for staff? Go ahead.

**Novick:** Yes, actually, I was looking at -- page 14 of the report, trends and demand criteria, it does seem like a number of criteria, since -- it depends on what year you pick, but some of the demand criteria the numbers are down since 2005 and 2006. A reference on page 13 to what has happened since 2001. The tables don't reflect that. So, I was wondering what -- what you think is the relevant year to look at in terms of increase and demand. Is it 1998, 2001, 2006? What do you think should be the point of departure in looking at demand increase?

**Butler:** The answer to that is a little complicated. As Thomas said, a lot of rigorous analysis of the statistical data we were looking at and in answer to some of the previous comments, the actual demand factors that we looked at have been consistently looked at when considering taxi demands for a number of years. There are generally agreed upon to be important statistical factors. You can talk to two experts or three, four, five, and the emphasis on each one will be a little different.

We did do an exhaustive study of all of the literature on demand. And the factors that the city has been using did seem to hold up overall. In answer to your specific questions, obviously if you are looking to increase the number from the 1998 taxi number, you would want to look at how did these factors change since 1998? To alter that a little bit, there was a demand study commenced in 2008 at the request of the taxi cab companies, including Broadway, claiming at that time that there was a very strong need for additional taxi vehicle permits. I think there are several other important stakeholders like Travel Portland that have been citing the problems that tourists and other business travelers have with getting taxis. And in 2008, a very strong general consensus that it was time to really increase the taxi numbers. So, the taxi demand study commenced, but -- and the original initial findings were moving towards recommending new permits at the time but by the time the study was completed in 2009, the economy had suffered significant losses. All of the factors were on a decline. What the advice was from the consultant at that time was to look to all of these factors and when they start to trend up from the 2006 highs, when they start to reach that level again, that is when it will be time to issue new taxi numbers. We are in agreement with that finding. We think that there was a need in 2008. But then the economy suffered a downturn.

A lot of tourism decreased. And we are now reaching levels in most, not all, but in most of the factors we are looking at, we are reaching levels that are meeting or exceeding those highs, those previous highs, and the trend seems to be very well established.

**Novick:** It is not that this is the first year that you would have made a conclusion that there was enough demand to justify more cabs. If you looked at it in 2007, you would have concluded the same thing.

**Butler:** Correct.

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**Novick:** Another question I had. When you are talking about different cab companies making the case for sufficient demand for their services, isn't it all one market? Sufficient demand for radio cab to need more cabs, wouldn't there be sufficient demand for the cab industry as a whole?

**Butler:** It is a very complicated question and that was part of the reason why it took so long for the board to come to a recommendation on this. Part of the issue when you have a regulated monopoly, one of the unintended negative consequences unless you have really good performance standards that you are measuring and using to decide who gets permits, you have this cap, and if you are going to get the same number of permits every year, no matter what you do, that doesn't create incentives for good service or for good conditions for drivers. So, probably much more important even than the recommendation for additional taxi numbers that the board came up with, council passed on november 7th, was a very new thing for Portland, a matrix of performance standards developed by the board. Every year when the companies come to request permits, that matrix will be used to decide whether they get additional permits, but also whether they, indeed, get to keep the ones that they have. I do agree with ms. Miles, utilization issue is a very real one.

Some of the companies can't fulfill the need that the -- the demand, people are calling them, particularly the smaller companies and they can't fulfill their customers' demands for service. On the other hand, some taxi drivers are sitting at the airport long hours working 14-hour days not getting very many dispatch calls from their company. We need to include that in the equation when we decide which companies get permits. We have done it in an initial way, and that is in the sense that the board taking many years of history of both the council and the board saying that it was important to start giving opportunities to the smaller companies to grow. Their evidence that they were not able to fulfill their calls for service and their evidence that they were investing significantly in improvements to the company was taken -- was weighed very heavily. So, did I answer your question?

**Novick:** Demand, demonstration of demand is one factor among those that you examined.

**Butler:** Exactly. We measured overall demand and we made a determination that additional permits were required, and then we looked at a whole series of factors concerning how well the companies were performing. And then the other issues such as unresolved sat issues.

**Saltzman:** We started out the hearing today, you did say that the sat issue is under active review by the revenue bureau.

**Butler:** It is.

**Saltzman:** With respect to Broadway?

**Butler:** Yes. With respect to all taxi companies and the way that they operate sats, there is a sub committee. We have already had one robust meeting where we identified the issues and potential solutions to the issues. The board will be discussing it at their meeting next week. And we think that the sub committee will have at least one more meeting before we propose a solution. We think it is on the fast track to be solved. It was throughout the entire two-year process. The status of those vehicles and the crossover and how that affects the taxi demand was one of the big issues that came up over and over again in every context. There are issues in terms of the way the drivers are impacted financially because in addition, thomas mentioned that the driver payment to the companies, the kitty is the number one factor that we identified that affects driver income. It is not how many cabs are out there.

**Saltzman:** We did adopt some new rules or your in the process of adopting new rules that will limit --

**Butler:** You adopted them on november 7th. That kitty is regulated.

**Lannon:** The kitty is capped. There are a number of other reforms we are working on right now. We will come back before this body. Right now we're planning on consent. If you would like to

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hear it on the regular agenda, we could. March 29th, we have a report due before you about our progress in all of those areas.

**Saltzman:** That's fine. My last question, maybe it's a statement too. In looking back over the situation last year -- the union cab came along here's this great idea political heavyweights aflcio, communications workers of America, African American chamber and not taking away from the fact that it's a great idea, it sounds like a great idea. Its been working in Denver. But it really kind of forced the authorities that be, which includes us, includes you, private for hire board to say we've got to do something here. No is not an acceptable political answer. So the perception to me is were going to have to grant 50 permits or so -- so lets open the door and let everybody, as I said earlier, respond to the cattle call. I'm not sure I have a problem with that but I'm trying to figure out why broadway and new rose city would be the two that wouldn't appear to get any of the new permits.

**Lannon:** I respectfully disagree with your perception.

**Saltzman:** It's my perception. I'm not saying it's a fact. I'm just saying that's my perception.

**Lannon:** I understand that. I want to flag this very clearly. We looked at the industry data and made a determination that the market could in fact support more vehicles. I don't personally --

**Saltzman:** Okay, so what happened to broadway and new rose city and all that?

**Butler:** There were details regarding the rose city's operation, some serious concerns about the management there that, that we're working with them to resolve, and we think it's going to have a great outcome. And they are going to improve. And, and --

**Saltzman:** How about broadway then?

**Butler:** The sat issue, and the need to resolve that really an important one, and it was also just the lack of, any real evidence that permits were needed by them. And a part of the whole consideration by the board has been, and I think it's been an issue that's been before council in the past, we never would hope to get to the point where we say every cab company has to have the same number of permits. That would not be an appropriate position to take. However, we have a whole list of things that we require of any permitted taxicab company. We have three companies right now who, actually, can't meet those requirements with the number of taxi permits that they have. So, this is a push to allow each company to at least meet that minimum critical mass that will allow them to meet city standards, to be innovative, to keep um to date with their equipment, and also to provide the services that drivers need in order to make a decent living. So, you know, when we looked at broadway, and radio, if there is a limited number of permits, and we want to issue them gradually so as not to negatively impact driver income, we want to make sure that there is really a solid basis for that need for their permits because they are already of size that the other companies haven't detained in order to be able to meet the city standards. It's very, a complicated equation. As Thomas says, you move a piece and something else changes.

**Hales:** Other questions? Ok. If there are no other questions I will close the vote hearing.

**Iparraguirre:** May I interject?

**Hales:** Yes.

**Iparraguirre:** For the record, Roland Iparraguirre, city attorney's office. I want to make sure that we have a clear record for the event of any further appeal of this hearing, and what I heard today was broadway cab is not appealing the board's denial of its permit application. When in fact, they are appealing the broadway cab is appealing the board's determination to grant permits to other taxicab companies. If i'm mistaken about the issue at hand, this is the time to clarify the record.

**Hales:** I have not closed the public hearing so allow them to respond to that question.

**Saltzman:** Did you have another point, roland, or that was it?

**Iparraguirre:** That was it.

**Hales:** Come up, we are, we are going to have him restate yet and get that answer on the record. So, restate the point, and let's get her to respond to that, please.

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**Iparraguirre:** The issue on appeal from what I heard today was Broadway cab, appeal of other taxi cab companies receiving permits from the board, not the denial of its own application for permit.

**Miles:** I believe we appealed both issues. We appealed both the conclusion that the other companies should be awarded and the conclusion that we should not.

**Hales:** Ok. Good. Anything else that we need to clarify before we close the hearing? Thank you.

Miss Miles, thank you. Ok. Now, I will close the public hearing, and my sense, I am not sure if there are others eager to make motions but my sense is one we have gotten additional information today. Two, this has gone on for very long time and shouldn't go on much longer, and my sense is that at least my comfort level would be highest if we would set next week as a date on which to take action on this matter, and not, not act today, but, if others are, disagree with that --

**Fritz:** I was prepared to make a motion but I can defer.

**Novick:** I am willing to go along with it being deferred, I would be prepared to act today, as well.

**Hales:** Dan?

**Saltzman:** And your purpose in asking for a week?

**Hales:** We have gotten materials I have not read, so make a decision on an appeal that I have not read everything. I actually would like to read it.

**Saltzman:** I'm fine with that.

**Hales:** I would like to read the record and we only got part of it submitted today, or at least I only saw it today. If it was in the packet, Broadway's material for example, I did not see it all.

**Fritz:** It wasn't but their late submittal, as some of the companies have pointed out they have been waiting since November to go ahead and put -- get the permits into use and the purchased equipment.

**Hales:** Fair enough. But we don't do a lot of these hearings, we do a lot of land use and there is a full record developed beforehand and in this case there is not so I would like time to review it. I would like to set next week at this time for council action on this appeal. And therefore, we are adjourn until tonight's budget session at 6:30. [gavel pounded]

At 3:36 p.m., Council recessed.



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## Closed Caption File of Portland City Council Meeting

This file was produced through the closed captioning process for the televised City Council broadcast.

Key: \*\*\*\*\* means unidentified speaker.

**March 7, 2013**

**3:00 PM**

**Hales:** Welcome to the thursday, march 7th session of the Portland city council, I believe that we have one item on the council calendar, and karla, would you please read the time.

### **Item 203.**

**Hales:** Thank you. Since our last council session on this item, commissioner Saltzman and commissioner Fritz were working together on a task force to further develop the proposal, consider potential amendments, and the results of that work, and quite a bit more is in front of us today. So, I would like to call on first commissioner Fritz to talk us through that task force process, what you found, what you have done, and therefore, what's in front of the council today.

**Fritz:** Thank you, mayor and everybody for being here today. And my chief of staff is going to come up and work us through the amendment. And it's been a fascinating six weeks. I very much appreciate the input, whether supportive or opposing, a tremendous amount of discussion so commissioner Saltzman and I convened a task force of members supporting this, and worked through line by line the entire code, and have a new proposal that was out on friday. And we have continued to make improvements and even up until ten minutes ago. So, we're going to walk you through those different issues. And a lot of this, many of you have been very engaged and you are aware what's on the table. We wanted to make sure that everybody watching at home, who may be doesn't have access to, to the internet or all the documents, is aware of what the significant changes are.

**Tom Bizeau, Commissioner Fritz's Office:** Thank you. Tom Bizeau, staff of Commissioner Fritz. I have gotten a little powerpoint here. I am going to go over the, the premise for this ordinance again, and then go into the amendments. The amendments, there will be the highlighted amendments. A lot of other amendments are structural. And have been changing and moving portions of the, of the code into various other sections to make it more applicable or to make it more clear. I won't be covering a lot of those sort of structural and scrivener changes. So, essentially, going over again the reason for this ordinance is to establish minimum public health standards in the workplace. And it affects individual and productivity. We had so many discussions about, you know, the issues related to whether it was an economic issue or a health issue. It helped us to always reframe this back into the public health issue. And then, of course, the spread of disease, throughout the schools and our community, and it was, it was -- definitely one of the primary motivating factors for this ordinance, which is a parent shouldn't have to make a choice between going to work and staying home with a child. And a child also when they go to school sick they spread their diseases to other kids throughout the community, so we have to be -- it's another public health type of issue. So, in the definition section we made some changes to, to, to a lot of the definitions, but these were the most significant ones. And those related to employee, and we also deleted the definition for hiring [inaudible] because it was too complicated to get definition that worked. In terms of the employee, we clarified it per the state statute, and we also clarified the exemptions of what an employee actually is not. Also, clarified pto, which is an important part of this ordinance, which is the paid time off policies that a lot of businesses have. So, this is the first section after definitions. And these, what you see in the, in the bolded black lettering is, is the additions. So, these were some of those that we added in here to, to clarify some of the commission, the commission and peace rate type of issues. And I think that, that, I think this is

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going to be talked about more with, with, by council in a substitute that's being offered, so I won't go into that much. And employees who are paid base wage plus tips or commissions shall accrue sick leave based on base wage. It's, essentially, saying that, that if you have a base rate, and you are getting a minimum wage, then you, basically, you are accruing sick leave, and using sick leave according to that base wage. Employees who travel to the city and make a stop is the purpose of conducting the work. This was a, a topic of conversation by the task force, and we just added one word here to, basically, clarify it and make it a little more clear as to what that meant. And essentially, it really is about work. It's not about, about stopping to get gas or stopping to, basically, get some food. It's about moving from outside the city into the city and working, traveling from outside of the city and into the city and working in a regular way. Continue on with the sick time section. Another change was an employer is not required to allow an employee to carry over accrued hours in excess of 40 hours, we had this in our original, but we clarified it more here. So, the maximum that you could earn is 40 hours in a year. And you cannot carry over more than 40 hours unless, of course, the employer allows you to do that. You could see the white, that's the text already there. I put it in here just as context. Sick time will begin to accrue for employees employed on the date this ordinance takes effect. We have that also added to put in there for new employees. That when they commence their employment, they begin to accrue the sick time. So, use of sick time, we have, we had discussions about how you, you would, actually, measure it, would you measure it in a quarter hour or in four hours, it seemed to make sense by most in the discussion that one hour was a standard increment that we use often. Unless your time could be, could be, you know, proffer by the employer. Also, when you take the sick time, you can take it, once you came into a shift, and you found out that you were sick or you were getting sick during the course of that shift, then your sick time could cover that portion that you want there. Just wanted to clarify that, also, of course, you can cover a whole shift if you called in prior to that shift occurring. And we also wanted to clarify when you could not use sick time. And this really got into the discussion of shifts, this talks about how if you are not scheduled for work, at the time in that you are sick, then that sick leave is not something that you can use, especially, an example is a part-time employee who, basically, works 20 hours a week, but then, on the other 20 hours of that week, they get sick at that time period. They cannot take their sick time at that point in time. They can only take it when they were scheduled for work. Also, another addition was adding in, during the first 90 calendar days of employment, you would not be able to use your sick time. You still would be accruing it, however. So, that goes back to that point about, you started accruing from the day one, from the day that the ordinance is in effect, and the day that you commence your employment. But, you cannot take it until the 90th day. This was a discussion about a probationary period in a lot of areas of employment. There is also the 240-hour provision in the ordinance. Which basically says you cannot take it until you have accrued 240 hours. And, and that's still there, and it could overlap there. And it could go beyond there or it could be less than, this but the 90 days would still hold true, so that, that if you had accumulated your 240 hours, of work that you would, you would then still have to wait until the 90th day before you could take any sick leave. So, we clarified a bit more on shift-taking, that it welcome back possible for, for an employee to work an alternative shift to make up for the use sick time. It's an employee, employer relationship thing and how, how they can communicate on that issue. But, it's not something that you are required to do, you are not required to work an alternative shift, and you are not required to find a replacement, which we had in our original. We discussed more about the written policies or standards, and we just clarified some of that language there. We took out of our definitions what we call designated contact protocol, and then we, basically, put it into this standard, in this section of the ordinance. Of the code, and, and just made sure that it, was understood as a reasonable and accessible means of communication, identified by the employer. And it would have to be a written policy. Also, the employee has, has their responsibility to, to make sure that they follow that. Use of sick time,

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perhaps, more than three consecutive days. We add it, added a documentation section related to the domestic violence, sexual assault. This documentation is tied to an ordinance so we wanted to make sure that that was pointed out. And then, another section was put in terms of exercise of rights, to protect in retaliation. Prohibitive, it would be a violation for the employer's absence control policy to count on a sick leave covered under this chapter is an absence that may lead to an adverse employment action. So, there still are sections in this exercise of rights protected that, that basically, allow the employer to, to, to deal with abuse of sick leave. And it was to point out that sick leave cannot be used as a means of saying that, that you are, you are not, you are not being, being docked for your, your pay or anything like that in relationship to the sick leave. Taking the sick leave in the way that, that it is qualified in the ordinance. Notice in posting, pretty much, what this is about, is, providing for written notice, and notice upon commencement of the employment. So, we, basically, were, were wanting to make sure that there was that written notice that occurred. It would have to happen in English and other languages that are, that are needed for that particular company or business. It's just another, another means of communication. And then, also, a provision for the employer, that basically, fines shall be assessed if it's found that it did, in good faith, try to make sure the communication took place. Employee records, we just added the words accrued and used to make sure that it's clear that that is what this is about, is being able to track your time according to what's accrued. And to what is used. Enforcement, we added in a provision for, for possible mediation. And, and the certification of compliance, which was about, about, whether a, a company could, actually, become certified, I will leave that as a discussion point for the council after my presentation. So, that concludes my presentation. Are there any questions?

**Hales:** Questions for Tom?

**Fritz:** Thank you. So I'm going to run through a number of additional small amendments that I put in, and then if some of my colleagues have additional amendments. And so, Tom had mentioned that we clarified that if you are taking sick time, in accordance with this policy, that up to the limits used in this policy, that you cannot be subject to an adverse employment action. We also added under retaliatory personnel action the statement that adverse employment actions based on sick leave not covered in this chapter are not retaliatory personnel action. So anything above this could be used by the employer. And that was suggested by the business association representatives. We clarified, well, what would happen under, under, for accrued use of sick time, if the business is purchased by another employer, and the employer, if the employee continues to work within the city with the new employer, then their sick time carries over, that was a clarification that came out of the task force. And I think that those are my amendments, and then Commissioner Saltzman has, has one to offer.

**Saltzman:** There are two amendments but thank you, Commissioner Fritz. I would like to first thank all of the task force members who participated with Commissioner Fritz and myself to continue to improve the sick leave policy. The meetings were extremely important and helped to make a better product. And although Commissioner Fritz, incorporated many of the changes identified in the task force meetings, in her most recent draft, there were two issues I felt continued to add clarity and certainty to the business community. And, and I will hand those out to my colleagues, and somewhere, on one of those tables, is some 50 copies of the amendments. Many Portland employers are already offering sick leave or paid time off. PTO. That equals or exceeds the requirements of the proposed city sick leave policy. Those employers have expressed concern that the new tracking requirements of the city's proposed ordinance will be unduly burdensome and very costly. One solution to that problem was identified as a method in which businesses could certify that they offer benefits which equal or exceed the benefits in the ordinance. The concept of certification leaves many unanswered questions and the costs associated with certification, both to employees and -- I should say employers and the city. The intent of the following amendments is to acknowledge that many employers provide greater sick leave benefits than required by the city's

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ordinance. And to clarify, that they are not required to keep records in a different manner than they are keeping them. For instance, if an employer offers more sick leave than the city's ordinance calls for, they will not have to track the hours that an employee is working in Portland, as opposed to another site in hillsboro, let's say. Employers must offer benefits that equal or exceed the benefits required by the city ordinance. In addition, they will still have to keep records of the hours worked and sick time accrued and used by employees and, and cannot retaliate against the employees, for taking sick time, and can be investigated and held liable if they are found to violate the city's ordinance. So, these proposed amendments are modeled on similar concept, which is in senate bill 801, which is the bill currently introduced in the Oregon legislature to provide said sick leave on a statewide basis. So, I don't think that I need to read the language but I the intention, is to comply with what's both proposed at the state level, and to ensure that employers who are meeting or exceeding the city's standards not burdened with excessive record-keeping and paperwork. So I move those amendments.

**Fritz:** Thank you for that additional clarity and I accept them as friendly amendments.

**Fish:** I appreciate dan bringing forward the amendments. They are consistent with discussions we've been having about specifically addressing employers that provide an equivalent or improved benefit, and they are designed to reduce some of the regulatory red tape on folks that are already complying, and I think the fact that it's consistent with senate bill 801, which I understand has been introduced by senator rosenbaum, I think, tells us that it's faithful to the framework what we're trying to do, and they have my support.

**Hales:** So people track what we are doing, those amendments have been accepted as a friendly amendment. There is consensus to that, and therefore, we have a single document we're going to continue to talk about now, and I think commissioner novick will talk about additional amendments.

**Saltzman:** I would ask the written copies which contain my rational be made part of the record, too.

**Moore-Love:** Yes, I received them.

**Hales:** Just for the public, we won't have multiple documents in front of the council. We will have one amended draft that we'll have a hearing on.

**Novick:** Thank you, mr. Mayor. The additional amendments that commissioner Fish and I want to introduce are under 9.01.030, accrual of sick time under subsection a and, and we proposed deleting the phrase, excluding employees paid by piece rate or commission with no base wage. Also, under b, we proposed deleting the language excluding employees paid by piece rate or commissioned with no base wage. And, and finally, under item, oh, sorry, item d, we propose eliminating item d entirely. And, and employees who are paid by piece rate or commission, do not accrue sick time. And we propose deleting that, and final, we, there was, there was a, a, a, sort of a, a error we concluded in item c, which did say employees paid base rage shall, shall accrue sick leave base on the base wage, but actually, it should say shall be paid sick leave based on the base wage. So instead of accrue, sick time, be paid, sick leave.

**Fish:** Commissioner Fritz, I want to make sure that we're following the, the, essentially, the script here. Is striking of section 9.01.10 certification of compliance, is that also being brought as a friend amendment, or was that in your substantive?

**Fritz:** It's in the substitute, was my understanding that commissioner Saltzman's amendment was to substitute for that rather than in addition to it.

**Saltzman:** Yes.

**Fritz:** Thank you. You are seeing democracy in action here, and I am excited about everyone on the council engaging, including everyone in the community, to make this better. So, again, I accept the Fish-novick amendments as friendly amendments, and with that, I will move the substitute, which has all of the changes that I just talked about and that all of us just talked to, and that's what would be the new exhibit a in one place, for your comments today, and for our vote next week.

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**Fish:** Second.

**Hales:** Moved and seconded, and now, we'll call up, I think -- what's the substitute before us? Is that ok in terms of what you need to talk about?

**Fritz:** Yes.

**Hales:** Ok. So, we'll take a roll call on the substitution of the amended substitute for the original ordinance, in order to put that before the council.

**Fritz:** I apologize, I am sure that that was complete gobblely goop. It will be posted tonight and we will be voting on it next week so if we made errors you want us to correct further, I would be happy to make sure that we continue working on this, and indeed we will, aye.

**Fish:** I want to thank commissioner Fritz for the way that she brought the council together around these amendments. Thank dan and amanda for the hearings that they led, all my colleagues for the discussions on these amendments. I think that the package amendments we're voting on strengthen the proposal by streamlining certain provisions and also, policing against abuses, particular, any effort to get around coverage by using a non traditional compensation system. So I appreciate the discussions and also the feedback that we received from the public on this. Aye.

**Saltzman:** I just wanted to clarify that I omitted some description of one of my second amendments, my second amendment, which was to deal with employers that pay their pto in a bank of hours at the beginning of a calendar year. And the associated record-keeping, it's in the amendment, but I did not offer an explanation for it. That's why I wanted to clarify that. And pleased to vote aye.

**Novick:** I want to echo what my colleagues have said, and also, particularly, to thank all our staffs for their very hard work. On this ordinance. And I vote aye.

**Hales:** I want to thank commissioner Fritz and Saltzman for taking on the latest stage of work, and in bringing in the diverse viewpoints into the process of developing the proposed ordinance. You are going to see this again, frankly, in our budget process where we have created some council subcommittees where a couple of members of the council will take on a set of issues, bring in some resource people, and bring, in hopefully, in every case, a better proposal in front of this city council as a whole. It's part of how we make this, this strange, unique, wonderful form of government that we have here in Portland work. So, I want to thank you both for the extra effort and for the folks in the community that you brought in to this process. Aye.

**Hales:** Ok. Now, I think we call on our h.r. Director, amanda -- no, anna. We will have more amandas around here if i'm not careful. Thank you, anna.

**Anna Kanwit, Director, Bureau of Human Resources:** Thank you, mayor. Commissioners, anna kanwit, director of the bureau of human resources. I just have some very brief comments on the ordinance. The city, as an employer, is really a model in terms of the leave that we grant employees, in terms of sick leave and the elections we provide for use of that sick leave. With that, I want to state that my comments are based on the assumption that this ordinance, as applied to the city employees, who currently earn sick leave at 104 hours a year, full-time, prorated for part-time, that the provision for the ordinance is for the first 40 hours and that makes it consistent with our agreements and, and much easier for the city then to, actually, apply the ordinance to our existing sick leave. One comment would be, for example, one of the examples in terms of why this is important for the first 40 hours, we have employees in the city that actually accrue and are able to use sick leave prior to being employed for 90 days, and our assumption is will we allow that, that's 30 days, that would be consistent with the ordinance. And second, we, in the city, the section 1.01.040 uses sick time that concerns shift trades in the city. We did have a few positions allowed to trade shifts. And it is council policy, our employees are required to designate the family medical leave or the Oregon family medical leave, and the reason for taking such leave fits into that. The idea of both to protect the leave and be in compliance with federal and state laws. Shift trading can be dependent on what's happening off the books. Whereas you aren't necessarily aware of

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employees are trading shifts. Legally, an employee doesn't have to return the shift trade so they could have another employee work for them, but they do not actually have to return the favor and work for that employee. So, we want to confirm that for the city contracts, we shift trades, that shift trading using sick leave would only climb to the first 40 hours of sick leave. So and, and the other issue under 9.0.1.040 section 1, this concerns the discipline and investigation of the employees, and I apologize. I'm not sure if the amendments address this or not. They may have. But, in my reading of the ordinance, the policy, that an employer can investigate and discipline for sick leave, that constitutes a pattern of abuse, we do have instances in the city where we investigate sick leave for things that wouldn't be a pattern, necessarily. Ok, you fixed that. Thank you. All right.

**Fritz:** Just to clarify, the employers suspecting sick leave abuse, including patterns of abuse.

**Kanwit:** Excellent, thank you. I appreciate that, thank you. And then, in terms of section 9.01.050, the exercise of the rights provided again, this applies to the first 40 hours. The city doesn't want to be in a position, obviously, of being contrary to our own ordinance in terms of the enforcement. That's all I have, concerning city employees who are already covered by sick leave. As you know we have a more number of employees, who have seasonal, seasonal casual employees who are not eligible right now, for sick leave. And just point out as we were, with the city employees, there is a cost associated with that roll out, particularly for the parks bureau, we're estimating about \$200,000 right now, and the secondary issue I will point out, we do have seasonal employees who return within six months so they would be rolling that earned but unused sick leave over when they return to their next season of employment. And last comment I would like to make on the current city employees who do not receive paid leave right now, and that would be our returning retirees. And as you know, we have a provision that allows employees for a limited period of time who retire to return under pers to us to employment, often it's to provide knowledge transfer. Sometimes, a short-term workload need. And right now, those employees do not accrue any form of paid sick leave or vacation, the policy behind that is they have, their vacation time has been paid out by the city, that was not used, and their unused sick time that they accrued from the city has, actually, been, in many cases, added into their retirement benefits, they received the benefit from that already. So, I would encourage you, as we're looking at the implementation this, that category, it's very unique in the city to be excluded from the policy. Those are all my comments.

**Hales:** That exist with other public employers, I assume?

**Kanwit:** Well, other public employers would have the same issue of, you know, by law, if there is a, a -- at the time it is accrued it would have to be paid out and the sick leave for at least tier 1 and tier 2 pers retirees, there is a formula that includes that in the retirement benefits.

**Hales:** They might be bringing people back for 1029 hours a year as part-time employees or something else after they retire.

**Kanwit:** Absolutely. Up to 1039, and the economic benefit can be you are not contributing to pers on those hours.

**Hales:** Ok. Questions for anna? Great. Thank you very much.

**Hales:** Thank you very much. So we have a couple of invited panels, so we're going to invite the first of those up, and another. And then we'll open it up for public testimony for all who are interested. The first panel, the folks that we have, I think, coming are andrea, tony, serena and jeff, or ben. Welcome.

**Fritz:** The folks on the panels were a part our task force so they put in a lot of time and effort and thank you very much to everybody.

**Tony Fuentes:** I am going to start, and I apologize right after I speak, I have got to go to the airport. So thank you for indulging me. I am tony fuentes, representing my business, Milagros Boutique, as well as the vois business alliance. We are a local baby boutique, been in business for nine years. Have seven employees. And all of our staff, part-time and full-time, hourly and salary,

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we see, receive earned time off, and that has been the policy since we opened up. Vois represents more than 200 businesses, and professionals, and they are dedicated to the bottom line of profit, planet and people. And margins and mission are both important to vois. And i'm here, basically, to thank you for your leadership on this issue, and welcome your support for, for the substitute, substitute, amended, final ordinance that just happened. Your leadership is critical to insuring that our workers and workplaces are healthy, and that the public health is protected in our community. This year's flu season underscores the need to provide people with the opportunity to stay home and heal and not be out in the public because they have no other choice. Your leadership is critical. 80% of Portlanders who do not receive a single minute of protected sick leave, are protect. There is no reason why the working poor should also be the working sick as well. And a basic standard in support of healthy workers and workplaces has an opportunity to spread to through the state of Oregon. As we heard in the first hearing of the first version of the ordinance from our legislative team, that action from Portland is needed to move the state forward. Sometime leadership does have to come from the grassroots level. The community is guided, but the public is not. The public supports this. And as a business that provides the benefit, I can tell this is not a business killer or a job killer or any kind of a rhetorical monster. And it's no surprise to me that when san francisco passed earned sick leave in 2007, that the golden gate restaurant association was adamantly opposed. And it's also known, a surprise to me as an employer who has the benefit, and seeing the benefits of it, as an employer that, later the restaurant association admitted the nightmare fantasies that they had about organized sickout and is people taking off calling in sick to go to the giants' game did not materialize, and their executive director saying earned sick time is the best public policy for the least cost. As Portland moves forward this least cost proposal should support all workers and workplaces. Too much is lost and too little is gained from carving out exemptions for workplace and is workers. On that note, I also want to thank commissioner Fritz, as well as commissioner Saltzman for their leadership, and in facilitating the task force reviewed, and I thank all the task force members who volunteer their team time and energy and expertise over the past month. You have a better ordinance because of it, and what needs to be codified to ensure a workplace standard is there. But, I know also, that the work is not done, i'm not done and they are not done. None of us are ever. And instead, we are committed to also insuring the administrative rules are developed in a way that, that make sure that, that the city's ordinance is effective and efficient in its mission of supporting Portland's workers and workplaces. In closing as someone who worked on this issue on the state and federal level, I wish that we could wait for leadership to trickle down from above but we cannot and shouldn't. Instead we need to lead the way right here in the city of Portland. And your action is needed right now to help to support the people of our community today, and we thank you very much for your leadership and your time.

**Hales:** Thank you.

**Andrea Paluso:** Mayor hales and members of the city council, I am andrea peluso, I represent family forward Oregon and the family forward education fund. I wanted to start today by talking about the laws recommended by the factory investigating committee of new york. After the tragic triangle shirtwaste company in 1911 in new york city. And 146 workers, mostly teenage girls, perished after the fire broke out on the eighth and ninth floor. Many were locked in with no way to keep escape. They recommended and enacted laws required that factories install sprinklers, keep doors unlocked, and install fire escapes, and give employees access to toilets and clean drinking water, and reduce workloads for women to know more than, no more than 54 hours a week and ban children under 18 from work that could injure their health and wellbeing. The triangle factory laws established health and safety standards to protect workers and standards across the country as passage of earned sick time ordinance in Portland would to today. Those laws passed about 100 years ago, were met with similar opposition from some members of the business community as earned sick time and with many of the same arguments. In 1914, the real estate owner's association

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new york, adopted a resolution that this, we are of the opinion that if the president recommendations are insisted upon, factories will be driven from the city, labor will be compelled to accompany them. Factories and small houses will be tenantless but the result demoralization and tax collections by the city. And in 1913, a representative from the new york flower club said that we would consider it a grave injustice to ourselves as well as the bakers and the public at large if the bakers in our city were unfairly discriminated against in their struggle for existence, either by conditions such as they could not reasonably hope to contend against, or by making it possible for bakers other localities to determine their business in their market by more favorable terms. The arguments against the labor and workplace standards are always the same. Costs will rise. Benefits will be cut, and businesses will flee the city or the state, and the government overreaching, and it harms small businesses, or new businesses, and too much bureaucracy, and the list goes on and on. These arguments were made around factory safety standards, and child labor laws, and the establishment of the minimum wage, and during every major debate about working conditions that this country has seen. Despite this, the market continues to operate, and many businesses continue to flourish and employers continue to adapt to new standards in remarkably efficient ways. And as martin luther king jr. Said the arc of the universe is long but bends towards justice. It has been true in the fight for labor rights. There will always be those who push back against change, as well as knows who embrace it and work toward justice. The ordinance is not only about employers' bottom lines, although it does not discount the importance those, either. It is about multiple bottom lines. Those of workers struggling to make ends meet and those of employers working to do the right thing in a free market that discourages it. It is about the community's bottom line with disease, when disease spread and is health care costs decrease, and also about public health and social justice and equity. The process that got us here today has been a long and inclusive one. We began conversations about this issue with community members and the city council over a year ago. Over the past year we have had tens of thousands of conversations with citizens, business owners, affected workers, parents, teachers, and many others. And we have engaged in multiple tables and policy discussions, forums and town halls. I was glad to participate in the task force reviewing this concept, that was established and led by commissioners Fritz and Saltzman. Thank you. And while I have to admit that I was suspicious in the beginning, about how that task force would improve the products before you today, I have to admit that it did. And commissioner Fritz and Saltzman led the process with great skill and the product before today is better for it. Thank you. The suggestions offered by employers during this process helped to make the language clearer and the definitions more intentional. And I would have preferred to see all workers covered with paid sick time and to have a shorter waiting period before accrued time could be used by I understand why the compromises were made. 90 days does signify a season setting a threshold around what that is important, and I am happy with the amendments offered today as I had concerns about the certificate of compliance that have now been resolved. And I am also happy to submit for your review, it's being passed around, a cost benefit analysis for the policy of women's research that looks at the Portland policy and estimates that based on utilization of sick time estimated through the national health interview survey, adding the sick time required by this act will increase employer cost by 19 cents an hour for employees receiving new leave which constitutes \$6.90 a week. However, the costs will be offset by 24-cent per hour or \$9 per week reduction in costs related to the current loss of productivity and increased spread of disease that results for a net savings. This report estimates 18 million in community savings that we can anticipate from the reduce spread of disease, reduced urgent care and emergency room visit and is nursing home stays, that report is public today and available for review. I thank you for your consideration of this ordinance and I urge you to pass this ordinance, this version of the ordinance next week. Thank you.

**Hales:** Thank you.



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**Fritz:** Could you send me this, and I will post-it on the website.

**Paluso:** Thank you very much.

**Serena Cruz-Walsh:** Good afternoon, mayor Hales and commissioners. I am Serena Cruz Walsh, the co-owner of Albina Construction, we are a construction company in northeast Portland. So small your ordinance excludes us. We have four employees. But we do have a paid time off policy. I am really excited about what you have in front of today. And I want to, to particularly acknowledge commissioner Fritz and commissioner Saltzman, your leadership in the task force in organizing it, and thank you for, for honoring me with a spot there, I was very pleased to participate. I didn't quite know how it was going to go. But, I have to say, it was an extraordinary part of the process. I have seen a few task force processes in my time and, and I thought it worked really, really well in the, in the leadership that you two brought to it made all of the difference, and the work of the staff and of the collective staff on council, really made a huge difference in how this could proceed. I think the amendments offered are very thoughtful. And collaborative. It's really, really, as a former elected, and as a public member and as a business owner, a very exciting process, I think, to, to both have been a part of and watch. Happen in this community. And I want to especially acknowledge Andrea and Family Forward and the coalition that they have brought together to bring this issue to the public. I think it is a critical one, and I look forward, when you all pass the beautiful, beautiful peace document you have in front of you, I look forward to fewer sick days, both by our own employees, by my child and her kindergarten classroom, and next year she'll be in first grade, and by my own fewer absences from being sick. I think that this measure has the potential to add productivity in this community, and as well as health, and that's a unique opportunity, and I know that, that, that there are costs associated with it, and I think that for some folks it seems like they are huge, but I just have to say, when you take a look as an employer, at what you are already paying and the laws that you are subject to, as employers, this really is a marginal increase in costs and, and very well worth the increase in productivity and overall health for your, for your company and, and also, for those with whom you work, so, I very much appreciate again, being part of the process and thank you for your leadership, and moving this forward today, thank you.

**Hales:** There you go.

**Ben Meyer:** I would like to thank the whole council, the mayor for considering all of this. Commissioner Fritz, and commissioner Saltzman for including us. For including all the folks in the task force and for including me in that. I was excited to get --

**Hales:** Put your name in the record.

**Meyer:** Ben Meyer. And I am here representing Grain and Gristle restaurant. We employ 29 folks outside of the owners. And in northeast Portland, and mainly want to commend you for not only considering this code, and this issue and the policy that you guys are putting forward with the employees of the city, but also, for including us in the discussion on developing this code. I was involved in this for a year, loosely on the outside. It has been a guiding principle since the inception three years ago to be able to provide these benefits for our employees, and it was partially because of the process of introducing and developing this code that we were able to develop and implement the code within our company for our employees as is. I felt the task force was, was extremely beneficial, not only to enlighten those of us who are involved on the issues that were, were affecting industries outside of our own, but also, for us to get the chance to voice the, the specific issues that this code would possibly introduce for us within our industry and our own companies. And I felt that the amendments to the code that came through were extremely beneficial and, and again, I would like to thank you for including us on this.

**Hales:** Thank you. Questions for any of the panelists? Thank you. Thanks to serving. All right. Our next panel is Bernie, Joe, Bill, or possibly one more in addition to the three of you? Karen here? Karen. Yes. Please come on up. Welcome. You can stay there. That's fine. And your two colleagues, I thought I saw.

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\*\*\*\*\*: Ok.

**Hales:** We'll let you get started and, perhaps, staff can see if they are out in the hall. Here they come. Dramatic entrance. All right.

\*\*\*\*\*: Ok.

\*\*\*\*\*: I am first, i'm sorry.

**Bernie Bottomly:** Mr. Mayor and members of council, bernie, representing the Portland business alliance. And I want to start out by sharing our thanks for commissioner Fritz and Saltzman and chairing and staffing the, the task force. It was good dialogue. We had a lot of give and take, and I appreciate the work that's come out of it, and I appreciate the work that all of you have done and the staff have been very busy. Over the last couple of days trying to, to integrate the feedback and make it work together, so, very much appreciate that. And appreciate it being, being invited to participate in that process. And that being said, we still have significant concerns about, about the ordinance and, and about the process. I think that, that the activity around that task force really showed that, that a more inclusive and more deliberative process generates a better product. When you rush odd things can get into the meat. We would like to see this process go slower. And be more inclusive, the task force did a good job, but, i'm still talking to folks in the community who are just now coming to grips with the fact that this is moving forward, and have had, have had just not enough time to really absorb all of the, of the nuances, and issues involved with it. So, we have concern about the process, and concern about the city's role in whether it, whether this is an appropriate role for the city to, to be in. In employer-employee relations, and a political body, when it substitutes its judgment for what's good for the economy, for the business community and the employee's judgment, it's a slippery slope. And, and it, it can result in, in attempts to have a one-size fits all approach, which does not fit a lot of people, and I think that you will hear more about that, you have heard more about that. In the last couple days. And we're particularly concerned about, about the impact on small businesses. Half of small businesses fail within the first couple of years of existence, and primarily because they cannot make ends meet. It's not because they decide that they don't want to do it, but it's because they cannot, they don't have enough income, and to pay for their expenses, and this adds an additional expense in, in terms of the expense it our employee benefits, but, a significant expense in terms of having to keep track of the records and make sure that you are in compliance. We also have concerns about the impact on businesses that already provide equal to or greater than benefits or substantially equal to or greater than benefits, and we have had quite a dialogue about that over the last couple days, and I appreciate the effort to, to try to address that issue and, and I think the language, that's been suggested, and I don't want to say it's better, it's as bad, is how I would characterize it. For that 60% of the businesses that offer a benefit, that there should be a clear, a clear, unequivocal option, certifying that they have met the requirements of the city and that the rest of the ordinance doesn't apply to them. In that, in that, I think, gives, would provide significant value to that, and would change the dynamic, I think, the psychological dynamic where, where employers would be actively interested in and supportive of maintaining that compliance, rather than being in the position of being subjected to the ordinance, and feeling like it's a negative instead of a positive. I have four or five suggestions that I think still ought to be looked at. One is that idea, of certifying or somehow, exempting companies that offer the benefit, particularly, from the private right of [inaudible]. Really, there is not a ground swell of concern about companies that offer paid sick leave shorting their employees. That, that rises to the level where we need to create another private right of action, another opportunity for, for businesses and employees to go to court with each other and waste a lot of money and, and a lot of our members are lawyers, but, waste a lot of money on lawyers. It just doesn't make sense, and I don't think that that's a, a, really, a productive piece of the, of the code. I think recognizing collective bargaining agreements that are currently in place is significant and important. And there is 75 years' worth of, of history on, on establishing the ground rules for collective bargaining agreements,

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and this, essentially, says we don't care, and we're going to open your collective bargaining agreements before we tip the balance set in those negotiations. And it's extremely expensive for companies that have -- I think we need to recognize that a lot of companies have collective bargaining agreements that, that apply to employees that are not entirely within the city limits and they will have to open those and change the benefits not only for inside but outside of the city. And there are a lot of, frankly, collective bargaining agreements where, where paid sick time was offered, and has been in place in the past, and the employees have bargained it away because they like other things more. And so, I think that this narrows the, the range of options that are available not just to employers but to employees, as well. And I want to, to echo the support for, for an issue that was raised by the building trades unions around the, the unique circumstances of hiring halls, and we think that, that those, those agreements are longstanding, and benefit the employers and the employees. They negotiated them and like the system that they have and, and we would like to see them recognized in the code and, and fourth, there is, there is, in the economic impact statement, for in ordinance, there's very little money in there for, for education of employees. Rather, employers, and, and the burden is entirely on the employers to, to understand and implement this ordinance. It's not productive for the very first time for an employer to understand the circumstances that they are in to be when they file a suit against them or a private lawyer files a suit against them. That is not productive. And so, we would like to see the city undertake and, and adopt some, some responsibility for, for the implementation of this ordinance rather than just farming it out to boli and washing its hands of it by finding the resources to do education on this so that businesses have, have a, a, an opportunity to understand what their responsibilities. And then finally we would like to see some kind of, of horizon in the ordinance, or in the resolution a year from now or two years from now, the city and its own economic analysis, looks at what the impact has been and revisits the ordinances to see whether it has had a negative impact on businesses, particularly small businesses, and have the opportunity to make a judgment at that time. Appreciate you listening and the process. And we oppose, we oppose the ordinance but appreciate and, and believe that, that the, the amended ordinance is less bad than the original.

**Fish:** Mayor, may I just comment? Bernie, thank you for your testimony, and thanks for the way you approached this issue and the conversations that you have had with members of the council. I understand you have substantive objection, you stated them in a principled way. The thing that I wanted to clarify was, was this issue about, about whether we should have had a certification provision and an opt out from the applicable regulations. And I understand the, the argument that, that it would be, for some employers, easier to swallow if there were not these administrative remedies built in and the other bells and whistles. The one thing I would say about that, is having practiced, practiced employment law for most of my life, almost every important workplace protection has with it an existing law, a provision that says, no retaliation or a right of action of some kind. And, and those are not placed there because there is an inherent suspicion that employers won't do the right thing. They are placed there because there are from time to time employers who don't do the right things, and we provide a remedy, and that ends up policing the marketplace. I would, I respect you and the position that you have taken, but, I personally don't share the view that providing a remedy and no retaliation or discrimination clause, is intended to be an indictment of an employer's generally. I view it as, as just consistent with how virtually every important workplace protection has been crafted, and it gives someone in the case having their rights violated a chance to seek a recourse, and the converse of that is that the more I thought about this issue of whether the city should be in the business of certifying. And certifying and exempting, I actually thought that created the red tape that we often get criticized for the business community for taking on. Both in terms of something outside of our core expertise to be certifying a lot of things, and doing the paperwork, which would also include additional staff people and a process. But also, somewhat cumbersome so my view was I would rather have the existing legal

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mechanisms like boli be available to employees and those rare instances where the rights are violated, they have that right, and I want to, to assure you that these protections were built in because of a lack of confidence in the employer's ability to understand, to understand the law and enforce it. But I appreciate your point of view.

**Bottomly:** I appreciate that. And the concern that we have is that, that, that right now, boli already is behind on its investigations. And there is not really, at least from the way that it's been structured and communicated to us, there is really not funding in this, to give boli the resources to do investigations. And the experience that we have heard from, from employment folks on our side is that, that when they don't have the resources to, actually, look at the situation, what they typically do is issue a letter of, that allows the, the party to go and mr. Verrsue, and so it immediately goes into a, a legal framework, which is costly for both sides. The notion of a city function was that you would not end up in that situation where boli is under-resourced to, actually, do the work, and takes a shortcut.

**Fish:** Let me say in response for that, I think that it is the hope of many of us that the state takes this issue up and creates a framework statewide. And that, that partially solves, I think, the question that you raised. But I think that it's perfectly reasonable for you to proceed that in the event or, our approach goes into law next year, that we take a look on an annual basis the, the enforcement actions triggered by this and to address that question. And to see whether, whether both employees and employers are getting timely resolution of those disputes and, and frankly, preferably, at an administrative level so they don't generate litigation so I appreciate that comment.

\*\*\*\*\*: Thank you.

**Hales:** Next.

**Bill Perry:** For the record, bill perry with the Oregon restaurant and lodging association, and I participated in the task force, too, and I appreciate the opportunity because I do think that, that I want to commend the certain things like I came up here, and the original ordinance, and was asking for changes to, to the shift trading, and I do think that the shift trading language that is here, like I said, we'll have to see it, but to me it seems like it's better than san francisco's and seattle's, so I want to commend and say that I appreciate that. I do want to say, express, I do think that january 1 will be an expensive day for employers, for many reasons, not just this. So, I mean, it's a very unique date that is going to be expensive, and it is ironic this gets added on at that time with the health care and minimum wage and the other things coming due, so, I just think it will be hard to hold employment. We'll all see how that is so I wanted to state that for the record. As we look at the ordinance, I guess I would like to bring up a couple of things, I do appreciate commissioner Saltzman's recommendations but on g, on page 3, where I think commissioner Saltzman add some language, I do want to say on the second line under the first, the ordinance that was amended, amended, and the amendments, on the second line it says calendar years, and I guess i'm wondering why that does not just say carry over to the next calendar year. And I guess from, from my vantage point, and I think it was part of the conversation that we just had with commissioner Fish, I just think it would be easier for employers, if you had what I would call a defined benefit. And so, when you come into the audit or boli does, are you accruing at least one for every 30 hours? Do you have 40 hours available for that year, and do you have a 30-hour carryover? If you meet those criteria, I guess that why does the bookkeeping, the record-keeping or any of that matter? It seems like I don't want to say it's an opt out, but you should be able to find a benefit and as long as that minimum benefit is met, a lot of the other stuff doesn't really matter. It just seems like it would be easier, than if somebody is outside the city and they have that minimum benefit, they don't have to worry about record-keeping, either because you could just say do you have that minimum benefit. So, to me it seems like define, to find the benefit in that way, and the record-breaking is, is up to the employer, however they want to do it, and like I said, I think that, a couple of my h.r. People look at that and think, what does in that mean? Carry it over for years? Because I think that, that the

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extra hours that are not utilized is part of the things that makes us scary for a lot of employers. And, and so, I would combine those comments. The next one on the next page in c, sub 2, obviously, I have expressed to all of guys, that I would like that to be 180 days for multiple reasons. And we talked in the task force, about, about a start-up business, business exemption, and we -- there's been conversations about, about how this affects minor employment. And, and we have talked about trying to get uniform ordinances. And, and obviously, if you look at a 1-30 ratio, as I said in the task force, and an 80-day exemption for start-up benefits, that mirrors seattle, and I have much more members in seattle and Portland, and we have much more traffic, transit traffic to go between Portland and seattle so making those kind of minimum benefits and, and kickins, mutual to the two cities, I just think is beneficial for, for our employers that are basically, tracking the things. And I just, I want to, to express, I know we just had a conversation about the private right of action, and everything else, that makes an employer nervous when you have private right of action, but as far as when you are looking at benefits. If this benefit truly is, is a minimum five days a year. When you look at all of the labor benefits, you know, minimum wage, overtime, or whatever, those are big numbers. And when you are talking about five paid sick days a year, you hire an attorney for two hours, and you have surpassed the benefit you are talking about. And so, it seems like with worker's comp, and other things, we have got exclusive remedies. If you are entitled to the money, boli will give the money. But, it just seems like when you are talking about five days a year, potentially, and you know we all know what the costs of attorneys are, the private right of action, in this particular benefit, just seems a little bit extreme because, because I do think that, even though it may be small, that, that the threat of a lawsuit gets an employer to settle more than anything because no matter your worst penalty, it's going to cost throws pay even if you are in the right, than it is to try to hire an attorney to defend yourself. So I would like boli to be a remedy. But, I think in this particular case, the private right of action, is, is probably more expensive than the benefit. And so, I would respectfully disagree on the private right of action side of things. So, with in that, I do appreciate being involved, and like I said, our guys are still very, very concerned with the outcome of this. And I would be happy to answer any questions.

**Hales:** Thank you. Next.

**Joe Gilliam:** Joe gilliam with northwest grocery association. Representing the grocers and wholesalers in this area. I want to thank you for the opportunity on the task force as everybody else has. I want to thank the other members of the committee, as well. It was very thoughtful and respectful conversation and a difficult issue so the other members of the committee, even though some disagreed, it was thoughtful so it was, in that part of the process, was good. And I don't think that we got in deep enough to, to the impact on businesses. And the financial impact. I would respectfully disagree that this is a money saver. If it were a money saver, businesses would be doing it, frankly. It's not a money saver. So, let's just, that's how the books work. I understand the need for the policy. We understand we have many of our members who have people on for sick leave and such, but what I think we did not do was look at the, at the body as a whole and say, there are exemptions here. We cannot treat it with just one form treatment. And I think that we missed opportunities, and it's going to cost us, and it's going to be the unfortunate thing. And I do want to, to thank you for the resolution on the transit issue through the city of Portland. Seattle is a nightmare. Absolute book-keeping nightmare, and that's a huge improvement in the ordinance. Also, the amendments on grandfathering really are important to a lot of employers. And I think that it will improve this. They will be litigated, this won't be the last, the last kind of, you know, word on this because of the nature of the way they are written if, they are going to be litigated on what is equal to or greater than. They always. There is a trial lawyer out there who wants to litigate this. And I would move that we tax the lawyers and pay for the whole thing. But, I don't think that I can get that pass. I think you are overreaching going outside of the city of Portland. I think you are trying to pull too many employers into this trying to regulate and enforce too many things. Put it on

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Portland employers, those are the boundaries. Don't get out in other states. Not your purview. You have potholes to fill here, don't worry about the employers from the other cities. And the last piece is the most costly one you are going to find. You are going to lose 60 to 150 jobs in the city of Portland over this ordinance over the three-day issue for perishables. They are going to pick up and move. 100-year-old companies are going to move those employees, and out of this city and probably out of the state. And Franz Bakery no, secret. They have been here forever, negotiating contracts for 80 years. Negotiating sick leave for the employees for 80 years, and also providing health care, vacation pay, and full retirement, and they get buyouts at the end. The retirement pays \$40,000 a year for someone making 21 an hour. And, and both, you broke the camel's back, they have had it, and they cannot -- all they need is a three-day exemption for getting perishables to market. They are different than everything else, and this does not provide it. So, you are going to lose the jobs, and this ordinance, is not worth it. They are good, high paying jobs, the kind you go on missions and meet with people to get them to locate here, and you are doing the opposite. We appreciate the good discussion, the debated, the improvements, and the hard work, and the sincerity and, and but, there are some serious problems and flaws. So, we hope that we can continue the conversation. And we hope we don't lose jobs but, we understand the process. Thank you.

**Fish:** Can I ask you one question on that point and I appreciate the way you engaged us on this issue, and particularly, your advocacy, at one point are you doing, doing business if your truck is driving through the area. I understand one of these policies just driving through on an interstate highway triggers a record-breaking, and -- a record-keeping. On the Franz Bakery issue, the outcome you foreshadowed, would it be different if the council had grandfathered the collective bargaining agreements or would that not have been enough?

**Gilliam:** Yes, if you grandfather CBAs. If you let the CBAs stand, and any future ones in place before the ordinance, that would take care of the problem. Their only issue in all of this, everything exceeds the policy here, by, by leaps and bounds, their policy is better than anything that you have in this. They offer more. The three days is the issue. Third day you get paid because of the way that perishables go to market.

**Fish:** Are you -- I don't know if this is a fair question but why not. In the debate in Salem, are you going to try to seek an exemption or a grandfathering of a collective bargaining agreement for the unexpired portion of the existing CBAs?

**Gilliam:** I think that, that we would, we would do that and more, I think, the CBA should be left alone, when in context of overall package, not once has the, have the six unions inside Franz ever negotiated for first-day pay because of the nature of taking perishables to market. And I don't know that it makes sense for other businesses, for the three days but I know it makes sense to bring those perishables to market. There are needs for exemptions to those laws, there are because they don't fit, and you are going to drive people, you are going to drive them out. There is a, you know, there is a give and a take in those CBAs. And part of the take for the union side is, it's third days so they can schedule perishable but they get guaranteed full-time work, no part-time. They don't get hours cut. 40 hours a week. If you are a replacement driver and you come in, guaranteed full-time so if you drive one day, you get paid for five. You have to balance that against the third day rule. Now, you remove that out of there and you create a vacuum, and those other benefits will change. I don't think it's a good trade. And there is, it is not one that's needed. You don't need to do this. It's very limited in scope.

**Hales:** Any other questions? Thank you. Yes.

**Karen Stewart:** Commissioner Hales, excuse me, Mayor Hales, and Commissioners, I am Karen Stewart with Century Link. And I need to start by saying we are not opposed to paid sick leave. Century Link shares the goals of the city council that, that employees have adequate time to deal with their own illness, or the illness of their family members. What I would probably describe our position is probably one more neutral. We did have concerns about the, two aspects of the

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ordinance. The burden on administrative rules that we may have to do to, to do unique record-keeping and etc. We appreciate the leadership that amanda Fritz and commissioner dan Saltzman have done to try to address those concerns. I think that the task force was very, very effective, and there was an opportunity to, to express those concerns, and I think that everyone on the task force listen to them. And I think that the, the ordinances are much improved with our concerns, and particularly, the clarification that if we provide benefits that are the same and greater, we, perhaps, will not have to track the time somebody works in the city of Portland. Because we give that to all our employees whether they live in the, work in the city of Portland or not. And the one issue that, that century link is concerned with, and I am going to, to call it the grandfather of the union contracts, as commissioner Fish just described. We spend a lot of time and effort and respect in negotiations that we have done with, in particular, cba in this area, and we believe that those union contracts at least ones in mid term should be respected for their, their current terms and conditions. This concept was addressed in the seattle ordinance, and we would propose the language regarding the union contracts be considered for the Portland ordinance. I will read the relevant portion of the, of the ordinance in seattle. And it would be for employees whose terms of employment are defined in a bonified collective bargaining agreement that contains a clear paid-off time and sick leave policy that has been approved by the union membership. Following the effective date of this ordinance, each employer and collective bargaining unit shall acknowledge the unions, the union's continued acceptance of their bargain for sick leave policy. My layman's understanding of this language is that for each union contract that's out there, the union and the employer would get together and say, do you want to stay with your bargained for agreement or do you want to, to go on to, to the, in this case, the city of seattle's sick leave policy. If the union and the employer both agree that they are happy with the union contract, then a signed document between both groups can be submitted to the city, and delivery, the union negotiated contract would stand. And century link is asking that you respectfully consider that kind of concept. For your ordinance, but again, I just want to reiterate, that we really appreciate the, the leadership that's been shown, and the concern, valid concerns of the business community that you have addressed, and many of the amendments brought forward today. Thank you, and I am available for any questions.

**Hales:** Thank you. Questions for her or anyone on the panel?

**Fish:** A comment, and I appreciate you bringing seattle into the discussion. I had a conversation with my friend and colleague, commissioner novick earlier today about this question, and one of the things that, it's not clear in my mind, how you draw a distinction between maybe grandfathering a collective bargaining agreement, and then having someone who has an employment agreement saying, that, too, should be grandfathered. Now, I understand different circumstances of bargaining, different levels of power, but, one of the concerns I have is when you open up this question of allowing contracts to supersede rights that we're establishing as baseline rights in the workplace, and not wanting to have a situation where people are, are induced to bargain away a right, which we consider a minimum right, and we don't count that minimum wage or with osha and things like that, so, I would like to know more about how seattle got there, but, it's not clear to me that if you said, there is an exemption for collective bargaining agreements, that another group couldn't come forward and say let's make sure that applies to the contracts of employment generally. And then where do you draw the line. At some point you might end up exempting a lot of the employees that we're trying to cover in, under the guise of a public health issue. An interesting question, and I appreciate your raising it. But i'm somewhat concerned about that, then eroding any of the lines that we are trying to establish. I don't know if I misstated our conversation?

**Novick:** Actually, I wanted to make a somewhat different point, which is the idea of exempting existing collective bargaining agreements where both the employer and the union asked us to do so, struck me for one, as rather appealing. And one problem that we had with that was, I mean, and I

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will reveal the attorney/client privileged information here, but, we were talking to the city attorney's office about that sort of concept, and they were saying well, what exactly, I mean, if you are going to, to give different rights to different groups of people under the 14th amendment, you have to give equal protection of the laws, so you have to have some rational basis for making a distinction. And state what the rational basis would be, these were unions and employers that came to us and said it was ok to be exempt. And she was struggling for, for what exactly is the principled distinction. Because, we did not want to exempt all collective bargaining agreements because we know that there are unions that are too weak to gain this protection. And, and we did not want to leave people in weak unions in worse position than unions at all. And trying to carve out the exemption you are talking about, it seemed really hard to come up with something that we were, we were totally confident would withstand legal scrutiny.

**Stewart:** I would respond that one, i'm not a labor attorney, and could not, actually, not an attorney at all but not a labor agreement expert, so I don't feel that I can address those specific issues. I will just say generally, as an employer, who as spent a lot of time and effort in negotiating our union contracts, and being very sensitive to the issues important to our, therefore, our union members, is that, is that frequently in a union negotiations, there is going to be a give and a take aspect, and I think that this was already discussed as it related to the perishables. And so, each side has come to the table, and maybe not got the ideal agreement but hopefully, they have got collectively agreement that works for them. So we believe that a union agreement that has a sick leave policy that does address sick time, while if may not be identical, it got there from a collaborative process of give and take. To open up those existing union contracts, you would be only giving the give part where the employer would have to now potentially give a different sick leave, and there would not be the commensurate balancing part how did that contract get in its entirety changed, so that's where our primary concern is, in opening up the existing contracts.

**Saltzman:** I had a question, and the point that bill perry brought up about, about, about time being accrued, that is not used in a calendar year maybe used in the following calendar years did, we intend that to be years?

**Fritz:** We don't track when the hour was, was earned. It just stays in the bank and rolls over as long as the employee is employed by that employer. You would not have the time expire, and say that was earned two years ago so you cannot use that hour.

**Saltzman:** It was intentional.

**Fritz:** Yes.

**Perry:** If you have got 40 hours this year, and law would require the employer to roll that 40 hours over into next year. And next year, so, if still got 40 hours at the next year, those 40 hours roll over under this ordinance. And that's why, you only worry about what is in the previous year or in the next year, why they carry on for, for --

**Fritz:** Remember this is a minimum standard so the employer may allow the employees to continue accumulating until they have thousands like I did when I left ohsu, so it's not -- it's a floor, not a ceiling.

**Fish:** From my point of view you are raising a question of drafting an intent. And I think that you have it on the record. We're going to be doing rule-making. And you might want to -- we might invite to you send a follow-up letter explaining why you think that could get us, why they could distort what our intent is. If it's a drafting error, we can approach it, we can look at that in rule-making but help us to understand what the problem that you see this, that's causing. I'm not sure that I see it, but, we could address that.

**Fritz:** Thank you all for your testimony, and while you are taking this, I clarify that, as was mentioned we have bills at 8301 and house bill 3319 currently being considered by the legislature, and after the legislature decided whether to act on this, we will be thinking again in Portland as to whether we're going to move forward with Portland-only standards if we do, we will, if the state is



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better, we will not, if we do move forward we will have a rule-setting process that will be happening over the summer, and reconvening a task force to look at that. So, that's, that's also to clarify that it would not go into effect until January of 2014. This, by no means, is the end of the process but it is a big step so thank you for being here today.

**Hales:** Thank you. Now, we're going to begin with general testimony from those of you who signed up. Karla will call four at a time, and we ask you to keep your testimony to three minutes. If, of course, someone else has made your point eloquent, you can say what she said. And, and save time for the next person. So, Karla, would you please call the first four who signed up?

**Moore-Love:** We have a total of 34 who signed up.

**Hales:** All the more reason that brevity should be the sole of wit. The first four will kick off the support list.

**Hales:** Whoever would like to start.

**\*\*\*\*\*:** Go ahead.

**Jeff Anderson:** I am Jeff Anderson with the United Food and Commercial Workers 555 on, I'm the secretary treasurer. We have about 19,800 members in Oregon and southwest Washington with 5,000 members in the Portland, within the city limits of Portland. And I want to thank you, Mayor Hales and commissioners for the opportunity to testify before you today. And I'm an avid supporter of this ordinance and believe the proposed ordinance before you today will serve as a mottled for cities across the country, who will follow your lead in, and for the state of Oregon. I've been honored to participate in the process of developing the proposed ordinance over the past year, and I have spoken and heard from, from the union's leaders, and our members, and unrepresented employees and employers over the past year, and I believe that their feedback has been well, incorporated in this policy discussions with a variety of advocates. The advocates include business owners, and labor representatives, and last fall, and again, last month, in the task force, led by commissioners Fritz and Saltzman. And as a participant in that task force of this impressed by the commissioners, as they worked to ensure that all voices at the table were heard, and validated and I found that I sat right next to the grocery association's lobbyists who just spoke before, Joe. Who we found some common areas, and it was very, very interesting and a collaborative process. As the sole laborer employee representative at the table, for most of the meetings, although I was joined by a representative from the AFL-CIO, I admit I was concept skeptical about how the task force would strengthen this ordinance. I noted that many organizations or businesses overlapping representatives, so I was uncomfortable at the first time in, and the only employee representative on the task force. To the task force I found it to be very productive. And look at that as a model. This ordinance will help my UFCW members. You have heard stories from our members and will hear more today about their experiences working the deli or a register, about delay of treatments that they could avoid sick days or retribution from unpaid sick days after leaving kids home sick all because they did not have the paid time off. So, I want to be clear this is just about, not about just our members and local 555, it's also about, in my view, the customer on the other side of the register in good public policy and good public health. I do want to make a point that, from my, my humble opinion, Franz would not locate outside of the city limits of Portland. Local 555 has collective bargaining with Franz. And that's the least consideration is, is if you added 2% of the payroll of which many of them have collective bargaining sick days. This is the Pandora's box, I would redress you back to Andrea, who read something, about 1910 or 1917 earlier, that sounds very stale as an argument from my humble opinion. With that, I will conclude my comments.

**Hales:** Thank you. Thanks very much. Next.

**Susan Lund:** Mayor Hales and members of the city council, I am Susan Lund. And I am a member of the union. I am under a collective bargaining agreement. I have been working for the same grocery stores for 15 years. And while I have some paid sick hours, I can't, actually, use them until the third day that I'm sick. On top of that, I have to bring in a doctor's note, I can't afford to lose

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two days. I certainly can't afford to go to the doctor on top of that. My health insurance, which I have through this same job, requires me to pay a \$600 deductible, 20% of the bill and a \$15 co-pay. So the same employer that gives me this insurance, requires me to go to the doctor and pay these fees. As a result, I do go to work sick all the time. When I absolutely can't get to work because I am so sick, I stay home without pay. I have to decide which bills won't get paid that month, and I do my best to keep it from affecting my children. Even though I have worked for the same employer for 15 years, I worry about being fired if I get sick. As a mother, I have had to stay home occasionally, not only for my own sickness but also for my children. In addition, this past year, my son was bullied and I had to take time off to make sure that he was safe at school. As a result, I took what was considered to be too many sick days. I was written up and told that I am on a slippery slope. I need to be careful. This was devastating to me. I need my job and I can't afford to quit or get fired. Paid sick days would make a big difference to me and so many other people like me. I would not have to go to work sick. I would not have to worry about paying my bills. And I could address my son's being bullied at school without being scared of losing my job. Portlanders need sick days. And I hope that you will pass this law. Thank you.

**Hales:** Thank you. [applause]

**Helen Bullanca:** Mayor Hales and members of the city council thank you very much for this opportunity to testify. I assure I am not sick. I should not be staying home, I have laryngitis though, so I apologize. I am a family physician.

**Hales:** What's your name?

**Bullanca:** Helen. And I am a family physician, and I have worked in community health service centers serving low income families around Oregon for the past 13 years. And we serve families very much like Diane. And many of the families I have seen over those years would benefit from a paid sick leave policy. The wage workers struggle to find employment in childcare that meets their needs, and when they get sick, many, many continue to work as Diane mentioned, to get the paychecks that they need to stay afloat.

**Saltzman:** Susan.

**Bullanca:** Sorry.

**Saltzman:** There is another Diane.

**Bullanca:** And something as routine as bronchitis or a sprained ankle which would normally get better if, people had the opportunity to stay at home, can often progress into something more serious. Bronchitis or pneumonia, a sprained ankle that would have healed and becomes a chronic issue, so we would see people all the time who would continue to go to work, spread diseases, as was mentioned before, and also, put their own health in jeopardy and increase the cost to the medical system. Many in the workforce are parents, and we have to remember that childcare centers in schools have very strict exclusion policies for kids, and they should. So, if a child has pink eye or a fever they are not allowed to attend childcare or attend a school day. So, the parent must make very difficult decisions. I talked to many families who have had to put their own children in unsafe situations because they could not take a sick day from work. And they have to bring their child with them to work, they have to, to leave them with a neighbor that they may not be sure that they can trust, or sometimes leave them at home alone when they are not quite old enough to, to be responsible to do that. And so, it's a very big issue for families. It's an equity issue. High wage earners don't deal with this as much as low wage earners do. And if we value the health and wellbeing all our families we should pass in and protect paid sick time. Thank you.

**Hales:** Thanks.

**Lee Mercer:** Mayor Hales and commissioners, is this working. I am Lee Mercer, the director of Main Street Alliance of Oregon. We're a small business group in the state. We have 1200 small businesses in our network around the state and 300 in Portland. We support the Portland paid sick leave ordinance. A few weeks ago, at Commissioner Fritz's request, we e-mailed a poll out to 300

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Portland small business owners on our roster to get a sense for, among businesses that offer sick leave, the average number of employees covered, the average number of days offered and the average numbers of days taken. And as long as we were doing the poll, we decided to ask about the support for or opposition to the paid sick leave policy so these were the results out of the sampling of the return from this, 300 business email. And the majority of those responded, 58% support the ordinance. And 33% oppose it, and 9% were undecided. And it is interesting that, that we ask about the state, the state policy. A larger majority, 65% would support a statewide sick leave policy. With 28% opposed and 7% undecided. Among the sampling, 65% offered paid sick leave or part-time or paid time off. And 35% did not. The average number of employees in the businesses sampled was 15. The average days of paid sick leave or paid time off offered was nine days. And the average time that the average employee took was five days. So, this kind of equated with san francisco's experience where they see a little over half of the time offered is used by the average worker. We also collected a number of comments and suggestions on improving the policy which are in the testimony that I submitted. And again, thanks for your efforts on this effort to improve basic employment standards, and the public health and wellbeing of the citizens of Portland by creating a paid sick leave.

**Hales:** Thank you very much. Any questions? Thank you all. Next four.

**Kelly-Jo King:** I am Kelly-jo king, the director of administration for proactive physical therapy. And we have seven physical therapy clinics from the metro area. However none are in the city of Portland. And until yesterday, we were unaware that this ordinance was going to affect us. As a company because we did not know it extended to employers whose employees make this to the city of Portland. Which we have employees that do. And is, we will fall under this ordinance as it is written. Our concern is that it was not really apparent in the previous discussions of the ordinance. That it would be so far reaching. And I don't think that there's been enough consideration given for those employers to participate in how this would affect them. And I do know that is the biggest problem, one of the problems in seattle that they are having is with the employers who are outside the city of seattle who did not know that this would affect them. So given that, we have reviewed it, and one of my concerns is that we cannot request a medical certification until after three days of employment taken. And that's one of the best resources that we have, that it's a serious medical condition, I would like it to be considered that we could request the medical certification to use the sick leave in order to, to regulate the, the potential abuse of the ordinance. And for those considerations. And it seems to be a little bit out of, of line with the regulations in those areas. The other concern that we have is that, is that the hours to qualify for the paid sick leave are so low, it would require us to lay off some of the seasonal employees, which ironically, we hire to cover sick leave for full-time employees, and who, who we have a lard time getting them to take their sick leave because physical therapists want to come to work, and their patients need the care. And they don't want to leave the patients without care. And in order for them to do, this we have set up a system using seasonal employees. It would just make it so that I had to provide this to those seasonal employees, and so I won't be able to do that because our reimbursement from insurance companies has been lowered significantly over the last two years, and we anticipate that continued lower revenue while our expenses go up, is going to, to require us to lay off employees. And this particular ordinance will make me lay off at least two of my on-call employees this year to, to prepare for it. And I would like to continue to offer those employees on call, they don't need the sick leave but the way that this is structured, I would have to make that available to them and I would have to budget for that. So, that could be a negative effect on our employee staff that I would like to keep going. The other concern that I have, on the ordinance, is there doesn't seem to be enough language regarding how we can layer this benefit with other vacation benefits, and in fact, I am wondering can we require employees to take the sick time if they want to take it unpaid? Right now, they let me do that, so that is something that I can do so that's good to know. A lot of

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times employees like to defer that. I think that if there was more thought and time looked at this particular ordinance, you could make it more flexible so employees could take advantage of this benefit and what works for them better than the way it is written right now, for us, it would be easier to have this at a state level, and I would support this at a state level. I am the one that has to administer this payroll in my company. And there is no, no accounting software that will let me track payroll by city. I will have to do this all manually. It will require me to add help to my department to help track this. Our initial responses, we are going to try not to do business in Portland because I take a lot of my classes in Portland. And we have a lot of billing classes we take in Portland. And that's going to make us eligible for this, so we will try to take those, that business elsewhere. That's, that's, you know, revenue lost to the businesses in Portland that we're giving. Those are the concerns that we wanted to bring to your attention, and I appreciate you letting me say that. Thank you.

**Fish:** And I appreciate you being very clear about your concerns. Do your on-call employees work more than six weeks in a calendar year?

**King:** Yes, they do.

**Fish:** Even though they are on call to replace people who are otherwise on sick leave or vacation?

**King:** Yes.

**Fish:** There is a 240-hour threshold so that does potentially give you more flexibility, and since you had raised the question of flexibility around vacation and sick leave, employers that have a paid time off policy, that, that has the, the identical hours that, that the sick leave mandates, would be covered under this, as long as an employee can, can use it without, for a bona fide sick leave. So, I don't know, I didn't catch whether you currently offer paid time off of any kind including vacation. But if you do, you could do what a lot of employers are doing, i'm not giving free legal advice but shift to a pto system to that people can, can get paid time off. Whether they want to use it for vacation or for sick leave. And that would, you would be compliant with this, with this law. I would urge you to take up with your accountant before you stop doing business in Portland.

**King:** Thank you.

**Hales:** Thank you.

**Diane Coward:** Good afternoon, mayor hales and, and commissioners. And I am diane coward, and I am the treasure of venture Portland. I am also on the boards, of belmont, as well as alberta business association. And I am also the owner of a small business called linney metrics group. Venture Portland sports, the neighborhood business districts, together, comprising 19,000 businesses and 250 employees. Since 1986, venture Portland has supported these districts in partnership with the city, with training, technical assistance and grant funding. First, we would like to thank commissioner Fritz and Saltzman for allowing us to be part of this process and especially on the task force. Unfortunately, due to the expedited pace of the process, of this process, the venture Portland board has not yet been able to take a position on this legislation. However, based on the feedback, venture Portland received for more than 500 neighborhood business owners and business district leaders, we are concerned that this one size fit all legislation doesn't take into account the uniqueness of Portland's economy, and overwhelmingly small and neighborhood-based businesses and, and could have significant and long lasting unintended consequences. On behalf of the city's neighborhood business district, I encourage the council, especially in light of the amendments, so that the city, the cities to slow down so the city's volunteer run business associations have adequate time to understand the impacts of the legislation, on the businesses, and to provide with formal positions. And over the last month, venture Portland facilitated meetings with neighborhood business owners, across the city, and seeking creative solutions to some of the problematic provisions in the original legislation. And by providing additional time to, together, we can craft legislation that supports our shared goals of healthy, connected neighborhoods, and a prosperous city for all Portlanders. We also believe that a Portland-only version of the sick time

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legislation puts Portland businesses at a competitive disadvantage. We urge council to wait on this legislation until after the state has acted. Thank you. That's all.

**Hales:** Thanks.

**Bob Neuner:** bob neuner, I own and operate northwest senior management services. We care for the elderly and disabled in their home. And we've been a licensed in-home agency since they have been licensing in, I think, 1997, but our company is 18, started in 1995. I owned it for nine years. And we operate on a small margin, there is not a lot of money in this business. Our margin is around 4% to 6% so taking one or two of that out for paid sick leave will be a difficult thing for us to do. We're competing against a lot of businesses that have very few rules and regulations governing them. And I look at them as the underground economy. There are, you know, private, non licensed, in-home care agencies. That we keep continuing to try to get licensed but they keep avoid that go licensure. We compete against as a, as private folks that can run out of craigslist that will do the same job that we do with no controls or rules or restrictions against what they do. Not covered by workman's compensation. And there is a new, not sure you are aware it, but a new license called a registry. And in which in-home care operators are not hired by the registries. They are hired by the person in the home, and these folks will have no, paying the taxes, they won't have any obligations that we have operating a license in-home care agency. A lot of this was covered before. We only have a couple of choices in order to make this work. We can lower our wages. I don't want to do that, but it's one of the option that is I have. And we cannot lay people off because our job is one on one and we have a one person for one disabled elderly person so, this makes a, places a particularly difficult situation on my kind of business. So I would like to suggest we do wait for statewide ordinance or legislation so that we can better compete with folks outside the Portland area, and also, give us more time to figure out if we can find some ways to make it more palatable for businesses like ours to survive. Right now, over the last year I have put about 130,000 of my own money just to keep my employees employed and operating because I think that we have got a great team. And. This could put our company out of business literally. So it will be a very difficult thing for us to do. And I would like to make sure that we, we can do things like -- I was pleased to hear, I didn't hear about it before, about the shift swapping but that's how we handle illness in our business. In fact, just yesterday, we had a, a, in fact, we're on, with the schools, as an emergency number for many of our employees. And we had the school call up and say johnny is sick, can you have his mother pick him up. And we called, and got a substitute for her, and got her in, and what we'll do is -- what we'll do is, basically, find another shift for her, so she doesn't lose the money. Those things are great. And those are the things that will make it work in our business. But, a one size fits all, I think, will be very difficult for us to manage.

**Hales:** Thank you. Thanks.

**Justin Delaney:** Good afternoon, mayor hales and members of the commission. I am justin delaney, your next door neighbor at the standard. We are one of those companies that provides paid time off far in excess of this ordinance. I'm not here to oppose the ordinance. I have, I was surprised that there is only a pro and a con signup sheet. I put myself in the middle with suggestions. As I said, we provide paid time off far in excess of this ordinance to our 3,000 employees. And we are benefits experts. That's what the standard does. We sell employee benefits to about 8 million individuals, and groups, primarily, provide these benefits to their employees. We could have offered some assistance in drafting and crafting this ordinance. I was not aware of it until about four weeks ago. I am very appreciative of the amendments that arrived today. And it's a great step. I want to thank you for your work on those. I do have a few comments, though, that I would like to put on the record for you. I do think there were gaps in the process. As I indicated, we're your next door neighbor. We're in the benefits business. I was not aware of this until a month ago. My concern is not that there was not a process. My concern is that the impacted employers were not specifically reached out to early enough, and I think that you have heard some of that

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today. My second comment is as an employer that provides better benefits, we feel a little bit antagonized that the first couple of drafts of this pulled us into record-keeping requirements that were novel, accrual, and rollovers that did not seem to make a lot of sense if the council's goal is to set the bar. So, my request would be set the bar. Don't prescribe the details for those of your employers who would do better than that bar. We would like the clean edges from the administrative requirements that's been discussed today. I will not go over that, and I think the amendments are a step in that direction. So thank you again. And the big issue that hasn't been discussed a whole lot today is the private right of action. And I do think that goes too far for a simple paid sick leave ordinance. I think bolli is the correct enforcement mechanism. They do this for a living. I think a private right of action as commissioner Fish knows, will be tacked onto other employment related lawsuits, and it increases the legal fees and it increases the settlement value of those cases. And my final comment is around the statewide measures that being considered right now. These folks request you wait for that. I understand council's intent is to move forward beforehand. I understand that. And I appreciate it. My request is that you commit to remove this ordinance from the books, however if, a good statewide law gets passed. Thank you.

**Hales:** Thanks. Questions? Thanks very much.

**Hales:** Welcome. You can go first.

**Jennifer Keller:** Mayor Hales and members of the council, I want to thank you for the opportunity to share my views today, I am Jennifer Keller, and I first learned that Portland was considering this paid sick time ordinance when I received a change.org petition a month ago. I was happy to see that our city council was leading on this issue. And immediately signed the petition. On behalf of all the change.org signers, 1300 total, I am delivering this petition to you today. I urge you to read it, including the many comments, mine, as well, from the Portlanders telling their own stories of how paid sick time days would change their lives and make a difference. I've been in the workforce for almost 17 years, and I have not had a sick leave at a job since 2005. I currently work as a paralegal for a law firm, but I won't qualify for sick time until August of this year. Adding to this that I don't make a whole lot of money and while getting sick isn't something you can control, as a result, I have often gone into work sick. Recently I had the flu and was at work with a fever which ended up spiking at 104 later that evening. Staying at home just wasn't an option, as I need every penny that I earn. In the past when I have stayed home sick at doctor's orders, I have stressed over how I could possibly stand the loss in wages. And we all know that stress doesn't help anyone recover from any illness. Not only do I stress about losing a day or more in wages, I also worry about the costs to see my doctor, cost of medication, even the over the counter ones. If this ordinance was already in place when I started working I would have been able to take the days off when I needed to get better without these aforementioned stressors. I would have recovered faster and I wouldn't have had to worry about making my rent payment the following month. Employers and legislators here in Portland and in Salem need to understand that the importance of workers having the ability to take sick time is immeasurable. After all, I highly doubt that employers really want their employees coming in sick and infecting the whole office or potentially infecting the public that they work with additionally people who are sick are far less productive. Offering paid sick time would be good for workers, good for businesses and I believe very good for our community's health. Thank you.

**Hales:** Thank you.

**Fish:** Mayor, may I make one comment. You are one of the first people we have had in a while who has identified with change.org. I really appreciate the handout. And the names. And just wanted to present a technology challenge. We get petitions from change.org or people who send, who sign up and send their individual petition. And maybe it's because of my technology deficiencies, but we haven't actually figured out a way to respond to them.

**Keller:** That I don't know how.

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**Fish:** I just, I am sure commissioner Fritz who responds to all the emails that come to the city has figure would it out. [laughter] we fully haven't actually figured out how to do that. Other than posting at change.org and our preference is to give people a personal respond. I may need a tutorial on that.

**Fritz:** Thank you for bringing that up and thank you for representing the petitions. The first person on is it is renee. She got all of the petitions and they could bring it in collectively for us, which is hugely helpful. If you can just imagine getting 1300 petitions in your inbox on a daily basis, it's --

**Hales:** I bet you can imagine that.

**Fritz:** I certainly can. What commissioner Fish is saying, certainly getting the petition and giving it to us and I am so glad to hear because you got that engaged, you came down here. I think she probably had her baby. That's why she's not here?

**Keller:** That's why she's not here.

**Fritz:** Please give her our thanks for doing that. Just in general, it's really great to hear from people as you are today, especially why do you care about this. I am particularly very grateful. You presented the petition but then you told me in addition why you care and why does it matter to you. Thank you so much.

**Keller:** Thank you.

**Fish:** I am still confused how to respond to the petition.

**Fritz:** I don't think we can. That's the down side of this particular mechanism of citizen engagement. There's no way for me to let folks know who signed the petition that I appreciate that they did and whatever my response is, yay or nay. If folks want to get them. Maybe people don't. They want to register their own opinion like voting. But if they do want a particular response, then send it to the council individually and that way, we are sometimes still overwhelmed.

**Keller:** I can imagine. Thank you.

**Hales:** Thanks. Please:

**Steve Hughes:** Thank you, mayor hales. As a purveyor of petitions, I am glad they are getting their due today in the moment of the discussion for the record. My name is steve hughes. I am with the Oregon working families party, grass roots independent political party. Who has been working on this issue. I am submitting into the public record an additional 1500 signatures and comments from Portland residents supporting this ordinance. I want to comment on the process that opponents still seem to be focused on as a reason to stop moving forward. This ordinance is absolutely a compromise. No one got everything they wanted. I certainly would have liked it to have been stronger in certain regards. But I respect the fact that over a year of conversations, stakeholder meetings, and more stakeholder meetings, a strong consensus is emerging in this community on this issue, which is that everybody benefits when we have basic labor standards, especially ones that ensure that workers don't have to choose between going to work sick or losing a day's pay. Everybody benefits when workers in restaurants, child care centers, facilities that take care of the elderly and other such public spaces aren't spreading disease because they can stay home when they are ill. There was a comment made by somebody opposing this who is in the elder care industry. My father is in an elder care facility. He received in-home care and now is in a facility. And I can tell you there are signs on the door that say, if you are visiting a family member sick, do not come in this building. Why are we applying a different standard to the people who work there? So this is a very important issue just personally. [applause] I will say that you will not make everyone happy. A look at Oregon history shows as far back as 1912, certain business interests were not happy with minimum wage laws, and they went so far as to take their case to the u.s. Supreme court. Fortunately they lost. I would submit that we are on the right side of history, though. Just one other or a couple other quick points to the balance of my time. It was brought up that there should be an exemption for collective bargaining agreements. I think that's a false choice. We shouldn't have to choose between our collective bargaining agreements and basic labor standards. That's like saying

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do you want your bargaining agreement or the minimum wage law? That doesn't work that way. I also think that no matter where we draw the line there are going to be people who say we need to draw the line wider so if we try to draw it in Portland. They will say the state if we say the state they will say something else. I commend you for taking action if leader shop on this. It has to start here and it has to start now. Thank you for your work on this.

**Hales:** Thank you. [applause] [inaudible]

**Ian Rizzio:** Thank you for this opportunity. I have a little story to share. My name is ian rizzio. To support myself while I worked nearly full time mostly in the service industry. Name a hard worker and balancing school and work for the past four years. And always without paid sick time. I worked at a local sandwich shop for three years without any benefits and one day I got sick, really sick. I was the manager of the store so I knew when an employee throws up at work they have to go home. It's the health code. So I call might boss. Called the other store. Left messages and sat outside in my car nauseated, trying to make sure the store was covered. I came in to have my boss fire me on the spot. I had no recourse. And with \$35,000 plus in students loans, I have to have a job to support myself. Even with loans and student aid I need have an income to afford housing, books, and transportation. I found myself looking at the harsh reality of finding employment quickly or having to take time off school. Luckily I did find a job but again name without sick days. Unfortunately, this wasn't just isolated to that sandwich shop. That is major issue across industries. I have worked with children at large day camp and inevitably ended up sick from exposure to lots of germs. We aren't able to take a sick day too stay home and heal. All workers in all industries deserve sick time. Name here today to stand up and make sure the people of Portland do not find themselves in this terrible situation I was in. Name also here because name a member of working america, a group that fights for good just jobs, a just economy and working people around the country. A couple weeks ago I signed a petition to call for the mayor and city council to vote in support of earned sick days. Today I will like to deliver the 1442 signatures from my fellow Portlanders who signed this petition in the last four weeks and urge the council to pass this without delay. Workers can't wait any longer. Thank you for your time, mayor and city council.

**Hales:** Thank you. Thanks. [applause]

**Gwen Sullivan:** Commissioners, mayor hales, my name is gwen sullivan and name the president of the Portland association of teachers. I represent nearly 4,000 teachers here in Portland. And I come to you with a bit of a different take. And it's from the teacher perspective of when their workers don't have sick days. What do they do? When their kids are sick? So I will start off by saying, many of you already know this may not have come as any surprise to you that kids that are healthy learn better. And I know that a couple of you participated in teacher for a day. And have in the past, and you have seen how the schools work and you see what happens in class. And I will remind you when kids are sick, and parents can't take the time off, their kids still come to school. And if they can make it through the classroom, sometimes they're sleeping, miserable, passing germs around. If they don't make it, they get sent to the office. And many times, I could say today you would go into a number of schools, and you will see kids in the office, sitting in chairs, sleeping, miserable, because they don't have any other place to go and their parents can't afford to take the time off. So I think it's really important that we have sick days for employees. For themselves and also for their children. It provides the kids, that kids have trouble focusing when they're sick. It takes kids a longer time to recover if they aren't at home, taking care of themselves or someone taking care of them. And then I think it is also important to know, as you have been to our schools, how much germs spread around those buildings. And so that's another reason that we really need kids to be able to stay home and get better. And I also think how much it affects school. It is not just when parents can't stay home. Then what happens is we get older brothers and sisters that stay home with their younger siblings. And so they are missing school to be able to take care of their siblings. So there are many aspects of it that really directly affects schools and learning. Of



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course, the adults as well. I think it's important that we recognize that no parent should feel that they have to be forced to send their kid to school when they're sick because they can't stay home. That is, in many ways, an abusive sort of way or system when you actually have to go to work when your kid is sick. So I think this is a really common-sense proposal. I am happy to see it and support in any way that we can as teachers in this process. Thank you very much.

**Hales:** Thanks very much. Thank you all. Questions for any of these four? Thank you. Thanks for coming. Ok, Karla.

**Hales:** Good afternoon. Welcome.

**Jim Hansen:** Good afternoon, mayor Hales and commissioners. My name is Jim Hansen. I work for a company up in north-northeast business area off MLK Boulevard. I am here representing north-northeast business association, NEBA. Technically I don't have -- a horse in this race because my business provides sick time way beyond what the policy is asking for. But name here representing all the other small businesses in the north-northeast that are in a very challenging business situation. NEBA is very close to being able to support this policy but we have one issue that still is causing problems and that's the 9.01030 section a and b dealing with the cut off between six and five employees regarding paid and unpaid time off. The challenge some of our small businesses have is that, while the public seems to think that business owners and businesses in general are the bad guy and have plenty of money and should be taxed, often the reality is that the small business owner is struggling more than the employees are. There's a restaurant down the street from my business, the employee -- he employs nine people. He works 16 hours a day. He makes less than minimum wage when he does the math. His wife does the books at home and often orders food. Sometimes comes in and works the cash register in months that aren't particularly good. And in order to have enough income to support his family, he has to own three restaurants. So having his nine people have paid sick time would cost him approximately \$900 a year. I know that doesn't sound like much, especially in light of some of the heart breaking stories you have been hearing today. But that \$900 comes directly off the his own pay. And he's already trying to run three restaurants and keep his head above water. So our appropriate is that the six and five cutoff is too low and should be higher. We don't know what the exact number is that would be fair for the small business owners because we haven't been able to do any economic analysis. I understand the budget office of the city is working on that also. But I haven't had a chance to see that report if it's actually been issued yet. Without any further study, if you wanted to make a change right away that NEBA would be willing to support, we would look at 49 and 50 being the cutoff point. That would be consistent with the FMLA for medical leave of the national law. But it may be sufficient to be a lower number but we don't know exactly what that number is. I will tell you that this particular employer will probably end up closing this location up in the north end. If this policy goes through. He's already struggling and thinking of closing a location and this is one more tax that he doesn't know how he's going to cover. Thank you.

**Fish:** Can I make one comment and I appreciate you being here. We are hearing a lot of impassioned testimony on both sides. But I think sometimes we forget two pieces of, two issues in this debate. One is that in those jurisdictions that have adopted a similar approach, the typical employee has not used all those sick days. They are there as an insurance policy but they have used, I think in Seattle or San Francisco, it's an average of two of the days, so I just want to put that out there. And second, we have actually had people make the case, and both in some of the studies that have been done and testimony we have had, that by providing a benefit like this, some employers build employee loyalty that, over time, is rewarded by longer term service employment. One of the things as a former employer myself that I think we are all aware of is that high turnover is a very costly thing for businesses. And so name assuming in the restaurant, I am understanding the restaurant business there's a fairly high turnover. And that has a big cost. And so I would just offer the observation that while there is some cost that we have been clear that there's a cost here,

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we have also heard from a lot of folks that there's a benefit over time of having something like this that enhances employee -- employer loyalty. And reduces things like turnover. And has a benefit to an employer. And so we haven't heard a lot of that side of the ledger today but it has been documented and I would hope that before someone takes the precipitous action of closing a business before they actually have an experience with this rule that they consider that they may end up actually having benefits which outweigh the cost over time. And certainly as we look at that data over time we will be interested in seeing whether there are refinements we would consider. But I don't think that aspect gets enough attention about employee loyalty and long term employment as being something which is very cost effective for most employers. Just an observation.

**Hansen:** Commissioner Fish, I agree with you there's definitely benefits to all different aspects of compensation systems. And that's why businesses take them on. As was mentioned earlier some businesses don't offer certain benefits because it's economically not feasible in their particular situation. That's the situation for this particular small business owner along with many other small disadvantaged business owners in the north-northeast. We have a much smaller traffic count up in the northeast so we have much smaller customer base in the north and northeast so it's harder for businesses to find the customers that they need, than it is in other parts of Portland. So while we do agree that the rights of the employee need to be respected in terms of not being laid off for having a reasonable time to leave to deal with illness and so forth, we feel having a paid leave for a business of the size of, say, 15, 20, 30 employees still may be where we need to be. That needs to be unpaid leave.

**Hales:** Thank you.

**Tom Keenan:** Good afternoon. My name is tom keenan, Portland bottling company. Also representing the central east side industrial district. I certainly appreciate commissioner Fritz and commissioner Saltzman and especially commissioner Fritz for trying to answer all my comments and refute the various scenarios. We have had a great back and forth on that. I do want to just bring a -- I certainly agree with and will keep it as short as we can with the restaurant association and the Portland business alliance and the realtors. And the grocers association with all their points. We are trying to put a whole lot of square pegs into a round hole. And it gist will not work well. And that is my problem with this. Portland bottling, as I have stated many times, far exceeds these scenarios with a little tweaking on the hour rule. But only that we far exceed that. But I am here representing a small business. And there are just some things that the institute for women's policy research group from san francisco, 51% of the, when you exclude businesses that already had the paid sick leave in there, 51% of the low-wage workers report adverse consequences, fewer hours, laid off, less pay. 65% of the companies reported lower profits and this is important 91% of the officials with fewer than 10 employees. This is what we are trying to get at. 43% of the companies reported reducing other forms of compensation. There is no reduction in employee turnover. There is no reduction in reduced use of emergency rooms. And here's the most important one. There is no reduction in presentism which is showing up to work anyway. There's no change in san francisco. Then the cost. So that's all I have to say. I thank you for the time. And know that we support the basic premise. We just don't think this is the way to go about it and the fact that county and state workers are not included in this really points, it's a state issue. It is not a city issue. Thank you.

**Fish:** Thank you for bringing that. Thank you for the conversation, too. I should have stated earlier that we are not allowed to require county and state workers. I think we are all in agreement, we could have a state law on this. So I hope that, after this hearing, contact our state representatives and senators and ask them to do the right thing for everybody in Oregon. Thank you.

**David Louie:** Hi. I am david louie. Thank you so much for this time with the council. I am with huber's restaurant. I want to bring up a point that one of my fellow restaurateurs made and that is

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that he said that his cost would be a lot higher than 19 cents an hour to replace a worker that was sick and then he has to pay the sick time off. So it's like a lot more than just 19 cents an hour. I don't know what type of benefits he offers to his employees. So i'm in the dark about that.

Anyway, i'm just concerned about the effects of obamacare on small businesses. I was talking to a manager out at sherry's restaurant. And they employ several hundred people. And, you know, I know that they can't afford to give health care benefits to everyone they employ, all their waiters and waitresses. So I asked him, what are you going to do about it? He didn't even know. Every single employee that isn't going to be covered by a health care plan that qualifies is going to be taxed per employee. So i'm thinking that with, you know, hundreds of employees and what is going to be the penalty for each employee, it's going to be over, is it a couple hundred dollars? Is -- I don't know. But you times that by couple hundred people, we have got nearly half a million dollars to sherry's. And you know, I am very concerned about what is -- and then we want to add on this paid sick leave ordinance. You know, I don't know what -- i'm happy to say that I have fewer than 50 employees. And it doesn't make me want to make any more, have any more employees because then I would have to pay a penalty for every single employee that I wasn't covering with health care. But anyway, i'm just -- would ask the council that if you would wait until you find out what the effects of the affordable health care act would be on small business that, well, they might be a little bit bigger that have more than 50 employees. Maybe wait until after you see what happens with businesses that are kind of in this range where they are going to be taxed by for every employee that isn't covered that you would wait. Because this is going to be added on like the gentleman from the restaurant association. Mentioned that it's going to be an expensive day on january 1st if you go ahead and vote for this.

**Fish:** I appreciate you bringing up the cumulative effect of all of the web of rules and regulations. But my recollection from your testimony at an earlier hearing was that you already, the kind of model local employer, that provides these benefits. So you are not actually impacted by this particular law. Is that correct?

**Louie:** I am going to be impacted a little bit. I think for the part-time employees, that eventually accumulate 40% of sick leave, I am thinking that, you know, before their 40 hours are going to be expired they will try to take a vacation so that they can get --

**Fish:** You I think you said to us before, huber's provides this essentially this benefit to your full time work force.

**Louie:** We have vacation pay.

**Fish:** I think that should be acknowledged that you as a restaurant provides this benefit.

**Louie:** Yeah, we do.

**Fish:** I have been struck by most of the restaurateurs already provide the benefit and I appreciate that. Sir.

**\*\*\*\*\*:** Thank you.

**Hales:** Thank you. Welcome. Just push the button. There you go.

**Michael Rose:** Thank you. Mayor hales, members of the council, I am michael rose. I am an attorney. I am the senior partner in creighton and rose, a small law firm in Portland. Litigation firm. We do civil rights employment and criminal defense kinds of work. We have 10 employees. We have been providing paid time off for our employees since before I joined the firm in 1995. They also provide health benefits but that's a separate question for a separate day. And I am here not in a representative capacity. I am here as a purely a small business owner. And I am here in strong support of the ordinance. And I would like the council to note that I have not given you any more paper to read.

**Hales:** That's fair for an attorney.

**Rose:** That's why I mentioned it. That's why I mentioned it. And I really, the statement, the comments that were made by the teacher a few moments ago, about the problems of children in

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school with illness who can't pay attention, aren't working at their best, and spreading disease, those comments were eloquent and they apply exactly to the workplace. In our business in particular, we need -- it's a litigation firm. We need our staff to be performing at its best. It does our clients no good if our clients are punchy from being sick. We encourage them to take the time off and stay home and get healthy. This is good for the clients and this is good for our business. We don't want our staff coughing on each other. We don't want our staff coughing on the clients. This, too, aside from the public health concern, this is bad for business. And as a result, it seems to be sort of a no-brainer. The question that I ask when I look at the ordinance, and I have read the ordinance numerous times and as some of you may know I spend a lot of time reading legislation. It's really pretty clear and it's really pretty simply drafted ordinance. There are some tweaks, of course, that can be made at the edges but it certainly seems to say what it says and means what it says and it's very easy to follow. I like that. And I think that provides an answer to one of the questions about providing a private right of action. I don't want to have my law firm litigating these things. Really and truly. And the ordinance seems to be so clear that the simplest way to avoid triggering the private right of action clause is simply complying with ordinance. If you comply with the ordinance there wasn't be any private right of action needed at all. So that's one thought that occurs to me. Another one, and I think Mr. Bottomly made this suggestion, that the, if there is going to be a private right of action, and employers are new to this notion of what's required, the city might very well put on trainings. I think that would be a positive thing to do both in terms of public education and in terms of outreach. I guess the other thing I would say is that since we personally have been doing, have been providing paid leave for our staff for years and years and years, we don't have any comparables. I can't tell you if our absenteeism rate is higher or lower. What I can tell you is that we have an incredibly low turnover. We have precisely that kind of loyalty that Commissioner Fish is talking about. We have, by and large, pretty healthy employees who don't get sick real often. When they do they stay home. They get better. They come back and we haven't had a flu or norovirus epidemic in the office in as long as I can possibly remember. So I guess my feeling is that the ordinance is really a mutual benefit, and a collective benefit to employees, to business owners, and the community at large. So I strongly support it and urge you to pass it as written.

**Hales:** Thank you. Any questions for any of these four? Thanks very much. Appreciate you being here today.

**Novick:** Mr. Rose, would you tell Beth that I said hi?

**Rose:** I would be delighted.

**Hales:** Welcome.

**Debra Steinkopf:** Thank you, Mayor Hales and Commissioners. My name is Debra Steinkopf. I am the executive director of Bradley Angle, a local agency that has been providing safety, support, and hope to domestic violence survivors for almost 40 years. Thank you for the opportunity to speak with you today about the importance of paid, sick, and safe days for people coping with the destabilizing effects of domestic violence and trying to repair their lives. At Bradley Angle we work with close to 700 survivors of domestic violence and their children each year and both our residential and nonresidential programs. These survivors are faced with a myriad of challenges and must navigate complex systems to cope with and become free from domestic violence. They include law enforcement and the courts, medical providers, affordable housing providers, schools, and social service agencies like Bradley Angle that help them get to safety and get the resources in place they need to maintain it. This all takes time. And some of that time is during work hours. It's critical that survivors ever able to access paid sick time to address their safety and the safety of their children. Because many survivors are in the process of breaking away from the abuse of, their abusive partners, they cannot afford to go a day without pay. They need their income to secure safe housing and to take care of the needs of their children. Survivors of domestic violence face so

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many barriers. Removing economic barriers is an upstream approach. We know first handled the loss of income or a job endangers them further because it often means continued dependence on an abusive partner or it means risk of homelessness. Once a survivor becomes homeless and dependent upon the emergency shelter system it takes a lot more effort and substantial resources to get her back on her feet. This costs our community more than doing whatever we can to keep her in her job and work with her on her safety needs. By supporting a worker who is dealing with domestic violence with paid time off, we are helping her seek safety, which can save lives. And helping her maintain economic security which is essential if she is to maintain her safety. I thank the city council for taking this issue up and moving Portland forward in this important way that will really make a difference in our workings helping victims become survivors in Portland. I urge your unanimous support of paid sick leave. Thank you.

**Hales:** Thank you. Welcome.

**Bob Tackett:** Mayor, commissioners, thank you for the time. My name is bob tackett. I am the executive secretary treasurer of the northwest Oregon labor council. If you go late you can shorten what you have to say because everything has been said. I am here in support of this ordinance but I do, we do have some conservations because of our affiliates in the building trades. We understand they have met with you folks. I am hoping as this goes forward, when you are doing the rule making and implementation part, you will take into consideration what the concerns of the building trades have. Again, I am going to be short. We do support this ordinance. And the main reason is because everybody gets sick. Thank you.

**Hales:** Thank you. [laughter] [applause] the heart of the matter. Welcome.

**Ashley Horne:** Mr. Mayor, members of council, thank you for the opportunity to speak here on this important issue today. My name is ashley horne. I am the chair of the newly formed public policy committee at Portland human rights commission and I am very happy about establishment of this new committee. It's something that I have advocated for since I joined the commission and I am very happy to be here today and actually speak to an issue that's very near and dear to my heart. The issue of paid sick leave is something I have focused on in college. And it's also something I continue to see as an issue with many of the native women that I work with nationally and in Oregon and in Portland specifically as well. I have heard a lot of really great testimony today and I don't want to, you know, say exactly what everyone else has said so I second almost everything that those who are in favor of the passage of this ordinance have shared already. I just want to share a few points I didn't hear already today in this hearing. I think that it's important just to consider some of the numbers that are out there briefly. Some of you maybe have already seen these but some of the key findings that exist out there and you can look to, if you look at the institute for women policy's research and the family forward Oregon publications on these issues. But 40% of Oregon's private sector workers do not currently earn any paid sick leave. And that is an issue. The numbers are much more staggering when you look at percentages of access by race, gender, family size, meaning single parent families, poverty level and occupation. Nationally, 80% of low-wage earners have no access to paid sick leave at all. People of color and single mothers are more likely to fall into this category and the situation looks very similar in the Portland area. I know this to be personally true in the work that I have done here. Basically, those who can least afford the negative consequences of missing work such as a decrease in earned income per month are the ones that are most likely to be affected by not having access to paid sick leave. Coming to work sick poses public health and productivity issues. We have heard a lot of testimony in regards to that today. I just want to talk a little bit about some of the successes that exist that we could learn from. Other cities including san francisco, seattle, and Washington, d.c. Have enacted similar paid sick leave policies. San francisco took the lead in 2007 by enacting some of a policy. And when you look at findings over all they are very positive. There were a lot of concerns expressed initially in san francisco about potential loss to businesses. And if you look at the numbers, it's actually makes

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more of a compelling case that there wasn't really a loss in productivity. There wasn't a loss in overall revenue. In fact, it was quite the opposite. And I think it's really important from the business perspective that we really consider the fact that people are -- the people that make the working or make it happen or get the work done are the heart and life blood of any company. It's really important to take time what their needs are and invest in them as appropriate. And in consideration of all the information available, the human rights commission endorses the ordinance proposed by commissioner amanda Fritz that authorizes change to the city code to aurora protective sick time for Portland city employees. We firmly believe that codifying this would go a long way towards bringing improvements to women, people of different groups that are typically overly represented disparity-wise in the work realm and that includes low-wage earners and people of color and any combination of these because typically there are combinations that make it even harder for folks. Thank you so much for your time.

**Hales:** Thank you. Thank you for your service.

**Beth Kaye:** Good afternoon. My name is beth kaye. Mayor hales, commissioners, I am here today representing the Oregon public health zoos. Our nonprofit agency dedicated to improving community health through policy and system change. I appreciate the opportunity to share ophi's perspective with you today as you consider this very important public health policy. As one of a national network of public health institutes, ophi assists policymakers to make good decisions by describing impact to proposed action will have on public health. Ophi supports this proposal. We hope that council and employers consider this proposal within the larger context of a culture of health. As commissioner novick observed in his recent blog about ophi's wellness at work program, rising health care costs make employee wellness an economic imperative. Comprehensive work site wellness programs contain health care costs. They decrease both absenteeism and presenteeism. They improve morale and cut the cost of workers' compensation claim and help and attract and retain healthy employees. But when employees are sick they need time to take charge of their health. This, too, is essential to creating a culture of health in Portland's workplaces. We heard this afternoon how many workers there are, especially in our current service economy who have no ready to any leave, paid or unpaid. We know this includes 80% of food service workers and the vast majority of impeach in the care taking occupations, the people who take care of us when we are sick and take care of our parents and take care of our kids. They are no sick leave, no vacation leave, no personal days. And an employee for one of those employers who comes to workings when he is sick, as we have heard, is going to incur some pay loss and may risk job loss. That's destabilizing to the worker and the worker's family. And if the worker lives like so many of us do paycheck to paycheck, that pay loss or job loss could put her housing in jeopardy and lead to further problems that ripple out into our community. So this is a real problem. And it's very good that council has taken it on. This proposal makes good sense. It acknowledges that we are all in this together as commissioner Fish has often observed. We are not two societies, two separate germ pools. Employers distinct from employees. We are one. And this policy starts the right balance. On a personal note, in the last year, here's how I used my paid time off. My personal time off to deal with the following health matters. Two separate rounds of head lies afflicting a family member. Two separate mornings of a family member of more or less continuous vomiting. Three appointments with my endocrinologist about my own health care. 10 appointments where I drove my mother to the eye doctor, oral surgeon, urologist, gerontologist, two cataract surgeries and a series of appointments with a family counselor with a family member of drug and alcohol treatment. Life is complicated and no one should lose a job because of it. Thank you.

**Hales:** Thank you. Thank you all. Questions? Thanks very much for being here.

**Hales:** Welcome.

**Tia Henderson:** Thank you. Thanks, mayor hales and commissioners. It is true if you go last you are just repeating other statements so I am going to add, expand on some of the things that my

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colleague beth kay at ophi just brought up. My name is dr. Tia henderson. I am the research manager and I am here representing upstream public health. We are a state nonprofit, statewide nonprofit who works on supporting, advocating for public health. And we do that mostly through policy. First I want to commend the commissioners here, especially Fritz and Saltzman, for convening numerous different stakeholders to give input on this important piece of legislation. I think everybody has expressed that tonight. I really appreciate it as a citizen, as a resident. And I just wanted to point out a few things here. We all know no one likes to get sick. No one likes to have to work with a family member who needs extra care. And I just wanted to point out that residents, our youngest children, the medically fragile, our elders, the complex health challenges, I just want to point out parents with sick time are over five times more likely to stay at home to care for their sick children. And for our medically fragile the fact that one out of every three workers in health care support occupations do not offer paid sick days, means when a contagious illness hits it can take a while to remember. I don't know if any of you remember this in 2010 "the Oregonian" reported a three-week long norovirus outbreak at the willamette view retirement center. Take those signs seriously. Lack of paid sick leave also has high community loss. They are twice as likely to use hospital emergency rooms or send a sick child to school or daycare. And paid sick leave supports the health of our economy by reducing health care system costs, access to paid sick days with reduce the use of hospital emergency departments by 14%. That's basically preventing one visit in seven. Tell it's clear. Paid sick time protects and supports the community through pretty 70ing the spread of contagious illness. The sooner we have a policy in place, the sooner we will see the community benefits. Upstream community health does support this legislation and I thank you for your time.

**Hales:** Thank you.

**Caitlin Baggott:** Good afternoon, mayor and commissioners. For the record my name is caitlin baggott. I am the executive director of the bus project. Although I regret I do not have a special talent to perform for you today I do thank you for taking my testimony. 171,000 young people live, work, play and vote in Portland. It's about 1/3 of the stip overall population and I am here today because earned sick days is an issue that young people in our city care deeply about. The bus project engages young people as volunteers on issues that matter to our generation. And last summer, our volunteers collected letters from thousands of Portland residents in support of this issue. Out in our neighborhoods, we learned that Portlanders are passionately interested about this issue. We heard in conversation after conversation, in north Portland, east Portland, and downtown that young workers bear a heavy burden when they are not afforded the basic ability to earn time off to care for an illness or to care for a sick child or parent. As you have heard already from my colleagues and neighbors, 80% of low-wage workers do not have access to earned sick days. As it turns out, young people are disproportionately affected by this reality. Most low-wage and service sector jobs are held by young workers. What this means is that young Portlanders are less likely to have earned sick days and are also less likely to be able to afford to take unpaid time off. They have limited economic flexibility as few of them have created any kind of a financial safety net at this point in their careers. Now, some may imagine at this point in their lives and their teens and 20s, that young people have less responsibility or even that they are supported by their parents. This is not the case. In 2010, people under the age of 35 represented 1/3 of the work force. And they are not working to buy lattes or concert tickets. They are saving to start a family or to care for the family they have. In Oregon, the average age of mother hood is 25. These are not young people with no responsibilities. These are young people with significant and overwhelming responsibilities. Working and raising a family without the ability to take time off when an illness strikes can have a lifelong negative impact, both for the parent and the child. Right now the system disadvantages an already struggling demographic who make up the majority of the low-wage work force. Earned sick days provides a cushion for those facing incredibly tough choices between their

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health, their child, and their job. I have always been very fortunate to work in place that is fully support their staff. I have never had to worry that I would lose my job if I got sick or if I stayed home to care for my daughter. As a result, I have been able to focus on my work and be a more productive employee. And I see this reflected in my own staff at the bus project. We employ about a dozen permanent staff. We are a nonprofit and operate on a modest budget and offering paid time off has not had a negative impact on our work or our budget. I urge to you support the next generation of the city by supporting this common sense public interest policy. Thank you so much for your time.

**Hales:** Thank you.

**Sam Gillispie:** Good evening. It started out as good afternoon. Now it's good evening. But that's great. My name is sam gillespie, the grievance director of lot 555. I want to thank the council on this entirety for bringing this very important issue before the public in this community. As most people know, or many people know, I am very proud of the fact that Oregon state was the first state to make labor day a legal holiday of all the states. Portland, I have always been very proud of it, has always been a leader in taking the right initiatives and taking the right issues forward. You have another opportunity to do that. And I appreciate that. Some of the critics of this ordinance have argued that this initiative should start at Oregon state legislature. Well, we have already heard that there's senate bill 801 and house bill -- what is it? 3319. Thank you. Amanda. And so it's done there. One of my duties as a union representative, I have the privilege to sit on the executive board of the northwest Oregon labor council. And senator rosenbaum, the majority leader of the Oregon state senate, and representative kotek, speaker of the house, excuse me, came and spoke before the labor council executive board prior to the legislature convening. It was also a day when commissioner Saltzman attend on another issue. And they talked about how it was important for Portland to be a leader on this issue to get the momentum going to pass a statewide piece of legislation. So again, I think it's critical that you all do that. You know, with regards to a couple of comments that have been made by a previous speaker about losing workers because of the city of Portland taking a lead on this, if we get statewide legislation, then that's going to totally level the playing field across the state. It addresses many of the concerns that were raised by previous speakers about having workers that, in different counties or different parts of the state. So I think that those are being addressed. I told commissioner Saltzman that day I was proud of the city of Portland being a leader. And I am asking you to be a leader today. A couple of other issues that were addressed. We oppose, if there would be changes in this ordinance that would check -- would alter collective bargaining agreements or amendments. I think mr. Fish you pointed out a very valid argument, where do you drought line? How far do you go where do you stop? Is it the collective bargaining agreement? The collective bargaining agreement? You don't have something fair. This ordinance was drafted with a lot of collaboration and a lot of community support. And I think it's a fair ordinance. And with regards, it's interesting that the restaurant lobby spoke about the perishable argument, and it's interesting that safeway, for example, they give paid sick leave to their employees that are nonunion from the first day. Yet they want to insist that other unionized employees don't get it until the third day. I won't go into the reasons they do that. I think it's obvious that people when they think about it. But I think that waters down in a matter of fairness about the effect of that argument. And so with that, we don't support grandfathering. We think that you have vetted these issues totally. I think you have done a complete fair process and we urge to you adopt this ordinance on march 7th. Thank you for your time.

**Hales:** Thank you. [applause]

**Nina Fekaris:** My name is nina fekaris. I am here representing the Oregon school nurses association. I also serve as Oregon's director on the board for the national association of school nurses where I serve in their executive committee. Thank you for the opportunity of letting us come speak about this very, very important policy that impacts tens of thousands of children in the



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Portland metro area. I have been a school nurse for 25 years. In that time, many, many things have changed in our school settings. One of the most significant is the dramatic increase of the number of children who come to school with acute and chronic health conditions that we now manage. And another significant change have been the numbers of children that are in the health rooms that spend too many hours in our health rooms because parents are unable to get time off work to come pick them up. When I started 25 years ago, all I needed to do was, then, pick up the phone, call, and a parent was there and the children were taken home. That's not the case now. In december of this year, I had a fifth grade students who was in a severe car accident. End up having multiple broken bones and lacerations. The student spent two days in the hospital. Upon release from the hospital, they came directly back to school. Because the apparent told me they could not take any time off work. So I had a student resting in the health room on narcotic pain medication, four and five times a day because they just couldn't stay home. Prolonging what should have been an easy recovery. In february of this year, when the flu outbreak was hitting Oregon, in the second grade classroom in one of my buildings, one day I had three students sick. The next day, there were 17 children sick, including the teacher out of one classroom. What that tells me is that one student came to school ill, and as a result of that, 18 families lost productive work time because they were having to stay home with sick children. If that one child could have stayed home on the first day they were ill, all of that could have been prevented. These are just two real life examples of how paid sick time can impact all of the students in the Portland metro area. The Oregon school nurses association and the national association of school nurses supports paid sick time policies and legislation. Thank you.

**Hales:** Thank you. Thank you all. Will.

**Hales:** Welcome. Who would like to go first?

**Maise Schreiber-Ponce:** I guess it's me. Thank you for being here. My I am a full-time working mother of two. And critics of this measure say employees will abuse the paid sick leave by always taking those days off regardless of being sick or not. I disagree with it. At my previous job, when I worked for over seven years, the company provided will paid sick leave for the entire staff. At the time, I already being a mother of two, I never took more than an average of two days of sick leave per year. Working for a company who cares for its employees to provide paid sick leave creates environment of loyalty, responsibility, and cooperation. If the company you work for shows that they really care about your success and well-being, then you feel bad about big dishonest. I took my responsibilities and deadlines seriously. And I just couldn't let my co-workers and company down unless it was a very serious case. Providing paid sick leave is a win-win situation. The company tries to pick up its employees. Unfortunately, the reality of many places employment including my current one, is that employees are not offered something as basic as paid sick leave. This winter was very hard on my work. At one time we had seven sick people sitting in their office pretending to be productive. A few weeks ago, I had to go to work, even though I had pneumonia, which is highly contagious. During those two horrible days I sat at my desk trying to be productive but wishing I could be home resting and recovering. The bout of sickness appears to have finally left my workplace for now. Every time we hear someone sneeze, we hope the person is not really sick. Because if that's the case, we all know we will likely get a turn getting infected as it makes its way around the office. As I said before, I believe if my co-workers could afford to stay home my workplace would actually be more productive since fewer people would get sick and those who are would recover faster. Less time than we all got sick we started asking around joking, who's at fault for getting everybody else sick? One time a name was brought up at a party and the then the daughter of the other than of the company said, why didn't you say stay at homestead of getting everything else sick? I responded because I as with most of us cannot afford too stay homesick. I need my income in order to provide for my family. I am on that point is not being able to care for my children when they are sick. There were times when I need to send children to school or daycare knowing that they were sick or could potentially get other children and teachers sick as

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well. It is heart wrenching to know they are the be better off staying at home but instead I have no -  
- give them motrin to reduce the fever, mask the sickness and send them to school or daycare. As  
my story joins the story of those in Portland here today, I hope that you find to be the best of  
interest of our city to prove the simple ordinance that would greatly increase the productivity and  
quality of life for the city other for the citizens of this great city.

**Hales:** Thank you very much.

**Toby Green:** Mayor hales and commissioners, my name is toby green and I speak today on behalf  
of richard beetles and laborers 483. Labors 483 is a municipal employee union who represents  
approximately 650 members at the city of Portland and almost 100 members at Oregon metro who  
all applaud this council, specially commissioner Fritz for bringing together diverse elements.  
There's obviously wrinkles that are being ironed out. We want to commend the council for really  
showing some leadership and in taking this issue on. We want to speak today about the market and  
what we are talking about is the market that's existed since 2008. The race to the bottom market.  
We have good employers out there who are doing all the right things, given health care, give  
building benefits, and sick pay. Yet they are competing against other employers who are potentially  
struggling and trying to create an economic advantage by not being able to afford those things. It  
creates a market where the good employers say, well, we got to keep up. We got to compete and  
that doesn't help our community. That helps no one. And one of the things that I am actually an  
organizer of laborers and one of the things I deal with is under employed workers. We have seen  
explosion of underemployed workers in the private sector. These are workers who want to work  
full time but are often working 20, 30 hours or below. A recent gallup poll showed 18% of the  
work force right now is in this area of being june underemployed. You combine that with the  
unemployment rate of 8% and 1/4 of the country is in these conditions. Having this type of  
leadership in this type of standard, minimum standard is so huge for many of the Portland seasonal  
workers would really love to have this but also the seasonals in the rec centers. This will have a  
dramatic impact on their quality of life. I can't say enough thank you to this council for looking at it  
because for an organizer one of the hardest things is when you are in somebody's living room and  
talking to them and they tell you, many of the stories that I hear today. They tell you that. And you  
go, well, hopefully there's a hope out there. So again I want to say thank you to this council.  
Finally I want to close with a hope that it is a fair concern that others have said that the city of  
Portland can't be alone. We have a duty at 483 to call on Oregon metro to follow the lead. We have  
to go and talk to them and support this and say, don't leave Portland out there all alone. Hopefully  
the state legislation comes but that's out of our hands. What is in our hands is trying to call on all of  
our employers to follow the lead that the city of Portland has shown here. Thank you.

**Hales:** Thank you.

**Sally Joughlin:** I am sally. This is my partner bernard koser. And we thought we had to come  
here because we came to the last hearing just to listen and see what was going on. And ended up in  
"the Oregonian" looking very angry. So we thought we should come here and say, what we  
actually are thinking. In that article, it mentioned one state that has paid sick leave for the whole  
state. And that's connecticut which I was very happy to read because we moved here from new  
haven, connecticut, three and a half years ago. And we know that we moved from one progressive  
place to another. And so we are hoping that Portland will be the example that will go on to the state  
so it will be statewide. But we think it's really great idea to start with a big city like Portland and  
then let others follow suit. A member of our family is an employee of the city of Portland. And  
enjoys his work. He is a father of four. And has had many jobs but this is the first time he's ever  
had a job that provides really good benefits, including paid sick leave. So we know how important  
this is for him and his children but we are not satisfied. Only with what our own family members  
has. We want every worker in this city to have the benefit of paid sick leave. And we know as  
many people have said there are many people who can't afford to miss even a day's pay to make

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ends meet. And also that every parent whether they are the employer or the employee has to take responsibility for a sick child as well as for their own health. And in short paid sick leave is a benefit for the employee but we think business owners would also not want sick workers coming to their facility or restaurant or office, spreading illness to other employees. And we hope employers also understand that it is not ok for their workers to send their sick children to daycare or school, spreading illness to other people's kids. Moreover, employees do better work when they are in good health and when they are treated well by their employer. So I really can't understand why some of the testimony here was objecting to putting into place something that works well and that many businesses are already doing. So we really believe in what our signs here say. Paid sick leaves are good for business and paid sick leave is good for everyone. Thank you.

**Hales:** Thank you.

**Novick:** You realize that if we pass this here you will be morally obligated to move somewhere else to bring paid sick leave there as well.

**Joughlin:** Never. Never. We are never leaving here. [laughter] and I was speaking for both of us.

**Hales:** Thank you very much. Thanks for coming.

**Hales:** You two may have the last word.

**Stuart Fishman:** Mayor, commissioners, my name is Stuart Fishman. I am a union grocery clerk and I work in Portland. I have been trying to figure out why, over the last 10 years, wages of our junior clerks have been cut by up to \$1.52 an hour and why the cost of living is rising three times faster than the wages of our senior clerks. I have been reading. I have read that everyone, though corporate productivity has increased 100% in the last 30 years, wages have increase the only about 11%. In an ap article says corporate profits have risen so high since the 2008-2009 crash that companies in the s&p 500 had more than \$1 trillion in cash late last year, 2/3 more than in 2007, before the crash. And instead of using that money to raise wages and benefits, they are use the cash to buy back their own stock. Possibly because the executives have stock options and buying back the stock will raise the value of the stock. The third quarter of 2012 saw 1.75 trillion in after tax corporate profits. The largest in u.s. History. That's 11.1% of the u.s. Gross domestic product, 3% higher than in past years and total wages, however, are now at a record low, 43.5% of gdp and they have usually been near 50% or above. By the way, one theory he had read says since wagers going to corporate profits and workers would spend a lot of those noneconomist tent raises at small local businesses, big businesses racking up the bigger than ever bucks at expense of the nation's small businesses. Since January 2009, the u.s. Central bank has been buying \$85 billion in bonds each month to raise bond prices and make stocks more attractive. Given the jump in the Dow Jones index just days ago, it's working. But 80% of all stocks are held by the healthiest 10% of households which means the u.s. Government, through the Federal Reserve, continues to enrich the wealthy while Congress cuts government spending for the rest of us. That's one reason why I support this proposed protected sick time ordinance. It sets an example of how government should work for constituents by giving us the opportunity to afford a day or two off when we or a family member are ill or injured. Die have one concern. Large corporations and most successful small businesses can afford paid sick leave. But for those small businesses who find it a hardship, I hope you will find a way inside or outside your ordinance to provide them with some relief. Thank you.

**Hales:** Thank you.

**Mary Eng:** Good evening, Mayor and Council persons. Thank you so much for holding this hearing. I view it as a step in the right direction.

**Hales:** Put your name in the record.

**Eng:** Mary Eng. Sorry. But I am very concerned when we changed the law we may not immediately change the culture. You can often have good law on the books and abusive behavior in practice. I want to point out two very important points as a Californian coming here, I am very shocked and appalled that we don't have a daily overtime. After eight hours, you have overtime in

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california. And it reduces a lot of workplace accidents that we have seen with tri-met and with other industries. So I think this is a step in the right direction but we need to be looking at overall labor strategies as well. One thing that's very near and dear to my heart are men's rights. I care very much about domestic violence and women's rights. But men in england and in america are very pressured to be pushed off their families when they are, they have babies. And I would suggest something as extreme as this swedish model which gives 18 months of paternity care for the fathers to be instrumental in the development of their child. I think it's very, very special and that is something we could look towards and find ways to increase fathers' rights to be part of the children's lives. I also wanted to tell you a story about my friend who worked at a slaughterhouse in indiana. He ended up being sent to the emergency room with a slaughterhouse accident and he was then sent back to the killing floor to finish his work for the night. That kind of abusive behavior is rampant all over america. With the overtime abuses and the labor laws abuses I experienced in california I am not really bragging but I was a class representative on a very significant labor law case. In california, where I just started reading the law online and found that the law was very protective. But the enforcement was very nil. I also want to thank you very much for beginning to take the toll of domestic violence stalking and harassment on persons very seriously as an issue with sick, sick needs. I think I have something more to say but thank you very much. This means a great deal to you.

**Hales:** Thank you. I think that will complete all the public testimony. Don't know if there's any council requests for staff, given both the hour and the comprehensiveness of the hearing, maybe not. So I think we will just ask for council comments before we close the public hearing.

Commissioner Fish, any comments before we close?

**Fish:** The hour is late and we are going to a final vote next week, I think I will reserve my comments for then. Also we are currently not on tv. [laughter]

**Hales:** Oh, gosh. Out of here.

**Fish:** Someone in my office said we have been preempted by something that ran last week. In terms of public comment, I would like to wait.

**Fritz:** Could you indicate a general sense whether you are going to support it?

**Fish:** I indicated at the beginning of this process that I thought I would be surprised if the council did not cast a 5-0 vote. And I have remained confident throughout and I will proudly cast my vote in favor of this legislation and thank my colleagues for the work they did to ably bring together a lot of different voices and interests in crafting this legislation.

**Hales:** Any comments now? [applause]

**Saltzman:** I will keep everyone in suspense a week. No. -- Pleased to support this and thank commissioner Fritz for her leadership.

**Novick:** I want to say that it is an honor to serve with commissioner Fritz and to observe her heroic efforts on this issue and it's an honor to serve with commissioner Saltzman who has acted as batman to her super woman over several days.

**Hales:** There's a new label.

**Novick:** I am pleased to vote aye. Sorry.

**Hales:** Not voting yet.

**Novick:** Sorry.

**Fish:** The history will record he cast the first vote.

**Hales:** Amanda, would you like to speak?

**Fritz:** Mayor, and thank you for all of you who stayed for this late hour. Thank you, susan, especially for your compelling testimony and ian rizzo. This is why we are doing this. This is why this is important. And this is why we have worked so hard and in the coalition that worked on this so long. Too many to name and yet you all know their names because you have become friends over the course of doing this heroic work. I am so grateful to be on the council here in march. We

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would have passed it, let the record show it had support with mayor adams and commissioner leonard so this is something that we could have done in a very rushed and hurried process at the end of last year and we chose not to because we wanted to have this kind thoughtful debate I commend commissioner Saltzman for coming up with the task force idea. It succeeded beyond our wildest dreams. Certainly mine. It was a great process and thank you, karen, for being part of that and for staying until the end of the hearing also. March 7 is a particularly momentous day. 25 years ago my second son was born. In fact he called me in the middle of the hearing thinking that -- and I was kind of busy. 94 years ago my chief of staff's father, ellwood rizzo was born. Particularly momentous to me we had this hearing today, looking back in the past, looking back at the labor laws that-- I can't believe we don't already have this already—which is what we have heard from a lot of folks. Looking toward my son and hopefully some day my grandchildren who will live in a better world because of what we are doing here today. And what we will do next week. I ask you, go home, write to your state representative and write to your state senator. Send them a handwritten note. That's what they like and tell them that you want them to support it because we want this to be passed at the national level, never mind at the local level. I know that you are not going to stop working any more than I am. We have a lot of work ahead of us. We will do a lot of administrative rules and we will do it here. There will be a thorough public process. In fact, those who have said not enough process this time, they are going to be begging us to stop the process. [laughter]

**Hales:** That happened before.

**Fritz:** That's happened before. So I am proud to serve on this board with two new colleagues and two respected friends who have been with me over the last four years and with my staff and others who, this is why we are here. This is why we are all here at this time right now. Thank you so much for the work that you do.

**Hales:** Thanks, amanda. Well, just some thanks and reflections from me, again, I want to thank you two for taking this issue to another level of engagement and refinement. And I want to appreciate the involvement from the task force members, some of whom are still here and many of whom we have heard from. I think we did improve this. And we did it in the Portland way of trying to get as close to consensus as possible on a difficult issue. Just a couple of reflections. I was thinking about other examples where Portland has been a leader and then things have gone on from there. And I deeply respect the state legislature. And, in fact, I am very happy about some of what the state legislature is doing now. I think we are finally going to achieve a level of school funding in this state thanks to leadership in the state legislature that all of us have been advocating for a and a lot of other people here that we deserve and should have as a state. I commend the leadership that we see down there this session. But waiting for the state legislature to act is not always the best strategy. And when I first started looking at this issue, I did wonder a bit about that question. But if you think about cases where we have exercised local leadership, I think this fits into that long train of issues where Portland has made a difference. You know, if we had waited for the state to act we might still be smoking in this building or in the restaurant across the street. If we had waited for the state to act first, domestic partners might not enjoy health benefits and if we wait for the state to act first there wouldn't be one foot of light rail in the city of Portland or most other places that have now followed our lead. So there are times I think where the city really can exercise a beneficial impact on the state debate. I think that's what we are doing here. Secondly, I really appreciate the somewhat frustrated but nevertheless helpful involvement of business people in this discussion. I spent the last 10 years in business working for a progressive company that actually at height of the recession was laying people off and it was so painful to us that the whole company from the president to the most entry level employ took a pay freeze to minimize those layoffs. I understand getting through tough times in business is tough and we are still in tough times. In fact, for this city as a municipal corporation as our hr director pointed out, this is going to cost us at a time when dollars are very scarce here. But it's still the right thing to do. And I deeply care about the

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prosperity of this city. I literally wake up every day thinking about how do we capitalize on the good things that are starting to happen in our economy? And make sure that this is a more prosperous city? And there are good case ahead. There are good signs even in our other permit center or the conversations that each us are having with business leaders to invest in this community, create more family wage jobs. I am very optimist I can about the future. The question for us as a city, are we going to be part of a race to the bottom and exacerbate that economic inequality that you just described? Or are we going to build a prosperous future for a broad middle class in the city. And this point I think very much takes us in that right direction. I look forward to next week's final vote on a long piece of work that's been improved by the length of that work. And I am happy to say we will set this over for second reading and action a week from today. We are adjourned. Thank you.

At 6:18 p.m., Council adjourned.