

**ORDINANCE No.**            1 8 7 1 2 4

\* Update City of Portland Fair Wage Policies to establish a minimum wage of \$15 per hour for employees working under covered service contracts. (Ordinance; amend Code Chapter 3.99)

The City of Portland ordains:

Section 1. The Council Finds:

1.     The City Council passed Ordinance No. 170222 on June 5, 1996 adopting a Fair Wage Policy for certain contracts, establishing a minimum wage for employees performing work for the City under covered contracts in FY 1996-97 and 1997-98, and allowing a Commissioner-in-charge to waive the policy.
2.     The City Council passed Ordinance No. 172161 on April 15, 1998 continuing the policy of establishing a minimum wage for janitorial, security, and parking attendant services for FY 1998-99 and FY 1999-2000. The ordinance also expanded the Fair Wage Policy to require that contractors with covered contracts also offer a minimum level of employer-paid health insurance to their eligible employees.
3.     The City Council passed Ordinance No. 174839 on August 24, 2000 to codify the City's Fair Wage Policy by adding Chapter 3.99 Fair Wage Policies to Portland City Code. The new Code section set the minimum wage at \$8.00 per hour and a minimum total compensation rate of \$9.50 per hour.
4.     Under the provisions of Chapter 3.99, contractors subject to the Fair Wage Policies are required to comply with one of two compensation approaches. If an employer provides its employees with benefits, the employer is required to pay the minimum wage identified in Chapter 3.99. If the employer does not provide benefits to its employees, the employer is required to pay the total compensation rate identified in Chapter 3.99.
5.     The rates effective in FY 2014-15 under Chapter 3.99 are \$10.38 per hour for the minimum wage and \$12.30 per hour for the total compensation rate.
6.     The Patient Protection and Affordable Care Act (ACA), signed into law by President Obama on March 23, 2010, mandates employer health care coverage for all employers with 50 or more employees. The ACA considers an employee to be full time when he/she averages at least 30 hours per week.
7.     The City Council passed Ordinance No. 185926 on March 13, 2013 authorizing changes to the City Code to require Protected Sick Time for employees of businesses working in the City of Portland, adding Title 9 Protected Sick Time to the City Code, with an effective date of January 1, 2014.

8. The City Council passed Resolution No. 37112 on February 18, 2015 directing the Office of Management and Finance to prepare an update to the City of Portland's Fair Wage Policies to set the minimum wage at \$15 per hour, effective July 1, 2015.
9. The City Council intends that the \$15 per hour minimum wage shall apply to both part-time and full-time contracted employees working under contracts with the City of Portland to provide janitorial services, security services, or parking garage attendant services at City owned and City occupied facilities.
10. The City Council does not intend for Chapter 3.99 to be applied to management services agreements, intergovernmental agreements, redevelopment agreements, operating agreements, lease agreements, other real property agreements, or agreements associated with dedicated tax revenues or designated improvement districts.
11. The City Council desires to clarify that the Stadium Operating Agreement (03/10/10), the Intergovernmental Agreement between Tri-Met and the City of Portland for Enhanced Transit Mall Upkeep (08/30/09), and the Agreement for Downtown Clean and Safe District Management Services (08/01/11), which were mentioned during consideration of Resolution No. 37112, are not agreements covered under Chapter 3.99.
12. In light of the health insurance requirements of the ACA and the sick time requirements of the City's Protected Sick Time, the City Council desires that Chapter 3.99 be amended to delete requirements for and references to a total compensation rate.
13. In recognition of the fact that Council may want to approve exceptions to the requirements of City's Fair Wage Policies in the future, as allowed in the past with approval of the Commissioner-in-charge, the City Council desires that Chapter 3.99 be amended to require that exceptions to the policy must be approved via ordinance by a vote of the Council.

NOW, THEREFORE, the Council directs:

- a. Portland City Code Chapter 3.99 is amended as shown in Exhibit A.
- b. Bureaus are directed to amend or renew contracts as needed to ensure Council intent is implemented with an effective date of July 1, 2015 for all covered agreements and employees.
- c. The City Council confirms that the Stadium Operating Agreement, the Intergovernmental Agreement between Tri-Met and the City of Portland for Enhanced Transit Mall Upkeep, and the Agreement for Downtown Clean and Safe District Management Services are not covered by Chapter 3.99, and directs bureaus to review and amend these agreements if necessary.

Section 2. The Council declares that an emergency exists because a delay in implementing the updated hourly minimum wage rate will impede the timely amendment of contracts to ensure the \$15 per hour minimum wage is effective for all covered contracts on July 1, 2015; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council: MAY 13 2015

Mayor Charlie Hales/Commissioner Dan Saltzman  
Prepared by: Betsy Ames  
Date Prepared: May 4, 2015

**Mary Hull Caballero**  
Auditor of the City of Portland

By

  
Deputy

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v140

Agenda No.  
**ORDINANCE NO. 187124**  
Title

\* Update City of Portland Fair Wage Policies to establish a minimum wage of \$15 per hour for employees working under covered service contracts. (Ordinance; amend Code Chapter 3.99)

<p style="text-align: center;"><b>INTRODUCED BY</b> <b>Mayor Hales/Comm. Saltzman</b></p>	<p>CLERK USE: DATE FILED <u>MAY 08 2015</u></p>
<p style="text-align: center;"><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance and Administration - Hales <i>[Signature]</i></p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman <i>[Signature]</i></p> <p>Position 4/Safety - Novick</p>	<p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <u><i>[Signature]</i></u> Deputy</p>
<p style="text-align: center;"><b>BUREAU APPROVAL</b></p> <p>Bureau: Office of Management and Finance Bureau Head: Fred Miller <i>[Signature]</i></p>	<p><b>ACTION TAKEN:</b></p>
<p>Prepared by: Betsy Ames Date Prepared: April 30, 2015</p>	
<p><b>Impact Statement</b></p> <p>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p><b>Portland Policy Document</b> If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p><b>City Auditor Office Approval:</b> required for Code Ordinances <i>[Signature]</i></p>	
<p><b>City Attorney Approval:</b> required for contract, code, easement, franchise, comp plan, charter <i>[Signature]</i></p>	
<p>Council Meeting Date <b>May 13, 2015</b></p>	

<b>AGENDA</b>
<p><b>TIME CERTAIN</b> <input type="checkbox"/></p> <p>Start time: _____</p> <p><b>Total amount of time needed:</b> _____ (for presentation, testimony and discussion)</p>
<p><b>CONSENT</b> <input type="checkbox"/></p>
<p><b>REGULAR</b> <input checked="" type="checkbox"/></p> <p><b>Total amount of time needed: 20 min.</b> (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Novick	4. Novick	✓	
Hales	Hales	✓	