

IMPACT STATEMENT

Legislation 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)

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Purpose of proposed legislation and background information:

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. This Ordinance updates and amends City Code Chapter 3.99 to implement Council direction and directs bureaus to amend contracts to reflect the new \$15 per hour rate. Lastly, it confirms that certain agreements are not covered by Chapter 3.99.

Financial and budgetary impacts:

The earlier Council action cited estimated costs of \$670,000 to \$1.2 million per year; the current estimate is approximately \$900,000. Final estimates of the impacts to City budgets for covering the increased costs of these changes are still being developed by the impacted bureaus. There are over a dozen contracts for janitorial services, one contract for parking garage attendant services, and four contracts for security services that will need to be amended by bureaus working with the contracted service provider and with Procurement Services following Council action. Bureaus will not be able to confirm the exact impacts for each contract until the contract amendments are finalized. The Mayor will be including a placeholder amount in his Proposed Budget, and bureaus will work with the City Budget Office to provide the financial impacts prior to adoption of the FY15-16 budget.

Community impacts and community involvement:

The City Council heard considerable testimony at the February 18 hearing when considering the Resolution 37112. The economic impact in the community is expected to be positive with local workers having more purchasing power with their increased wages. Research shows that minimum wage employees spend the dollars they earn in the communities they live thus having a positive impact on the community's overall economic health.

Budgetary Impact Worksheet

Does this action change appropriations?

- YES:** Please complete the information below.
- NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount