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COUNCIL OF THE CITY OF PHILADELPHIA

3

COMMITTEE ON LABOR AND CIVIL SERVICE

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Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, April 25, 2007
1:00 p.m.

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PRESENT:

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COUNCILMAN JUAN RAMOS, CHAIR
COUNCILMAN W. WILSON GOODE, JR.

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COUNCILMAN FRANK DiCICCO
COUNCILMAN WILLIAM GREENLEE

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COUNCILMAN JACK KELLY
COUNCILMAN JAMES F. KENNEY

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BILL 070259 - An ordinance amending Section
17-107 of The Philadelphia Code, entitled
"Contractors: Labor-Management
Relationships," to require that building
service employees, performing labor under
certain building service contract, receive the
prevailing wage and prevailing working
conditions, all under certain terms and
conditions.

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COUNCILMAN RAMOS: Good

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afternoon, everyone. Please excuse us

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for the delay, but there was another

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hearing that was very important to the

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people of Philadelphia as well and it

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went a little longer than we anticipated.

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So please accept our apologies.

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But now we'll proceed with this

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hearing of the Committee on Labor and

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Civil Service. I am Councilman Juan

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Ramos, Chairman of the Committee. Please

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note also in attendance are Councilman W.

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Wilson Goode, Vice-Chair of the

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Committee, along with Councilman Kelly

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and Councilman Kenney, and Councilman

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Greenlee is also present. We have a

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quorum, so we can start.

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I would ask the Clerk to please

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read the title of Bill No. 070259.

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THE CLERK: Bill 070259, an

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ordinance amending Section 17-107 of The

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Philadelphia Code, entitled "Contractors:

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Labor-Management Relationships," to

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require that building service employees,

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2 performing labor under certain building
3 service contract, receive the prevailing
4 wage and prevailing working conditions,
5 all under certain terms and conditions.

6 COUNCILMAN RAMOS: Thank you.

7 I just want to state very
8 briefly how important I believe
9 personally the significance of this bill,
10 the positive impact that it would have on
11 working people. In one era in my public
12 life I was Secretary of Labor, Director
13 of Labor Standards. My principal job was
14 to enforce prevailing wage laws in the
15 City of Philadelphia. So this is an area
16 where I have a little bit of knowledge
17 and expertise, and I think that this is
18 well overdue.

19 I want to congratulate and at
20 this time call on the principal sponsor
21 of this bill, Councilman Kenney, for
22 remarks.

23 COUNCILMAN KENNEY: Thank you,
24 Mr. Chairman. I'm also equally proud
25 that the enforcement that you are doing

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2 at the Department of Labor in
3 Philadelphia enforcing prevailing wage
4 legislation was a result of a bill that I
5 introduced back in, I think, '92 or '93,
6 which provided prevailing wage for
7 construction work for the building
8 trades, and we're taking this another
9 step further to protect people who need
10 to be protected.

11 I'm proud of this legislation
12 before this Committee today co-sponsored
13 by all of the at-large members of City
14 Council. We have taken a large step
15 forward to ensuring that residential and
16 commercial development benefits the City
17 as a whole. A business receiving
18 financial assistance from the City must
19 do their part by paying their workers a
20 living wage.

21 Supporting Philadelphia's
22 workforce will benefit our residents, our
23 neighborhoods and our economy. It is a
24 necessary step, which will make our City
25 and its workers even greater.

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2 In Philadelphia, there are over
3 5,000 men and women who work in
4 connection with the care and maintenance
5 of commercial and residential buildings.
6 By requiring fair wages to be paid, we
7 are ensuring a sustained and improved
8 quality of life for those workers, their
9 families and their communities.

10 I anticipate the testimony that
11 will be given here today, but I think
12 this is something minimally we need to do
13 to ensure that people who get up every
14 day and go out to work sometimes before
15 the sun comes up, that they're getting a
16 wage that is a prevailing rate within
17 this region so that they can raise their
18 families and continue to support the City
19 of Philadelphia and its economy.

20 So I thank you all for being
21 here. I thank you for your waiting and
22 your patience, and I look forward to the
23 testimony.

24 Thank you, Mr. Chairman.

25 COUNCILMAN RAMOS: Thank you,

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2 Councilman Kenney.

3 I would like to call to the
4 witness table Rose White, Deborah Jackson
5 Smith and Mr. Steve Merritt.

6 The order that I have it here,
7 Ms. White, you're first.

8 MS. WHITE: All right. Good
9 afternoon. I want to start by saying
10 thank you on behalf of the members and
11 leadership of my union to Councilman
12 Kenney for his leadership on introducing
13 this bill and to you, Councilman Ramos,
14 for giving me this opportunity to
15 testify.

16 My name is Rose White and I am
17 the political organizer at Local 32BJ in
18 Southeastern Pennsylvania. We represent
19 about 85,000 building service workers
20 from six states, plus the District of
21 Columbia, and we have about 3,700 who are
22 residents here in Philadelphia.

23 Our membership here is
24 primarily commercial office cleaners and
25 also includes engineers, security guards

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2 and building service workers in
3 residential buildings.

4 I am here today to stand in
5 support of the amendment to Section
6 17-107 of The Philadelphia Code that
7 would require that more building service
8 employees in Philadelphia receive a
9 prevailing wage. This will not only
10 benefit workers who are not members of
11 our union, but will also help to protect
12 the wages and benefits which our union
13 members have fought so hard for by
14 prohibiting new building owners from
15 undercutting the wages and benefits that
16 our members are earning.

17 We have a longstanding
18 relationship with the Building Operators
19 Labor Relations organization, the Center
20 City Owners Association, and we work
21 cooperatively with these organizations to
22 make sure that area standards are
23 maintained. Part of the goal of this
24 bill is to level the playing field for
25 building owners that we've been working

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2 with for years.

3 I frequently hear about new
4 developments that are being planned, and
5 many of those developments will receive
6 tax credits and other financial
7 assistance from the City either due to
8 the historical value of the building,
9 because the location of the building or
10 for some other reason that qualifies them
11 for a tax credit.

12 Building owners compete for
13 these tax credits and the zoning rights
14 to build this city and for tenants to
15 occupy their buildings. Building owners
16 compete for customers to earn a profit.
17 The one thing that building and business
18 owners who receive assistance from the
19 City should not have the right to compete
20 over is how little they are able to pay
21 their building service employees.

22 (Applause.)

23 MS. WHITE: My union believes
24 that local government should protect the
25 rights and the livelihood of workers. It

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2 is only fair that business owners and
3 developers who receive contracts and
4 financial assistance from the City should
5 give back to the City in the form of
6 family-sustaining jobs for workers in
7 Philadelphia.

8 As it stands right now, many
9 residential workers are making a wage so
10 low that they have to work multiple jobs.
11 Requiring that these business owners and
12 building owners who employ building
13 service workers pay a fair wage will help
14 individual families. Life-long
15 Philadelphia residents have shared with
16 me stories about growing up in
17 neighborhoods where everybody looked up
18 to the union members on the block,
19 knowing that these people had stable jobs
20 that they could support their families
21 on.

22 In a city with such a high
23 poverty rate, having more people who are
24 able to support their families with a
25 single job will help to build communities

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2 and provide role models for children in
3 our neighborhoods.

4 In closing, I want to reiterate
5 that this amendment to Section 17-107 of
6 The Philadelphia Code would benefit all
7 Philadelphians, not just those who will
8 work in these new buildings.

9 Thank you.

10 COUNCILMAN RAMOS: Thank you
11 for your testimony.

12 Ms. Deborah Jackson Smith.

13 MS. SMITH: Good afternoon. My
14 name is Deborah Jackson Smith and I used
15 to work as a janitor in a large
16 commercial building in Philadelphia
17 earning \$7 an hour, without health
18 benefits. I want to tell you why a
19 prevailing wage law like this would have
20 made a difference in my life.

21 Many janitors downtown in the
22 Philadelphia area earn union wages, about
23 \$13 an hour, with medical coverage,
24 vacation time, sick time and other
25 benefits, while I was doing the same work

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2 and only receiving \$7 an hour. Every
3 night during my five-hour shift I cleaned
4 ten bathrooms that had no ventilation,
5 because air conditioning was shut off at
6 6 o'clock. Last fall I had to leave the
7 job because of a horrible allergic
8 reaction to the cleaning chemicals that I
9 had to use, since there wasn't any
10 ventilation, and here, I am still
11 scarred, as you can see. Also on my
12 legs, my back and my chest (indicating).

13 I had to deal with the fumes on
14 a daily basis. I tried to get to a
15 different area, different job, but there
16 weren't any availabilities at the time.
17 So I was placed on call, if someone has
18 called out sick or vacation. It was only
19 happening like on a daily like every
20 other week, every other day. So I was
21 unable to work, and today at this time
22 I'm unemployed.

23 The reason that I came here
24 today to tell you my story is because in
25 Philadelphia, Philadelphia deserves to

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2 make -- we deserve to get decent wages,
3 as many people are. This new law would
4 help many hard-working people, just as
5 myself, to earn a prevailing wage. More
6 building owners would be required to hire
7 contractors who pay the prevailing wage
8 because of the benefits that they
9 received from the taxpayers of
10 Philadelphia, which would help the
11 workers who clean the buildings to pay
12 their bills and support their families.
13 And that's why today, City Council, I
14 would love for you to pass this bill.
15 And I thank you for listening.

16 COUNCILMAN RAMOS: Thank you,
17 Ms. Smith, for your testimony.

18 Mr. Steve Merritt, please
19 proceed with your testimony.

20 MR. MERRITT: Thank you,
21 Councilman. My name is Steve Merritt.
22 I'm the General Manager of 1900 Market
23 Street, a prominent commercial office
24 building in Center City. I am pleased to
25 be here today in my capacity as Chair of

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2 the Codes and Legislation Committee of
3 the Building Owners and Management
4 Association of Philadelphia, commonly
5 referred to as BOMA, to express minor
6 concerns regarding Bill 070259.

7 As means of background, BOMA is
8 a non-profit organization whose members
9 provide over 116 million square feet of
10 office space for over half a million
11 office workers today. Member buildings
12 include virtually all of the major
13 high-rise office towers in the City,
14 including One Liberty, Commerce Square,
15 Bell Atlantic Tower and the Wanamaker
16 Building, just to name a few.

17 BOMA and its members applaud
18 Councilmembers Kenney, Ramos, Reynolds
19 Brown, Greenlee and Goode for introducing
20 this legislation. We clearly understand
21 this legislature's intent in providing
22 prevailing wage rates for all people
23 living and working in the City of
24 Philadelphia.

25 That said, our members have

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2 reservations regarding the broad language
3 of the bill and how it may adversely
4 impact operating costs with many office
5 buildings. Operating costs is a
6 significant component in the rental rate
7 of every rental property in the City. We
8 are concerned the specific language of
9 this bill may require any building owner
10 choosing to lease space in the City of
11 Philadelphia to seek a rental rate
12 slightly higher than buildings not
13 choosing to do business with the City
14 agencies, thereby creating market
15 pressures which do not exist in today's
16 environment and create a challenging
17 playing field for City agencies trying to
18 lease space within the City limits.

19 In addition, language related
20 to journeymen, apprentices and trainees
21 relate directly to existing labor
22 contracts operating in many buildings --
23 in fact, most buildings in the City --
24 which have been collectively bargained to
25 the benefit of all parties by our agency

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2 and the Building Operator Labors
3 Relations, Inc., our bargaining entity.
4 Legislative changes to these agreements
5 would most assuredly have an impact on
6 operating costs for all major buildings
7 in the City, putting additional economic
8 pressures on an already challenged Center
9 City District.

10 BOMA's goal is to provide a
11 safe and healthy work environment for our
12 tenants and our owners and the people who
13 work in our buildings. We applaud City
14 Council for considering this bold
15 initiative on behalf of all who live and
16 work in Philadelphia. We would ask,
17 however, the Committee delay moving this
18 bill to final Council and that
19 considerable thought be placed on the
20 negative effects this legislation might
21 have on the present market conditions in
22 the City of Philadelphia.

23 Thank you.

24 COUNCILMAN RAMOS: Mr. Merritt,
25 thank you for your testimony.

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2 Any questions from this

3 Committee to our panel?

4 (No response.)

5 COUNCILMAN RAMOS: Seeing none,
6 thank you so much for your testimony this
7 afternoon.

8 Is there anyone else who wishes
9 to testify on this bill?

10 Please come forward. Please
11 state your name for the record, though we
12 know who you are.

13 MR. ALI: Good afternoon,
14 members of the panel. My name a Jihad
15 Ali and I'm an advocate on behalf of
16 African-American contractors, and I also
17 work with developers in the affordable
18 housing field.

19 I wanted to take an opportunity
20 to come because Councilman Kenney has
21 said something that really triggers some
22 thoughts in my mind. You talked about
23 how everybody deserves a right to
24 participate. Listening to the panel
25 before, the one gentleman that talked

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2 about the million something square foot,
3 what he left off of that is what do they
4 charge for a triple A-rated space in the
5 City of Philadelphia. He talked about
6 operating costs. What are the operating
7 costs?

8 There should be a way that we
9 can figure out what these costs are and
10 we can see that, yeah, it may impact
11 something, but what it's going to impact
12 is the profit that these businesses are
13 making. And what amazes me on this side
14 of the table when I deal with these
15 issues on participation and diversity is,
16 when is enough ever enough? You heard
17 somebody say you never have enough money.
18 Well, that's certainly said from the
19 people with the money, because the people
20 that don't have the money, they get by
21 week by week scrounging on \$50, \$100.
22 Those are the people that have
23 responsibilities, that have families.

24 But we look at the paper every
25 day. We see young men and women out

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2 there getting killed in the streets, but
3 when you look at where are they going to
4 get jobs at, they call -- what was the
5 name that you referred to yourselves as
6 now?

7 AUDIENCE: SEIU, Service
8 Employers International Union.

9 MR. ALI: Thank you.

10 Before, if you think back in
11 our history, if you look back in the '50s
12 and the '60s, this was the only
13 occupation African-Americans could get.
14 I mean, I know that from my family. So
15 now today here we are in 2007. You hear
16 a lot of testimony about, well, they
17 can't -- African-American men and women
18 cannot get into the building trades
19 because of whatever reason. Now we're
20 saying, Okay, let them go be janitors in
21 the building, but we're not going to pay
22 them. And that's really ironic, because
23 we're really just turning -- some people
24 are just turning their back.

25 I think that this panel is

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2 doing the right thing. Let's deal with
3 the problem. If there's a problem about
4 the market and rental space, let's deal
5 with that when it arises, but let's give
6 these people the wage that they deserve,
7 because you're here on behalf of these
8 people that are down here today, but
9 there's millions more out there in the
10 streets. But it's really an answer to
11 the future, because at least when you go
12 to these -- well, to me, a lot of young
13 boys come up to me and say, I want a job,
14 can you help me? If I was a building
15 owner and I had these buildings, I would
16 like to give them a job, but not only
17 because it was -- it would be a way for
18 them to make a decent living. And that's
19 really what we're talking about.

20 So, yeah, it's tough to make
21 the decisions that you're going to make,
22 but you got to make them. And, yeah,
23 some business owners aren't going to like
24 them, but they're going to have to get
25 over it like they've gotten over

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2 everything else. And if it's something
3 that we have to deal with in the future
4 that the City has a problem with office
5 space, let's deal with it then, but do
6 what you have to do. Do the right thing.
7 Pass this bill. Give these people a
8 decent living and let's move on and
9 tackle some other problems.

10 Thank you.

11 (Applause.)

12 COUNCILMAN RAMOS: Councilman
13 Kenney.

14 COUNCILMAN KENNEY: Thank you.
15 I appreciate the gentleman's comments,
16 and I just want to say part of the
17 purpose of this bill is not only ensuring
18 that people have a better or improved
19 quality of life and standard of work, but
20 also to recognize the fact that in this
21 law we are recognizing the dignity of the
22 work that they do, because if we can
23 protect and watch out for construction
24 trade workers -- and that's a thing that
25 we are supposed to do, some who make \$30,

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2 \$40 an hour and have earned that wage and
3 work hard and work a dangerous job -- we
4 can also take and enshrine in law the
5 opportunity to recognize the dignity of
6 the people who maintain those buildings,
7 who guard those buildings, who take care
8 of those bathrooms and take care of those
9 offices, because we believe that their
10 work is worthwhile and dignified and they
11 should be paid a -- not a designated rate
12 but a prevailing rate, just like other
13 trades have done.

14 So I'm proud on two occasions:
15 Number one, being able to improve the
16 quality of life, along with my other
17 Council colleagues, but also recognizing
18 that what they do matters, and we take it
19 for granted a lot, and we shouldn't.

20 (Applause.)

21 COUNCILMAN RAMOS: Thank you,
22 Councilman Kenney.

23 Now I recognize Councilman
24 Greenlee.

25 COUNCILMAN GREENLEE: Yes.

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2 Just very quickly to add to that, I just
3 disagree slightly with one thing Mr. Ali
4 said. He said the tough choice we have
5 here. This one is easy. This one is
6 very easy. It's just the right, fair
7 thing to do. So I'll just add that.

8 Thank you.

9 (Applause.)

10 COUNCILMAN RAMOS: Thank you,
11 Councilman Greenlee, for your comments.

12 Is there anyone else who wishes
13 to testify on this bill?

14 (No response.)

15 COUNCILMAN RAMOS: Seeing none,
16 this will conclude our public hearing.
17 We will now move into our public meeting.

18 We are now in our public
19 meeting, and the Chair recognizes
20 Councilman Kenney for a motion on Bill
21 No. 070259.

22 COUNCILMAN KENNEY: Thank you,
23 Mr. Chairman. I move that Bill No.
24 070259 be reported out of this Committee
25 with a favorable recommendation and a

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2 request made for a rules suspension to
3 allow for first reading at tomorrow's
4 Council session.

5 (Duly seconded.)

6 COUNCILMAN RAMOS: We've got a
7 second.

8 All those in favor signify by
9 saying aye.

10 (Aye.)

11 COUNCILMAN RAMOS: Any nays?

12 (No response.)

13 COUNCILMAN RAMOS: The ayes
14 have it.

15 (Applause.)

16 COUNCILMAN RAMOS: Let me just
17 add that this bill has been moved and
18 seconded, Bill No. 070259, and that it be
19 reported out of Committee with a
20 favorable recommendation and that it's
21 further moved that the rules of Council
22 be suspended to permit first reading of
23 this bill at our next Council session.

24 Thank you for your
25 participation this afternoon.

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2 (Applause.)

3 (Committee on Labor and Civil

4 Service adjourned at 1:20 p.m.)

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CERTIFICATE

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I HEREBY CERTIFY that the

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proceedings, evidence and objections are

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contained fully and accurately in the

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stenographic notes taken by me upon the

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foregoing matter on April 25, 2007, and that

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this is a true and correct transcript of same.

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MICHELE L. MURPHY

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RPR-Notary Public

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