

1
2 COUNCIL OF THE CITY OF PHILADELPHIA
3 PUBLIC HEARING
4 BEFORE COUNCIL COMMITTEE ON LABOR & CIVIL SERVICE

5 - - -
6 Room 400, City Hall
7 Philadelphia, Pennsylvania
8 Thursday, March 30, 2000
9 1:10 a.m.
10 - - -

11 BILL NO. 000108 - Enacting a new Chapter 9-2300 of
12 the Philadelphia Code, entitled "Protection of
13 Displaced Workers," and amending Section 19-2602,
14 entitled "Licenses," to require that all
15 contractors awarded contracts for the performance
16 of food and beverage, hotel service, health care,
17 janitorial, or other building maintenance services
18 within the City of Philadelphia retain certain
19 non-supervisory employees of the previous
20 contractor for a 90-day employment period during
21 which retained employees may not be terminated
22 except for cause, and to require that said
23 employees be employed with various other job
24 security protections providing penalties for
25 noncompliance, including, but not limited to, the
revocation of business privilege license of
violators and granting remedies to the agreed
parties, all under certain terms and conditions

17 PRESENT: COUNCILMAN DARRELL L. CLARKE, Chair
18 COUNCILMAN DAVID COHEN
19 COUNCILMAN FRANK DICICCO
20 COUNCILMAN W. WILSON GOODE
21 COUNCILWOMAN JOAN L. KRAJEWSKI
22 COUNCILMAN ANGEL L. ORTIZ
23 COUNCILMAN FRANK RIZZO

24 - - -
25 VINCENT VARALLO ASSOCIATES, INC.
Registered Professional Reporters
Eleven Penn Center, Suite 600
Philadelphia, PA 19103
(215) 561-2220

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 P R O C E E D I N G S

3 COUNCILMAN CLARKE: Good afternoon,
4 everyone. The meeting will come to order.

5 This is the public hearing on the
6 Committee on Labor and Civil Service. There is
7 one resolution and one ordinance that has been
8 listed for today's public hearing. The ordinance
9 concerns the proposed Displaced Workers Act, a
10 resolution calling for hearings on wages to bring
11 -- sorry, I'm going to skip that.

12 To begin the committee, we will hear
13 testimony about the Displaced Workers Act, Bill
14 No. 000108. After taking testimony on that bill,
15 we will take testimony on Resolution 113. Will
16 Mr. Brown please read the title of Bill No. 108.

17 THE CLERK: An ordinance enacting a new
18 Chapter 9-2300 of the Philadelphia Code, entitled
19 "Protection of Displaced Workers," and amending
20 Section 19-2602, entitled "Licenses," to require
21 that all contractors awarded contracts for the
22 performance of food and beverage, hotel service,
23 health care, janitorial, or other building
24 maintenance services within the City of
25 Philadelphia retain certain non-supervisory

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108
2 employees of the previous contractor for a 90-day
3 employment period during which retained employees
4 may not be terminated except for cause, and to
5 require that said employees be employed with
6 various other job security protections providing
7 penalties for noncompliance, including, but not
8 limited to, the revocation of business privilege
9 license of violators and granting remedies to the
10 agreed parties, all under certain terms and
11 conditions.

12 COUNCILMAN CLARKE: Thank you, Mr.
13 Brown, okay.

14 I understand that we have several
15 panels to testify today. I would like to
16 recognize Councilman Angel Ortiz first for some
17 opening remarks, then I want to ask for the first
18 panel to testify. According to the schedule, we
19 have Mr. Michael Russo, President of Local 36 of
20 the Service Employees International Union, and
21 Miss Toya Hendricks, a worker would be affected by
22 the proposed act, are the first witnesses to
23 testify.

24 Councilman Ortiz?

25 COUNCILMAN ORTIZ: Thank you, Chairman

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 Clarke, I'll be very brief.

3 During the last few years in this
4 country, we have seen an economic boom that's been
5 unprecedented. But with that economic boom has
6 also come displacement of workers across the
7 nation. We used to be the legislature that used
8 to be in the forefront of protecting workers'
9 rights, and I think with this act, we begin to get
10 behind the lines of working-class individuals and
11 the working class of the City.

12 This is not a bill that is new in this
13 country: it is a bill that has been passed in
14 many other cities. It is a bill and the concept
15 that has been adopted by the federal government
16 and President Clinton.

17 I think it is time for us to move
18 together with the workers to make sure that any
19 company that comes into Philadelphia has workers
20 that are skilled, has a labor force that is
21 stable, has individuals that really care for what
22 they do -- not individuals that can be here one
23 day and gone another, and be displaced easily as
24 we someplace light bulb or a piece of furniture.
25 We're dealing with human beings, we're dealing

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108
2 with people who contribute not only to the economy
3 but to the affairs of this city. And we are
4 saying as a Council with this bill that the
5 workforce of this city needs to be respected and,
6 we need to stabilize it.

7 So Chairman Clarke, I think we can
8 begin with the panels.

9 COUNCILMAN CLARKE: Thank you,
10 Councilman Ortiz. We'd like to call the first
11 panel. Mr. Russo?

12 (Witnesses come forward.)

13 (Applause.)

14 COUNCILMAN CLARKE: First I'd like to
15 recognize other Councilmembers of the committee --
16 Councilwoman Krajewski, Councilman DiCicco,
17 Councilman Goode, and obviously Councilman Ortiz
18 and myself. A quorum is present.

19 (Applause.)

20 COUNCILMAN CLARKE: Please state your
21 name and start your testimony.

22 MR. RUSSO: My name is Michael F.
23 Russo, and I am the President of SEIU Local 36.
24 On behalf of the Service Employees International
25 Union Local 36, our 4500 members in the City of

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 Philadelphia, I want to thank each of you for
3 allowing me to testify today.

4 I would like to personal thank and
5 recognize Councilman Darrell Clarke, Chair of the
6 Labor and Civil Service Committee, and Councilman
7 Angel Ortiz, Vice Chair of the committee, and all
8 the members of the Council who have cosponsored
9 and supported this Displaced Workers Protection
10 Act. I thank you.

11 First, a little background in terms of
12 who SEIU Local 36 is. Local 36 represents 4500
13 people who overwhelmingly work and reside in the
14 City of Philadelphia. Our membership is largely
15 made up of janitorial workers who work in numerous
16 Philadelphia office buildings and for various
17 private contractors throughout the City. Our
18 membership also includes private apartment house
19 cleaners, engineers, clerical workers, and
20 sidewalk/street service workers, most of who are
21 also contract service workers.

22 Our members earn a living wage on an
23 average of between 9 and \$10 per hour. Most enjoy
24 family health-care benefits, a 50-cent
25 prescription plan, legal and dental coverages. We

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 have in our 80-year history sacrificed and worked
3 hard for these benefits and wages. As low-wage
4 workers and working people, we take great pride in
5 what we maintain, the job we do and what we have
6 won, but we do fool ourselves either. Tomorrow
7 has never been promised to us. The realities of
8 the janitorial contracting industry and the
9 real-estate market does not allow that to happen.

10 Both the real estate and janitorial
11 industry are fiercely competitive. In the
12 janitorial business, profit margins for private
13 contractors are small, usually 2 to 3 percent.
14 With the exception of wages and benefits, most
15 costs are controlled, with bids dictated largely
16 by companies' cost and wage scales. As a rule,
17 building owners maintain a 30-day cancellation
18 clause in their contracts with janitorial
19 companies. Most of our members in fact will have
20 worked for three or four contractors during their
21 years of service.

22 Janitors are often the last to know
23 that a contract is changing hands. They may
24 literally, despite their years of service in one
25 building, with one company, be told on Thursday

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 that as of Friday, the contract is changing hands,
3 and that on Monday, they are out of a job.

4 In cases where we have an agreement
5 with the building ownership, our jobs are
6 protected. However, in situations where our
7 agreement is simply with the cleaning contractor,
8 which is true for about 1500 of our members, we
9 face the ever-present fear of being forced out
10 onto the streets. This is true simply because a
11 new contractor may wish to displace long-term
12 employees often in order to squeeze wages benefits
13 and benefits and upset job stability.

14 I should emphasize that the real-estate
15 market naturally and in Philadelphia is changing
16 radically as well. These new conditions put all
17 our members and their jobs at risk. Building
18 ownership is now changing hands much more
19 frequently. The day's gone when a local
20 entrepreneur -- Mr. Girard, say -- owns numerous
21 buildings in Philadelphia and maintains his
22 investments for generations. Building ownership
23 is now often controlled by international
24 investments, real-estate investment trusts, and
25 dictated by the whims and fluctuations of the

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 stock market. In this new economy, we are finding
3 more and more that ownerships in building is
4 changing hands not because Philadelphia is not a
5 great affordable place to do business, but simply
6 because stocks are up or hot on the market.

7 Let me offer some concrete examples
8 from a recent history. In the early 1990s, and
9 many of you will recall, the North American
10 Building was sold. Members of Local 36, despite
11 their years of service, were displaced with little
12 or no notice. After a long struggle by the local
13 and with the assistance of members of City Council
14 and the greater community, our janitors won their
15 jobs back. All of that, however, could have been
16 prevented with the Displaced Workers Protection
17 Act.

18 One more example. Two years ago, 1500
19 Walnut was sold. The new building owners decided
20 to bring in a new contractor, Golden Mark, from
21 New York City. The end result of all of this was
22 that ten Philadelphia residents lost their jobs.
23 People like Toya Hendricks, who was a cleaner at
24 1500 Walnut for 11 years, and she is here to
25 testify today, were pushed head first into the

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 brink of poverty. Some of her coworkers collected
3 unemployment, some public assistance. Others like
4 Toya, after months of uncertainty, luckily found
5 permanent jobs in other buildings. In smaller
6 buildings, especially where tenants often have
7 strong bonds with the cleaners, learn to trust
8 them, feel safe, what Toya and people like her
9 went through is particularly disturbing.

10 I must confess I am concerned about
11 larger job displacements in the foreseeable
12 future. What happens as a result of deregulation,
13 corporate mergers and new ownership at the PECO
14 headquarters on 20th and Market. Not 10 but forty
15 janitors are displaced overnight. This really
16 speaks to the need of this legislation. There is
17 not a good argument as to why a contractor cannot
18 offer a 90-day probationary period of employment
19 to (unintelligible) hard-working Philadelphians.
20 This is not an unreasonable standard; it's a small
21 measure of job security, and it promotes good
22 labor management relations by allowing the parties
23 to talk at the board table and not on the streets.

24 We need passage of this Displaced
25 Workers Protection Act. As the cities of

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 Washington D.C. and San Francisco have
3 demonstrated, this job protection law can work
4 remarkably well.

5 I should add this measure. This bill
6 does not cost any new tax dollars and doesn't ask
7 the new employer to respect the previous wages or
8 benefits; it asks them to simply to hire workers
9 who know the work. In clearest terms, the
10 Displaced Workers Protection Act is about justice,
11 this is what we are. We are tired of fearing for
12 livelihoods, of watching over our shoulders, of
13 not being able to look into the next week. We are
14 not asking for the full promise of tomorrow; we
15 simply are asking for a fair chance to do what we
16 know best. We want a chance to do our work.

17 We have faith that you, as our elected
18 representatives, are listening, and I ask, please
19 pass the Displaced Workers Protection Act and say
20 yes to the measure of fairness, job protection,
21 and justice.

22 In closing, I would just like to bring
23 to your attention that this morning, when I went
24 to my office, I was notified that the Lafayette
25 Building at Fifth and Chestnut is being sold

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 tomorrow. Our workers will be notified tonight
3 that as of tomorrow night, they no longer have a
4 job. This is 17 workers who are going to have the
5 chance of being out of work come Monday.

6 COUNCILMAN ORTIZ: How many?

7 MR. RUSSO: Seventeen. If we were to
8 have this bill, they would at least have the
9 chance to continue to work for ninety days.
10 Without it, they will be at the unemployment line
11 first thing Monday.

12 So I urge you again to pass the bill.

13 Thank you.

14 (Applause.)

15 COUNCILMAN ORTIZ: Thank you very much.

16 COUNCILMAN CLARKE: Let the record
17 reflect that Councilman Franny Rizzo has now
18 joined the committee hearing.

19 Miss Hendricks?

20 MS. HENDRICKS: Good afternoon, members
21 of City Council, Chairman Clarke, SEIU
22 representatives and members. My name is Toya
23 Hendricks. I have been a member of Local 36 for
24 15 years. For twelve and a half of those years, I
25 worked at 1500 Walnut Street as a Class I

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 cleaner. Some of my coworkers worked there for 19
3 years and more.

4 Now, over the years, different
5 companies have come and taken over contracts, and
6 each one has retained all of the workers. So, of
7 course, you can understand how we would feel
8 secure in that workplace. However, that security
9 changed one day when I went to work one evening
10 and found out that the building ownership had
11 changed hands and a company Golden Mark from New
12 York had took over the contract, bringing in their
13 own workers from New York to replace us. And in
14 order to continue with Golden Mark, we had to fill
15 out applications and take a forty percent cut in
16 our wages. They completely took away our
17 benefits.

18 I mean, can you imagine how we felt,
19 wondering how we would pay our bills and rent?
20 Well, needless to say, we were all devastated.

21 And then I asked a question: How can a
22 company come here from out of state, replace us
23 with out-of-state workers, robbing the City of
24 Philadelphia of the revenue? How could they do
25 that? Well, the answer is, because we don't have

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 the Displaced Workers Protection Act.

3 I mean, here we were, nine building
4 cleaners, all of us, having at least ten years and
5 more at this building. Some of us were the sole
6 supporters of our family. And we lost our jobs.
7 I had to rely on family and friends for their
8 help. And for the first time in my adult life, I
9 couldn't even support myself, I couldn't pay my
10 bills. It affected all my relationships. It made
11 me feel like I was robbed of my ability to make a
12 living, I was robbed of my dignity and my
13 self-esteem. I was left with no hope.

14 (Applause.)

15 MS. HENDRICKS: Now, all of us at 1500
16 Street, we were reliable, respected building
17 cleaners, and through no fault of our own, we were
18 denied our jobs and all we had to fight for over
19 the years. It just didn't seem fair.

20 So eventually, the union found me work
21 in another building, but it has taken me years to
22 reach the same living standards I had at 1500
23 Walnut Street, before Golden Mark. One of my
24 coworkers was placed in another building, and
25 guess what? Six months later, when the tenants

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 average earnings of your workers in this
3 particular union and in this field?

4 MR. RUSSO: Between 9 and \$10 an hour
5 and an additional 3 to \$4 hour in benefits.

6 COUNCILMAN CLARKE: Okay. And
7 traditionally, the benefits packages, upon the
8 changing -- or actually the displacement of the
9 workers, does the benefits package traditionally
10 go down with the new workforce, or is it similar
11 health and welfare? I mean, how does that work?

12 MR. RUSSO: In situations where they've
13 been displaced, usually those -- the ones doing
14 the displacing do not carry any health benefits.

15 COUNCILMAN CLARKE: Okay, okay.

16 Councilman Ortiz?

17 COUNCILMAN ORTIZ: Mr. Russo, in your
18 workforce, you said there's 4500 at the current
19 time in the membership?

20 MR. RUSSO: Correct.

21 COUNCILMAN ORTIZ: And they, I think we
22 can generally say, are close to 100 percent
23 Philadelphians?

24 MR. RUSSO: I would say it's close to
25 about 85 percent Philadelphia. That does not

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 include our Philadelphia retired workers, which is
3 about 600 additional to the 4500.

4 COUNCILMAN ORTIZ: And that question --
5 that answer you gave Councilman Clarke, the
6 contractor that usually that comes in really
7 brings in -- does he bring in his own force of
8 workers, cuts the benefits down to, I imagine, the
9 minimum wage, with no benefits? And those workers
10 are not, I imagine, not as experienced in this as
11 Miss Hendricks has been?

12 Is that really the experience?

13 MR. RUSSO: That's -- yes, the
14 experience, that is correct.

15 COUNCILMAN ORTIZ: Miss Hendricks, you
16 say you have been 11 years in your job?

17 MS. HENDRICKS: About 12 and a half
18 years.

19 COUNCILMAN ORTIZ: In the same
20 building?

21 MS. HENDRICKS: Yes.

22 COUNCILMAN ORTIZ: Could you describe,
23 you know, what you did and what was your
24 relationship with the tenants of that building and
25 how they related to you?

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 MS. HENDRICKS: Yes. Well, as a Class
3 I cleaner, it's light-duty cleaning, you know,
4 where we take out the trash, we vacuum and we
5 dust, you know, light weight.

6 And my relationship -- I mean, over the
7 years, when you work in a building, the tenants,
8 they know you, and it's almost like being home
9 because a lot of times -- I mean, most of the time
10 you, do spend a time in that building, you spend a
11 lot of time there so people get to know you. And
12 they became accustomed to us, they trusted us.
13 And I mean, when new workers come in, they didn't
14 like that. You know, they tried to write letters
15 on our behalf because they really wanted us to
16 stay.

17 We have a relationship with the tenants
18 and they know that you're doing a good job. They
19 don't want to see you replaced.

20 COUNCILMAN ORTIZ: I imagine you have
21 free run of the offices, so I imagine that there
22 has to be a level of trust that is put in there.

23 MS. HENDRICKS: Absolutely, it is, it
24 definitely is. And I was well trusted and liked.

25 COUNCILMAN ORTIZ: Is there a turnover

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 in these new contractors as they come in? What is
3 the turnover ratio in those cases? 'Cause I'm
4 concerned --

5 MR. RUSSO: You know, it's hard to say,
6 but sometimes it's yearly, depending on the
7 particular building manager.

8 COUNCILMAN ORTIZ: Mm-hmm.

9 MR. RUSSO: They will yearly put the
10 building out to bid under our master agreement,
11 and in most cases we don't have a problem.

12 But the bigger problem is where a
13 building's sold. And at the time of the sale of
14 the building, they bring in a new contractor, who
15 attempts to displace the workers.

16 Under our master building owner's
17 agreement here in Philadelphia, our union contract
18 is with the building owner, and frequently they
19 change contractors and we don't have any
20 problems. But where a building is then sold, we
21 get into some problems of the displacement
22 situations.

23 COUNCILMAN ORTIZ: But when a company
24 like Golden Mark, or whatever it's called, comes
25 in from New York City and they hire a whole new

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 workforce, I would imagine that the stability of
3 that workforce, the turnover of that workforce is
4 -- it probably turns over quickly over a
5 year-period.

6 MR. RUSSO: Oh, it does, because, you
7 know, where they're paying those workers between 6
8 and \$7 an hour on average and no benefits in
9 Center City, you know, they can go to McDonald's
10 and make more and get benefits.

11 COUNCILMAN ORTIZ: So the stability of
12 the workforce is not enhanced.

13 MR. RUSSO: The turnover on those jobs
14 and even currently in those jobs that are nonunion
15 in Townsend is very high. The workers that work
16 on those jobs currently are always coming in and
17 trying to get jobs on the union jobs because they
18 -- you know, it's a no-brainer.

19 COUNCILMAN ORTIZ: The stability.

20 MR. RUSSO: Right, stability and
21 benefits.

22 COUNCILMAN ORTIZ: Okay, I have no
23 further questions.

24 COUNCILMAN CLARKE: Thank you,
25 Councilman.

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 Councilman Goode, any questions?

3 All right, thank you very much for your
4 testimony.

5 MR. RUSSO: Can I add just one thing?

6 COUNCILMAN CLARKE: Certainly.

7 MR. RUSSO: I would like to introduce
8 two other workers -- they're not going to say
9 anything. They're two workers from the Lafayette
10 Building. One of them is Vanessa Walker, and the
11 other one's Minnie Moore, and they're both sitting
12 here by the pillar. Minnie Moore, who I stated
13 earlier, they're both affected by sale of the
14 Lafayette Building. This is the second time she's
15 gone through this. She worked at the North
16 American Building at the time that building was
17 sold. This is the second time this has happened
18 to this woman, where a building was sold and now
19 she may not have a job.

20 So in closing, I would like to thank
21 you again and urge you to pass this bill.

22 COUNCILMAN ORTIZ: Thank you.

23 MR. RUSSO: Thank you.

24 (Applause.)

25 COUNCILMAN CLARKE: Is Joseph Rauscher

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 here? Joe?

3 (Mr. Rauscher not present.)

4 COUNCILMAN CLARKE: I'd like to ask
5 Reverend Doctor Leonard Thompson and Lauren
6 Townsend to please step forward.

7 (Witnesses come forward.)

8 COUNCILMAN CLARKE: Please state your
9 name for the record.

10 REVEREND THOMPSON: I'm Reverend Doctor
11 Leonard Thompson, Sr.

12 COUNCILMAN CLARKE: Okay, go ahead, you
13 can testify, sir.

14 REVEREND THOMPSON: Good afternoon.

15 COUNCILMAN CLARKE: Good afternoon.

16 REVEREND THOMPSON: To the honorable
17 Council Committee Chairman Darrell Clarke and to
18 Council Vice Chairman Angel L. Ortiz and to the
19 honorable other Councilmembers of the Philadelphia
20 City Council, I thank you for this opportunity to
21 address you this afternoon.

22 My words are, let our people stay for
23 ninety days. Ninety days to continue to meet the
24 needs of family members. Ninety days to continue
25 to complete financial responsibilities. Ninety

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 days to continue to put food on the table for our
3 children. Ninety days to feel needed. Ninety
4 days to make a living. Ninety days to continue to
5 pay City wage and federal taxes. Ninety more days
6 to work.

7 I serve with the Philadelphia Baptists
8 Association and directing the ministry of 126
9 churches in community outreach into nursing homes,
10 prisons, public ministry issues. We have worked
11 with this union, SEIU, and we have served with
12 them on different campaigns. And our people are
13 affected because with a recent survey, we
14 discovered that many religious people are involved
15 in organizations and employments that are being
16 supported.

17 So we're asking for ninety days for
18 them. Just ninety days is all we're asking for at
19 this time. It will be ninety days of job
20 security, ninety days of employment ability. It
21 will be ninety days of receiving just earned
22 paycheck. Ninety days that will increase
23 self-worth as we have heard, dignity and volume as
24 a contracted worker in the City of Philadelphia.

25 Ninety days can be a reality if you

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108
2 vote for the Displaced Workers Protection Act of
3 2000. You can improve the lives of working people
4 in the City of Philadelphia, their families, and
5 lead the way to a more just and humane society
6 just by one vote, voting for the Displaced Workers
7 Protection Act. It is within your prerogative and
8 power to protect the jobs of not only your loved
9 ones, but also our loved ones, as well as all
10 those that are employed by companies and
11 businesses doing businesses in our city, our
12 beloved city.

13 Why should you vote yes for this bill?
14 I could give you ninety reasons, but I won't. The
15 greatest reason, in my humble opinion, is the
16 reality that if the Philadelphia City Council does
17 not provide job security by voting for the
18 Displaced Workers Protection Act of 2000, the
19 leaves of a myriad of low-wage workers in
20 Philadelphia will be adversely affected --
21 janitors, security guards, building service,
22 hotel, food and beverage workers, and health care
23 practitioners will be at the mercy of each and
24 every new employer.

25 Jonah went down to the City of Ninevah

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 and cried forty days in Ninevah shall be
3 overthrown. We don't need forty days to repent.
4 Jesus was in the wilderness for forty days and
5 night. We don't need forty days and nights of
6 trial. Moses led the children of Israel in the
7 Sinai Desert for forty years before reaching the
8 promised land.

9 We don't need forty years of wandering.

10 We are asking you just for ninety days of
11 employment security for City workers, workers who
12 work in our city. We are requesting that
13 hard-working Philadelphians be not sacrificed by
14 companies who are so willing to leave former,
15 present, and future employees in the wilderness of
16 unemployment. We are not asking for forty days
17 and forty nights of protection from a nomadic rain
18 -- just ninety days of sun shining security for
19 City workers in companies with City contracts. We
20 are asking for an art of employment security for
21 these, the least of our Philadelphia citizens.
22 Just ninety days more.

23 I'm asking you to vote for Chapter
24 9-2300 protection for displaced contract workers.

25 Thank you for this opportunity.

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 (Applause.)

3 COUNCILMAN CLARKE: Thank you. Miss
4 Townsend.

5 MS. TOWNSEND: Good afternoon. My name
6 is Lauren Townsend. I'm the Executive Director of
7 Citizens for Consumer Justice. I'd like to thank
8 Councilman Clarke, Councilman Ortiz, and members
9 of the Labor and Civil Service Committee for
10 supporting the Displaced Workers Protection Act of
11 Philadelphia and to all members of City Council
12 for allowing me to speak today among such a
13 distinguished panel of speakers.

14 Dedicated to winning social, racial,
15 economic and environmental justice, CCJ is a
16 statewide consumer organization working on
17 preserving and strengthening Social Security,
18 Medicare, lowering prescription drug prices,
19 passing a strong patient's bill of rights,
20 preserving and enhancing our accesses to the civil
21 justice system, winning clean-money elections,
22 public access, and protection for workers and
23 their families, and more.

24 In the last year, we launched our
25 Campaign for Social and Health Security, which now

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 boasts over eighty Pennsylvanian coalition members
3 representing thousands. With our Campaign for
4 Consumer Protection, we've coordinated opposition
5 to corporate-fueled anti-consumer legislation.

6 We're supposedly in the best of
7 economic times. Yet for those of us who are lucky
8 enough to have jobs, own homes and have some
9 semblance of health care, living without worry is
10 still a day-to-day challenge, because feeling and
11 really being secure is about knowing that should a
12 job loss or a catastrophic illness or injury
13 happen to oneself or to a member of one's family,
14 that a safety net of humanity in society will at
15 least cushion the blow, if not come to the rescue.

16 Unfortunately, with so many of us
17 living on the edge, families can't always be there
18 for us, beyond giving us emotional support that we
19 need. So our priorities as a community and a
20 nation have become focussed on preserving and
21 strengthening what have become necessities in our
22 lives -- Social Security, Medicare, access to the
23 courts, lower prescription drug costs, universal
24 health care -- and the reason we're here today --
25 liveable communities and wages and job security.

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 So passing the Displaced Workers
3 Protection Act of Philadelphia should be a
4 no-brainer. It's good for workers and their
5 families because they will have the protection
6 from being displaced at a moment's notice. It's
7 good for the City, because secure and happy
8 workers are more apt to spend money, which
9 translates into a more vibrant economy. It's good
10 for our real-estate market because a stable office
11 building workforce translates into desirable real
12 estate and happy tenants.

13 I for one am not the happiest of
14 tenants. CCJ's office is at 17th and Sansom
15 Street, and we've had at least three different
16 companies take over the cleaning of our building
17 since July when we moved in. We're not the only
18 unhappy tenant in the building. As the management
19 company that runs our building has gone cheaper
20 and cheaper -- and I might add nonunion -- our
21 building and tenants have suffered.

22 We haven't been able to establish an
23 ongoing relationship with the building's cleaning
24 staff because their tenure is so short-lived. On
25 the contrary, we feel as though we're constantly

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 introducing ourselves to new workers. And once
3 more, we've become nervous about each new contract
4 because our building has been getting steadily
5 dirtier and we've experienced incidents of theft.

6 I believe that CCJ is not the only
7 downtown tenant who would agree to pay a little
8 more for janitorial workers, the members of Local
9 36, who are secure and happy and stay long enough
10 so that we might trust each other and learn each
11 other's names.

12 Promoting and cleaning up downtown
13 Philadelphia, if I'm not mistaken, has been a
14 priority of the last decade, and it's been done
15 with a great deal of success. So now, now in this
16 time of prosperity, the appropriate and
17 responsible thing to do is to examine the human
18 infrastructure, the people in this room, the
19 people behind the buildings, and make it secure
20 and real for everyone.

21 Please pass the Displaced Workers
22 Protection Act and do it soon.

23 Thank you.

24 (Applause.)

25 COUNCILMAN CLARKE: Thank you.

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 Let the record reflect that Councilman
3 David Cohen has joined the committee.

4 Miss Townsend, can you speak again of
5 the three changes in the service? Can you give me
6 a little bit more detail on that?

7 MS. TOWNSEND: We rent in the
8 Architects Building, which is at 17th and Sansom
9 Street. When we first moved in -- I'm somewhat
10 mistaken. After I wrote this testimony, I
11 confirmed one thing: it has changed three times.
12 Initially it was the Star Cleaning Company, which
13 is a nonunion company, which changed crews twice.

14 COUNCILMAN ORTIZ: Is that a
15 Philadelphia company?

16 MS. TOWNSEND: Yeah, I believe it's --
17 you know, I think members of Local 36 could
18 confirm that. Are they Philadelphia? No?

19 They're not Philadelphia.

20 COUNCILMAN CLARKE: The same company
21 changed crews; is that what you said?

22 MS. TOWNSEND: Yeah. It's called "The
23 Star Cleaning Company," and they changed crews
24 twice. They changed crews, changed crews again,
25 and then the building management contracted out to

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 different company, Arthur Jackson, which is also a
3 nonunion company.

4 And as time has gone on, we just see
5 different faces all the time, no one can get used
6 to anyone else, and it makes us all very nervous.
7 And the building gone to pot and people are
8 looking at, you know, other buildings.

9 COUNCILMAN CLARKE: So it was not a
10 change in ownership of the building?

11 MS. TOWNSEND: No, it's where the
12 management is going in terms of, you know, just
13 going cheaper and cheaper.

14 COUNCILMAN CLARKE: So you think the
15 changes by the Star -- I'm trying to get a sense
16 of Star changing its workforce three times, I'm
17 trying to understand that. Was it lack of
18 performance by the workers or is it for cheaper
19 workers?

20 MS. TOWNSEND: Star Company has a bunch
21 of employees. They switch them, you know --

22 COUNCILMAN CLARKE: Is Star a union
23 workforce?

24 MS. TOWNSEND: No, they're nonunion.
25 We wish they were union because our friends in

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 union buildings are much happier than we are.

3 (Applause.)

4 COUNCILMAN CLARKE: Okay, thank you.

5 Are there any questions from other
6 members of the committee?

7 COUNCILMAN ORTIZ: Yeah. So in
8 essence, the changing of the crews was not to
9 improve the service that they were providing but
10 to get a cheaper and cheaper workforce in place.

11 MS. TOWNSEND: That's my supposition.
12 I'm not them so I wouldn't --

13 COUNCILMAN ORTIZ: But the quality of
14 work has suffered with all these changes.

15 MS. TOWNSEND: It's suffered. And I
16 feel sorry for some of the workers. And I
17 regularly say, Hey, you know, I've got friends who
18 are right around the corner with Local 36, you
19 should go pay them a visit. But they scratch
20 their heads and they don't know what to do. We
21 got sent here, we're here but, you know, we don't
22 know what to do next. We're new at this building,
23 you know, we'll get used to it after a while. And
24 then we don't see them again after a while.

25 COUNCILMAN ORTIZ: And the other

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 company is also a non-Philadelphia company,
3 right?

4 MS. TOWNSEND: I believe they're
5 non-Philadelphia as well.

6 COUNCILMAN CLARKE: Okay. Are there
7 any other questions by members of the committee?

8 (No further questions.)

9 COUNCILMAN CLARKE: Thank you very much
10 for your testimony.

11 (Applause.)

12 Is Miss Grace Redden present?

13 (Witness come forward.)

14 COUNCILMAN CLARKE: Miss Redden, please
15 state your name for the record.

16 MS. REDDEN: Certainly. My name's
17 Grace C. Still, and I'm the President of the
18 Building Owners and Managers Association of
19 Philadelphia. I'd like to say good afternoon to
20 Chairman Clarke and other members of City Council.

21 I'm here to give testimony on the
22 ordinance which will require all contractors
23 awarded contracts for the performance of food and
24 beverage, hotel service, health care, janitorial
25 or building maintenance services within the City

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108
2 of Philadelphia. To retain the employees of the
3 previous contractor for a 90-day period and
4 require that said employees be provided with
5 various other job security protections is a
6 restraint of trade and interference in the conduct
7 of business in Philadelphia by City government
8 that exceeds its authority.

9 Such an attempt to further regulate the
10 conduct of business and free enterprise in the
11 City could be interpreted as attempt to legislate
12 socialism. Furthermore, this proposed legislation
13 raises constitutional issues concerning the rights
14 of parties to negotiate in what they believe to be
15 in their best interest. Such rights are
16 fundamental to American capitalism which is, in
17 fact, the foundation of our society.

18 In addition, this proposed ordinance
19 undercuts the free enterprise system, which drives
20 the economy of this great country. It has the
21 potential to handcuff businesses and contractors
22 by not allowing the free enterprise system to
23 operate as intended, with little or no
24 governmental interference. Business and
25 contractor relationships are not about reduction

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 for instance? 'Cause there's a question about
3 what benefits to the building owners or the
4 companies versus the benefits to the union. Can
5 you give me an instance? What are the benefits
6 associated with the building owner's ability to
7 change the workforce?

8 MS. REDDEN: Absolutely. What I can
9 tell you is I have been in the industry of
10 property management for twenty years. Local 36
11 contracts with landlords already guarantees a
12 60-day job. The benefits are that we should be
13 allowed -- and I don't want to bring in a union
14 versus a nonunion issue, I think that's completely
15 different than what we're trying to address today
16 -- the fact that people need to be able to conduct
17 their business in the way they feel they should.

18 Everyone's job would like to be
19 guaranteed or protected. Unfortunately, most of
20 us are not at that advantage. Union contracts do
21 allow for that, it is a bargaining tool, and I do
22 believe that has been used. So they are
23 already guaranteed their job for sixty days.

24 COUNCILMAN CLARKE: But the question
25 was, what are the benefits for the building owners

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 to be able to replace the workers? What is it, is
3 it a cost-effective measure?

4 MS. REDDEN: No.

5 COUNCILMAN CLARKE: I mean, what
6 exactly -- why would they want to do that?

7 MS. REDDEN: As a property manager, we
8 would like to retain the current workers in the
9 building. I mean, that can be decided by us,
10 because it is to our advantage to keep the tenants
11 happy so that we can retain the tenants, so that
12 we, you know, can collect the rent, of course.

13 So it is definitely to our advantage to
14 keep the same personnel, whether the contractor
15 changes or not. And I have been the property
16 manager where the contractors have changed but the
17 personnel in the building have been retained. It
18 is only the contractor itself that has changed.

19 Now --

20 COUNCILMAN CLARKE: Okay. Did you have
21 written testimony? Did you provide copies of
22 written testimony?

23 MS. REDDEN: Yes, I did.

24 (Copy of Ms. Still's testimony not
25 provided to stenographer.)

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 COUNCILMAN CLARKE: Okay, thank you.

3 Councilman Ortiz?

4 COUNCILMAN ORTIZ: Yeah. You know,
5 your last statement is enlightening to me because,
6 obviously, you want a stable working force.

7 MS. REDDEN: That's correct.

8 COUNCILMAN ORTIZ: But as Miss
9 Townsend, that was previously testifying, she's a
10 tenant in one building here in Center City, 17th
11 and Sansom. And she's ready to move -- not
12 because of the building but because of the
13 service, the janitorial service that is being
14 provided, because of the turnover of personnel.

15 This is not legislating socialism.
16 Actually, this Council legislates socialism all
17 the time, ma'am, except that is for the
18 capitalists. We legislate capitalist socialism.
19 We give tax breaks, we give all -- we give land to
20 corporations, we give tax increment benefits to
21 corporations. All of these are socialist aspects.
22 This is not American capitalism at work; it is
23 government intervention in capitalism. So we
24 legislate socialism all the time, except that it's
25 for the benefit of the developer of the building

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 owner.

3 And once -- and here we are not saying
4 that you have to hire union or that -- we're not
5 setting salaries. All that we're saying is that
6 you have to give workers a 90-day period once a
7 contract changes hands. And the wages can be
8 different, the benefits can be different. That's
9 all that there is. It is not, I do not believe,
10 an onerous, onerous requirement upon the
11 contractors.

12 Actually you said that you are
13 interested in a stable workforce. You're
14 interested in keeping those workers who have the
15 skills, the experience, who have been there and
16 who the tenants of those buildings and offices,
17 the tenants trust them to go into their offices.
18 They leave their valuables in their office, they
19 leave private matters in their offices. So the
20 tenants in Center City probably would like a
21 stable working force that they could trust.

22 (Applause.)

23 MS. REDDEN: But ninety days does not
24 create a stable working force. We already have a
25 60-day clause in the union agreement. Ninety days

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 does not create a stable workforce.

3 COUNCILMAN ORTIZ: But we're not
4 talking union, we're not talking union, ma'am.
5 The building that was just sold, is being turned
6 over, and the lady is being laid off as of Monday.

7 MS. REDDEN: That is correct. And
8 someone else might have her job at some point, but
9 then are we to decide who gets the job or who
10 doesn't? Can government decided to do that? In
11 ninety days, can that person -- I mean, would lose
12 their job anyway, so --

13 COUNCILMAN ORTIZ: But it gives that
14 person a 90-day period of transition.

15 MS. REDDEN: That's right, but it is
16 government intervention on private business.

17 COUNCILMAN ORTIZ: Ma'am, you know that
18 in San Francisco, this bill has been passed. It
19 has huge buildings, it has a thriving economy.
20 They have all of the same sort of interests that
21 cities like Philadelphia has. So does Washington
22 D.C.. So there's the other cities that have
23 passed legislation without having an impact on the
24 profits or the management of the buildings in
25 those cities.

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 MS. REDDEN: It is of our opinion that
3 if -- that if there continues to be an
4 intervention in businesses, that would just gives
5 businesses another reason to decide not to bring
6 their business into the City of Philadelphia.

7 COUNCILMAN ORTIZ: We always hear that.
8 You know, that --

9 MS. REDDEN: And, unfortunately,
10 because of the tax base that has eroded over the
11 past ten years, it's the outcome.

12 COUNCILMAN ORTIZ: Do you know that
13 Philadelphia right now has an overabundance in
14 terms of office space? I mean, there's a constant
15 demand right now. We're in essence a buyer's
16 market in terms of office space in Philadelphia.
17 We have an economic boom situation and what you're
18 saying to us is that the workers in this economic
19 boom cannot have at least a small guarantee of
20 stability, although you would prefer to have a
21 stable workforce, which contradicts your
22 statements, you know.

23 (Applause.)

24 MS. REDDEN: We -- I can tell you that
25 the members of this association all look for the

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 out?

3 MS. REDDEN: No. Our other members are
4 located in the tristate area -- suburban
5 Philadelphia, South Jersey, and Delaware.

6 COUNCILMAN GOODE: And why exactly do
7 you think they're located outside of the City?

8 MS. REDDEN: Because BOMA
9 Philadelphia's region is a tristate region.

10 COUNCILMAN GOODE: And your business is
11 located within Philadelphia?

12 MS. REDDEN: That is correct.

13 COUNCILMAN GOODE: And why do you
14 choose to do business in Philadelphia?

15 MS. REDDEN: Actually, the owners of
16 our property are located in Boston but we have
17 purchased buildings in the City.

18 COUNCILMAN GOODE: But why do you
19 choose to do business within Philadelphia?

20 MS. REDDEN: Well, there is very prime
21 real estate in Philadelphia.

22 COUNCILMAN GOODE: Because it is
23 profitable.

24 MS. REDDEN: Well, certainly.

25 (Applause.)

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 COUNCILMAN GOODE: How exactly would
3 this act make your business less profitable?

4 MS. REDDEN: How would this act make it
5 --

6 COUNCILMAN GOODE: Yes.

7 MS. REDDEN: It's -- I don't --

8 COUNCILMAN GOODE: How would it make
9 your business less profitable, or how would it
10 make your business less competitive?

11 MS. REDDEN: I think that the purpose
12 of it is more on the basis of the government
13 intervention rather than --

14 COUNCILMAN GOODE: But this act would
15 not make your business any less profitable or any
16 less competitive, would it?

17 MS. REDDEN: No. I could not say that.
18 .

19 COUNCILMAN GOODE: Thank you very much.
20 (Applause.)

21 COUNCILMAN CLARKE: Councilman Rizzo?

22 COUNCILMAN RIZZO: Miss Redden?

23 MS. REDDEN: Yes?

24 COUNCILMAN RIZZO: Knowing the concern
25 of the people in this room, we heard that the

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 building is going to be sold tomorrow, and there's
3 a possibility of those people -- and I would
4 assume that that's only a possibility that those
5 folks are going to be terminated by the new
6 owner.

7 Lacking this legislation, how would you
8 suggest that this would not be an issue? Do you
9 have a suggestion or a resolution to protect these
10 people other than having this legislation?

11 MS. REDDEN: Well, I can -- I can tell
12 you that the majority of our -- well, all of our
13 city-based members are in a contract with the
14 Local 36, we are union buildings. And the
15 protections for these employees are within the
16 contract, which we have negotiated with them. So
17 we are there also negotiating with the union for
18 their protection.

19 COUNCILMAN RIZZO: Do you think that
20 it's appropriate that Mr. Russo would be notified
21 the day before that a building's being sold?
22 What's the secrecy that -- why is there such
23 secrecy that the gentleman just found out that the
24 building at Fifth or Sixth and Chestnut Streets
25 would be going to settlement tomorrow? Why

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 couldn't some consideration be given to let people
3 know that this is in the wind?

4 (Applause.)

5 COUNCILMAN RIZZO: I think what I'm
6 hearing here is because of some of the tactics,
7 you've forced this legislation. I mean, I don't
8 understand --

9 (Applause.)

10 COUNCILMAN RIZZO: I don't understand
11 why a building owner would have to keep a
12 transaction that a building's being sold that
13 close to the vest.

14 MS. REDDEN: I wish I could understand
15 all the workings of the real estate transactions.
16 Unfortunately, I am not a developer, I am not, you
17 know, a buyer, so I can't tell you the ultimate
18 reasons why some people are notified a month ahead
19 of time, two weeks ahead of time, six months ahead
20 of time. As a property manager, sometimes we
21 don't find out ourselves.

22 COUNCILMAN RIZZO: But then you see the
23 need, obviously. This is an example of a need.
24 Could you assure -- within your own organization,
25 could you assure that the employees would be

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 retained by the new owner? Is there anything that
3 you could do to work toward that goal?

4 MS. REDDEN: No, no, I cannot, not as a
5 property manager.

6 MR. HANLEY: I'd like to speak.

7 COUNCILMAN CLARKE: Could you state
8 your name, sir.

9 MR. HANLEY: My name is Joseph Hanley
10 (ph.). I'm a board member with the BOMA
11 organization.

12 Somebody from the committee had brought
13 up the fact of how this legislation would in fact
14 deter from profits as a building owner. Let's
15 take a look at this from a technology standpoint.
16 If technology changes and a new business owner --
17 a business owner and a contractor can strike some
18 sort of a contract into which they could bring new
19 technology into play and that, in fact, may
20 require reducing the workforce, that affects
21 profits, it affects bottom line.

22 You had asked how --

23 COUNCILMAN CLARKE: Can you give me an
24 example of what technology would affect this
25 particular workforce?

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 MR. HANLEY: Right. One of things that
3 we had talked about was how this also affects food
4 and service workers in hospitals and areas like
5 that. If you bought in some equipment that could,
6 we'll just say, produce meals automatically,
7 introducing automation, that may in fact take away
8 some jobs.

9 COUNCILMAN GOODE: Okay, excuse me. My
10 question was not how could it affect
11 profitability.

12 MR. HANLEY: Okay.

13 COUNCILMAN GOODE: I asked, how would
14 it affect profitability? In her particular
15 business or in your particular business, how would
16 it affect profitability?

17 MR. HANLEY: That's exactly how it can
18 affect it.

19 COUNCILMAN GOODE: So you have changes
20 in technology in terms of where you plan on
21 servicing your building that would be impacted by
22 this? Do you have current plans?

23 MR. HANLEY: Pardon?

24 COUNCILMAN GOODE: Do you have current
25 plans to change the technology?

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 MR. HANLEY: No.

3 COUNCILMAN GOODE: You do not.

4 MR. HANLEY: No, I do not. I'm talking
5 about a hypothetical --

6 COUNCILMAN GOODE: So it could affect
7 you hypothetically.

8 MR. HANLEY: Exactly, the same way you
9 had spoken in the hypothetical.

10 COUNCILMAN GOODE: No, I asked a
11 question.

12 COUNCILMAN CLARKE: But the issue that
13 you speak of speaks more of a business
14 downsizing. We're talking about the changing of a
15 contract and displacing workers pursuant to the
16 change of the contract. You're talking about the
17 changing of technology that will no longer require
18 that you need one or two workers. That's not
19 specifically what we're talking about today; we're
20 talking about the changing of a contract.

21 COUNCILMAN ORTIZ: Have you read the
22 bill, sir?

23 MR. HANLEY: I haven't read it in its
24 entirety, no.

25 COUNCILMAN ORTIZ: You haven't read the

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 bill.

3 MR. HANLEY: No, not in its entirety.

4 COUNCILMAN ORTIZ: Well, it -- nothing
5 prohibits -- no one says that you have to hire --
6 you know, nothing prohibits the downsizing of the
7 workforce in this bill. Nothing prohibits the
8 using and bringing in of technology, okay?

9 All that it says is that those workers
10 that you're going to keep have to be in order of
11 seniority, okay? And if you have a need for a
12 certain workforce, then you have to keep those
13 workers at least for ninety days, but it doesn't
14 say that you have to keep the same numbers.

15 MR. HANLEY: There, again, what if I
16 engaged with a contractor that could bring in a
17 workforce that has higher technology than the
18 existing workforce?

19 COUNCILMAN ORTIZ: Sir, the bill does
20 not prevent a contractor from using technology.

21 MR. HANLEY: I'm saying workers with a
22 higher level of technology. Let's revert it to --

23 (Jeers from audience.)

24 COUNCILMAN CLARKE: Please, please.

25 COUNCILMAN ORTIZ: Sir, I would suggest

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 you read the bill in its entirety. Nothing in the
3 bill prevents that from happening, nothing
4 prevents at all any of that. It is not addressed
5 to do that.

6 MS. REDDEN: If we start with approving
7 this bill with the 90-day guarantee for these
8 workers, what other guarantees can we expect from
9 City Council to approve once this is done with
10 interfering with contracts and owners' rights or
11 relationships?

12 COUNCILMAN ORTIZ: Could I make a
13 statement? This Council, during the last eight
14 years, and previous to the eight years before
15 that, this Council -- in fact, when Councilman
16 Cohen was Chair of the Rules Committee in 1987 and
17 '88, this Council approved the Center City
18 District in order to enhance the profitability,
19 the aspect of quality of life in Center City, the
20 bringing back of people to live in Center City and
21 do business in Center City.

22 This Council during the last fifteen
23 years that I've been here have been to the task.
24 We want more buildings to occur in Center City, we
25 want more businesses to settle and more tenants to

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 come in. We don't want to impede that. However,
3 we do not want to do it on the backs of the lowest
4 paid workers in the City of Philadelphia.

5 (Applause.)

6 COUNCILMAN ORTIZ: Okay? So let us be
7 clear, let us be clear that this Council is not
8 about interfering in the development and
9 renaissance of Philadelphia. But we also want the
10 workers to be a part of it. That's all.

11 (Applause.)

12 MS. REDDEN: The Center City District
13 does get 60 percent of its operating income from
14 the members of the Building Owners and Managers
15 Association as the tax, okay? And I guess I'm
16 getting a little confused with the actual issue
17 of, do you want to guarantee a job, are you trying
18 to guarantee wages, are you trying to talk about a
19 union issue against a nonunion issue? Because
20 they have all come up. And I think the length of
21 time somebody can have their job is really a
22 bargaining issue and a relationship between a
23 contractor and the landlord.

24 And I'm really -- if you're
25 guaranteeing a person's job, does everybody have

8 So this is where the -- this is where
9 we're trying to say with the interference. You
10 know, are you pinpointing only certain workers
11 that are guaranteed a job for ninety days? Is
12 there a wage level where the cutoff is? Is there
13 a job type where the cutoff is? I really am
14 getting confused.

24 (Applause.)

25 MS. REDDEN: But is this the decision

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 on how to treat people left --

3 COUNCILMAN RIZZO: I don't know of a
4 person that you described that found out the day
5 before that their job was ending. Not many people
6 find out that evening before that their job is
7 going to end the next day -- that aren't
8 terminated for cause. I'm talking about the fact
9 that if you folks in BOMA or some of the property
10 owners would establish a proper way to treat
11 people, we wouldn't be here today.

12 MS. REDDEN: That's correct. And I --
13 (Applause.)

14 MS. REDDEN: And I also believe that
15 unfair treatment of workers was the establishment
16 of the union and it's really a union issue on
17 labor rather. I mean, that is really -- I mean,
18 we're talking here nonunion to union, because in a
19 union building, you cannot displace somebody
20 overnight.

21 So, you know, may be more the work at
22 the union level than it is at City Council.

23 COUNCILMAN CLARKE: Any other
24 testimony?

25 MS. REDDEN: That's why I'm confused.

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 COUNCILMAN COHEN: Councilman Cohen?

3 COUNCILMAN COHEN: Miss Redden, I don't
4 know the gentleman's name next to you, but I sit
5 here and listen totally baffled by what I'm
6 hearing. I just can't understand why you're here
7 in opposition to this bill. One thing has to come
8 through, you talk about wanting to save profit
9 somehow? Do you think that's involved?

10 MS. REDDEN: No, I don't believe it's a
11 profit issue.

12 COUNCILMAN COHEN: Well, apparently,
13 your colleague on the right thinks so.

14 MR. HANLEY: I think it always comes
15 into the equation.

16 COUNCILMAN COHEN: Well, when you talk
17 profits, then what you're saying -- and it's the
18 only conclusion I can come to as I listen to this
19 -- and that is that somebody must make money and
20 somebody must lose money when there's a contract
21 change.

22 (Applause.)

23 MR. HANLEY: Not necessarily.

24 MS. REDDEN: No, sir. Only if it's a
25 contract changed between a union and a nonunion

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 building, because if two contractors come in and
3 they're both union, there is an agreement that
4 they must hold up -- and there is wage rates in
5 this, so it is not a change, unless it goes from
6 union to nonunion.

7 COUNCILMAN COHEN: You know, maybe many
8 years ago, when I was a little boy wearing shorts,
9 I would believe that.

10 (Laughter.)

11 (Applause.)

12 MS. REDDEN: There are too many --

13 COUNCILMAN COHEN: It just seems to
14 make no sense. When this Council originally
15 passed a bill which required sixty days' notice
16 before a plant closed, we heard all of what I have
17 to say sounded to me like nonsense, about how
18 we're interfering with the private profit system,
19 how the whole country is going to go down in
20 flames if we passed that bill. It was a bill
21 aimed at achieving an element of fairness for
22 workers at the lowest level of the economy since.
23 That bill was passed, we get thanks from employers
24 because what it did was to ensure the decent
25 treatment of working people.

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 And that's what this bill is about.

3 This bill says that --

4 (Applause.)

5 MR. HANLEY: I'd like to state that --

6 COUNCILMAN COHEN: This bill says that
7 people have to be treated as people.

8 (Applause.)

9 COUNCILMAN COHEN: And this nonsense
10 about socialism, you know, that was old-hat back
11 in the 1930s, when new labor laws were established
12 giving every worker the right to join a union to
13 protect himself, because the employers are always
14 more interested in profits than in people.

15 (Applause.)

16 COUNCILMAN COHEN: And no matter how
17 low the wages are, it seems as if there is some
18 employers that always try to get them still lower
19 -- below the poverty rate.

20 This bill is a humane, decent bill. If
21 I had my way, it would be a much stronger bill.

22 (Applause.)

23 COUNCILMAN COHEN: Because I think --
24 all this bill wants to is to establish simple
25 basic rules. It does not interfere with an

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 regarding the union to the nonunion, I can tell
3 you that I was the property manager at the North
4 American Building when the Arden Group bought it
5 from the FDIC. It was previously owned by Meritor
6 (ph.) PSFS when the bank failed in 1993 and the
7 FDIC sold off its properties. And I can tell you
8 that the reason for that change was because the
9 Arden Group brought in a nonunion contractor. And
10 they also bought the Architects Building at 17th
11 and Sansom, and they went from union to nonunion.

12 So I can tell you for a fact that it is
13 at that time when it goes from union to nonunion
14 that wages and rights and terms of employment are
15 different.

16 COUNCILMAN COHEN: Then you ought to be
17 for this bill.

18 MS. REDDEN: No, sir. I left the Arden
19 Group because I am not for the treatment of
20 workers that way. But I also believe that it is
21 up to the individual's rights. There are
22 certainly rights that have to be maintained.

23 COUNCILMAN COHEN: But don't you
24 believe workers have rights that have to be
25 maintained?

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 MS. REDDEN: Yes, I do.

3 COUNCILMAN COHEN: Don't you think it's
4 right for somebody to say, Why should I be
5 arbitrarily out on the street? Because two
6 businessmen signed a contract, I suffer and I lose
7 my job, I lose my ability to support my family.
8 How is that just?

9 MS. REDDEN: I can't --

10 COUNCILMAN COHEN: 'Cause all you
11 argued for is -- you say we have to treat the
12 owners right. How about the working people?

13 MS. REDDEN: No, it's not a part of
14 what is right or what is wrong. It's ninety days,
15 it's -- who is to make this decision? What is
16 right, what is wrong, what is the length of time,
17 what is the wage --

18 COUNCILMAN COHEN: That is the role of
19 government. There are disputed issues. You feel
20 that the only ones that ought to have any rights
21 are the owners. Other people feel that workers
22 have to be protected. In that kind of situation,
23 it's up to government to consider all of the
24 issues, to present a bill like what was presented
25 here, to have public testimony. That's what we're

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 doing.

3 And we say -- and we say that in
4 society, everybody has a right to be treated
5 fairly and workers ought to be treated as human
6 beings and not as animals that can be thrown out
7 on the streets at anytime.

8 (Applause.)

9 MR. HANLEY: Councilman Cohen, first of
10 all, I'd like to say that BOMA, we also agree that
11 workers should be treated like human beings,
12 number one.

13 Number two, I believe you're distorting
14 our position here.

15 Number three, that the socialism old
16 hat probably still fits. It might be an old hat
17 but it still fits.

18 COUNCILMAN COHEN: Well, why don't you
19 come here when we have a tax abatement for
20 businessmen? Why don't you come here and say,
21 "That's socialism"? Why are we giving government
22 money away to these people? You don't do that.
23 You applaud, you write us letters telling us to
24 give them more money.

25 MR. HANLEY: That's part of government

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 services. This is government interference.

3 COUNCILMAN COHEN: So when it's for
4 businessmen, it's government services.

5 (Audience members jeer.)

6 MR. HANLEY: This is government
7 interference. The founding fathers wouldn't have
8 it this way.

9 COUNCILMAN CLARKE: Thank you,
10 Councilman.

11 Are there any other questions?

12 (No further questions.).

13 COUNCILMAN CLARKE: Thank you very much
14 for your testimony.

15 Next, we'd like to have Diana Ceresi
16 and Anna Burger.

17 (Witnesses come forward.)

18 MS. CERESI: Good afternoon, Chairman
19 Clarke.

20 COUNCILMAN CLARKE: Good afternoon.

21 MS. CERESI: And I'm Diana Ceresi. I'm
22 Associate General Counsel of the Service Employees
23 International Union, and I'm here to speak on
24 behalf of the bill. I don't know that I can come
25 anywhere near as eloquent as you all have been

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 speaking on the bill. You clearly understand the
3 concerns of the members and workers here in
4 Philadelphia.

5 As other speakers have explained in the
6 last few years, SEIU has become acutely aware of
7 plight of contract workers in this city and
8 nationwide. The workforce, the contract
9 workforce, contract industry workforce is one that
10 is characterized by greater than normal job
11 instability, low wages, and loss of traditional
12 employment rights. The result not only undermines
13 individual employee morale and family stability,
14 but also local community interest. Job
15 instability means greater unemployment within the
16 community, higher unemployment insurance cost to
17 the employers, greater reliance on public service,
18 including charity care and public hospitals and on
19 welfare.

20 And just as an aside, to answer a
21 couple of the points that were made by the
22 previous speakers, when we're able to get a union
23 into a building, yes, we can make a difference in
24 terms of providing some job stability, certainly
25 increasing benefits and some wages, and that does

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 make a difference in the lives of our members.

3 But it's not the only thing that we have a concern
4 with, obviously. Even when you have a union in
5 the building, we can have a contract or a building
6 be sold out, as happened here, and the contract
7 rights doesn't follow there. If the building is
8 sold out, you have no protection, even if you have
9 the union in the building. You don't get the
10 notice. I can't speak to the specific master
11 agreement here, but the loss of a building in
12 terms of being sold takes it out of the master
13 agreement, as I understand.

14 Secondly, you heard a lot about going
15 from union to nonunion buildings. Well, if you're
16 going to have a workforce that remains there, you
17 have a stable workforce that is union-represented
18 at that point. You can retain that stability and
19 you retain a union workforce in that building.

20 And thirdly, I think SEIU certainly is
21 on record, and I know Local 36 is, as wanting to
22 protect all workers, not -- we believe that union
23 contracts are the best way of protecting workers,
24 but we are looking out for the interest of all
25 workers. So it's not a question of union versus

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 contract service industry is an anomaly within the
3 employment context. It's not a traditional
4 employer-employee relationship where you have
5 mutual obligations, some sense of responsibility
6 to one another. In this industry, you have --
7 each time all of contract let out, you create an
8 intermediary so that you're one step removed. The
9 building owner, building manager doesn't have to
10 deal with those employees who clean its buildings,
11 who provide services to that building owner or
12 building manager because that's not its employees,
13 it's the contractor's employees. It can close its
14 eyes to those employees, it's hands-off.

15 It has no responsibility for
16 unemployment insurance, it has no responsibility
17 for dealing with the employees when they're told
18 they don't have the jobs. It doesn't have to
19 think about them any further.

20 Meanwhile, the service contractor,
21 who's operating in a labor-intensive industry,
22 with a low profit margin, has little control over
23 the work that it has under contract. As you
24 heard, there are 30-day notices under most of
25 these contractors. A contractor can be kicked out

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108
2 of building on a 30-day notice. They have little
3 control over that provision. It's the traditional
4 and common contract language in all of these
5 building service contracts.

6 And while the contractor is the one
7 whose unemployment insurance rates rise when it is
8 forced to let its employees go because of a lost
9 contract, under the present system, it has no way
10 of obviating this. A contractor who is given
11 30-days notice can rarely find another contract in
12 time to move its employees over to that other
13 contract. It only will do that if there's another
14 contract that happens to open up at the same time,
15 but that's very rare.

16 And on the other hand, the successor
17 has, under current law, no obligation to take on
18 those employees. So what you have are experienced
19 employed contract workers who can be put on the
20 street, with no other recourse other than
21 unemployment, and to start job hunting all over
22 again. And you've heard, some people have to do
23 this time and again. In a nonunion building, you
24 can do it -- every month, it happened. You could
25 change over every three months, you could change

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 over -- every six months, you could be out on the
3 streets looking for jobs.

4 I think what is important to remember
5 is that the contractors, because of the low profit
6 margin and the way that the work is undertaken,
7 they don't retain a workforce if they move from
8 place to place. People are put out on the
9 street. When they go into a new building, they're
10 hiring off the street; they're not moving their
11 own people around.

12 All we're asking here, though, is for
13 some kind of a safety net, a life belt for these
14 workers who essentially work an employment tight
15 rope. They never know when they're going to be
16 out of a job, they may have known these people,
17 they may have known the building tenants for
18 years, and they may be out on the street the next
19 day, with no protection.

20 Providing that life belt is something
21 that communities around the country have been
22 doing. There are laws, as you've heard, similar
23 to this in other jurisdictions. I'm particularly
24 familiar with the law in D.C. that came into
25 effect in 1994. D.C. enacted this law in order to

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 provide employment security to the workers and to
3 reduce -- and this is important to remember -- to
4 reduce the number of unemployed D.C. residents
5 relying on unemployment benefits. Each time an
6 employed worker is put out of a job, there is a
7 drain on the unemployment insurance system.

8 Even if through switching a contractor,
9 it puts an unemployed worker into that job, the
10 newly unemployed worker starts the whole system
11 running again, starts the timing running again,
12 and you're having a longer period of unemployment
13 benefits running. So you may think that you're
14 just reemploying people over again, but what
15 you're doing is keeping the unemployment system
16 going over and over again -- with the loss of
17 morale, with a loss of confidence that happens
18 when you go into unemployment and you've lost a
19 job that you've had for quite sometime, and
20 somebody else is doing the work that you know how
21 to do.

22 The other point that was made in the
23 hearings before the D.C. City Council was that the
24 long-term effect of replacing contractors and
25 displacing contract employees was a downward

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 spiral of base wages and benefits. When employees
3 are constantly in fear of losing jobs, the risk of
4 engaging in collective efforts to improve wages
5 and benefits takes on an onerous proportion. If
6 you try to improve your benefits, you may be out
7 the door. You may be out the door because the
8 building owner has decided, We're not paying any
9 more and we don't want to hear anything about
10 employees wanting more or wanting benefits,
11 wanting health insurance, we don't want to face
12 that. Under the current law, the building owner
13 can do that and get rid of the contractor, and
14 there's nothing that stops them.

15 Low wages adversely affect communities,
16 they strain public services and undermine the tax
17 base. The D.C. City Council also took into
18 account that experienced workers are to be valued
19 and not cavalierly discarded. Our experience has
20 shown that contractor dissatisfaction and
21 resulting replacement stems from inadequacies or
22 inefficiencies in the way the contractor manages
23 the contract -- not with the individual service
24 workers. When it comes to the individual service
25 worker, the public in general, and as you heard

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 earlier, values stability, not turnover.

3 And I might add that the turnover ratio
4 in union buildings is about 4 percent. I
5 understand in this area, that in the suburbs,
6 which are manly nonunion, the turnover is 400
7 percent. So you're really getting a tremendous
8 turnover here in the buildings, and you need to
9 maintain stability. The stability comes by
10 keeping workers in place.

11 An important note is that the D.C.'s
12 law has been upheld by the courts. It was
13 contested there by the contractors, and it was
14 upheld by the U.S. Court of Appeals for D.C. In a
15 decision that addressed some of the very arguments
16 that you heard earlier, it expressly rejected the
17 argument that a successive contractor has a basic
18 right to hire whoever they want, and that that
19 right is inviolate, that no one -- no city
20 government, no government at all can interfere
21 with that right. The court noted that various
22 laws already regulate employer rights and that
23 localities are not precluded from enacting
24 substantive employee protective legislation.

25 I'd add that regulating employer

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 conduct in order to protect employees and serve
3 the interests of the broader community is not
4 novel. We have -- attached to my written
5 statement are a list of some federal laws that
6 have given priority -- employment protections to
7 employees.

8 Employers are not allowed to
9 willy-nilly discriminate against individuals when
10 they're hiring them. The hiring of child labor,
11 and here in Pennsylvania, the hiring of industrial
12 home workers is all regulated. Employers have to
13 follow certain laws and they have to comply with
14 them. The regulations already exist in a variety
15 of areas, and adding this regulation would not add
16 anything different than these other kind of
17 regulations do in terms of protecting workers and
18 affecting employers.

19 Since the 1994 enactment of the D.C.
20 law, there have been three lawsuits filed for the
21 violations of the act. I was lead attorney on two
22 of those lawsuits, and I can tell you that the
23 courts, although we were able to settle both of
24 those lawsuits with both back-pay and offers of
25 reinstatement, the courts had intermediary

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 decisions, interim decisions that supported the
3 law. The law has been supported wherever it's
4 been contested, and I am confident that if the law
5 were passed here, it would meet whatever concerns
6 the courts would have and would be supported here
7 by the courts as well.

8 Turning to the specific provisions of
9 the law in front of you, I'll just address a few
10 points in terms of the law. First, the law very
11 simply sets forth the obligations of all parties.
12 There's nothing vague here. Everyone is on notice
13 of what they have to do. It's the cost of doing
14 business, it's the expectation. People coming
15 into the city, contractors coming into the city
16 know well what they have to do. This is what was
17 true in D.C. The law has been in place since 1994
18 and runs smoothly there. It's in place in San
19 Francisco, I understand there's a similar one in
20 Los Angeles. There are proposals throughout the
21 country for similar legislation.

22 Second, the law is carefully limited to
23 address the real concern, avoiding unnecessary
24 displacement and nonemployment without unduly
25 limiting the right of contractors to manage their

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 business. The contractor is not required to hire
3 any more workers than they need; the bill doesn't
4 mandate that they pay certain wages, benefits, or
5 other working conditions; and the 90-day retention
6 period follows what most employers have in terms
7 of a probationary period.

8 What this bill will provide is a chance
9 for a hired worker to be fairly evaluated on the
10 basis of the actual work they perform, to have
11 notice, to know and be able to prepare in case
12 they are going to be displaced, and to have that
13 90-day period. And as the earlier speaker said,
14 ninety days, that's all we're asking. But also to
15 give that worker a fair chance to be evaluated by
16 the new employer. And a fair chance is all that
17 the law requires.

18 Third, the enforcement mechanism on
19 this bill really is straightforward. It allows
20 for a private right of action, it means the
21 employees who are the most directly affected are
22 the ones who can go into court and get enforcement
23 of the law. It's the same way we've done it in
24 D.C., it's worked effectively there. It's the
25 same way that it exists in L.A. and in San

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 Francisco.

3 The further provision, conditioning
4 business privilege license on compliance with the
5 law, also doesn't serve to cause any undue
6 hardship either to the employer or to the City.
7 Certainly any employer that seeks to obtain a
8 business license should be expected to comply with
9 all laws. And the City should expect no less.
10 It's simply a matter of requiring the employer to
11 certify it's intent to fully comply with the law
12 when seeking to obtain or renew a business
13 license. If the employer lies in this regard, it
14 should be held accountable. On your side, all you
15 need to do is create a certification system, and
16 the City presumably already has administered a
17 mechanism in place that would allow for the review
18 of denials or revocation, so it's not creating a
19 new mechanism. This really is a very simple way
20 of forcing the law.

21 In closing, I would urge you to adopt
22 this bill since it's the only way to effectively
23 give contract service workers throughout the City
24 some minimal assurance and measure of protection
25 and job stability in what is otherwise a highly

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 volatile industry.

3 Thank you.

4 COUNCILMAN CLARKE: Thank you.

5 (Applause.)

6 MS. BURGER: Good afternoon. My name is
7 Anna Burger. I'm the Executive Vice President of
8 the Eastern Region for Service Employees
9 International Union. And I want to thank you for
10 this opportunity to testify. I'd like to also
11 thank you for bringing me back home to my
12 birthplace in Philadelphia.

13 I actually signed a card in 1972 as a
14 local union member of SEIU Local 668, and it was
15 kind of where Philadelphia became my -- came was
16 where the union became a way of life. There are a
17 number of SEIU locals here in support of Local 36
18 today because we believe that it is important for
19 to us support our sisters and brothers, the lowest
20 wage workers in our society.

21 I'd like to thank you, Chairman Clarke,
22 or Councilman Clark, as the chair of the
23 committee, and Councilman Angel Ortiz, as the Vice
24 Chair, and all the committee members, for the
25 support and clearly for your commitment and your

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 understanding of the issues. That's been very
3 clear as I've sat here and watched your
4 questioning of the witnesses and your involvement
5 today.

6 On behalf of the 1.3 million members
7 that SEIU represents in the United States, Canada,
8 and Puerto Rico, we are here to support this. We
9 are a very diverse union. We represent health-
10 care workers, public workers, social workers,
11 office workers, utility workers, and building
12 service workers.

13 Our charter union members, the people
14 who founded our union, were flat janitors in
15 Chicago. It was they who began our union 80 years
16 ago. They worked 12 hours a day, they earned \$10
17 a week. They were immigrants, they were people of
18 color, they were women. They needed a union and
19 they built ours.

20 The world has changed since then and
21 employer tactics have changed since then, but
22 after listening to the employer testimony before,
23 it seems that employer greed has not changed since
24 then.

25 We're here in Philadelphia, 14,000 SEIU

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 members, to support this. We believe that the
3 4500 building service workers in this city, the
4 janitors, have some of the toughest jobs and some
5 of the toughest working conditions in our country.
6 They suffer the fourth highest injury rate in the
7 United States, higher than laborers and factory
8 workers. They are routinely required to use
9 dangerous equipment with improper training, they
10 are exposed to asbestos, hazardous chemicals, and
11 blood-borne diseases is commonplace.

12 In addition janitors' jobs, as you've
13 heard, are precarious. Most cleaning contractors
14 have a 30-day cancellation clause. It's simply a
15 matter of an owner deciding to switch a contract
16 because of a cheaper deal usually. And think
17 about the implication for the worker. You've
18 heard their pain and their suffering. They lose
19 their job, they lose their health care, they lose
20 their benefits, they lose their dignity.

21 Now, in normal situations, if a manager
22 gets fired, the workers below them don't get
23 hired. It's only in this odd situation with
24 cleaning contractors.

25 There are workers who have long,

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108
2 excellent records of doing a good job, who have
3 relationships with their tenants and their tenants
4 depend on them, and they're forced on unemployment
5 or welfare through no fault of own. And that's
6 why I'm here today, to support the Displaced
7 Workers Protection Act of Philadelphia. It will
8 only provide contractor services for workers in
9 health care, food and beverage services, and
10 building maintenance services, with just a little
11 measure of security protection. We are not
12 talking about legislating socialism; we are
13 talking about a basic, simple measure of security
14 and protection.

15 As Diana said, similar laws were passed
16 in Washington. D.C. in 1994 and in San Francisco
17 in 1998. I now live in Washington D.C., in the
18 District itself, and I am proud of that city as
19 well. But come to Washington. D.C. There has not
20 been an impact on the real estate boom in that
21 city; it's doing better than ever before. And I
22 believe that the Philadelphia economic boom will
23 continue here as well.

24 Now, additionally, President Clinton
25 signed an executive order in 1994 requiring

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 federal agencies to place a provision in their
3 federal service contracts requiring successor
4 contractors to offer employment to the workers
5 employed by the private contractor. These
6 examples illustrate the principle of workplace
7 fairness, which is the essence of this bill that
8 we're talking about today.

9 This bill just requires building
10 maintenance and food service companies that win a
11 new contract to keep the employees of the outgoing
12 contractor for a probationary period of ninety
13 days. The incoming contractor is not required to
14 retain more employees than it needs, and it may
15 refuse to retain or it may discharge employers for
16 cause.

17 This is not an issue about free
18 enterprise or government regulation or socialism.
19 Buildings need to be cleaned. It requires 4500
20 workers to keep the buildings clean in
21 Philadelphia. This issue is about justice and
22 fair treatment for thousands of workers who help
23 to keep our city clean.

24 In this economic boom, in this
25 real-estate market, where CEOs are now making 400

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 times what an average worker gets paid, it's not
3 overly burdensome to give workers ninety days of
4 security to the nation's lowest paid, hardest
5 working employees. Why should these workers
6 alone, among other workers, lose their lifeline of
7 wages and health-care benefits just because a
8 building owner switches contractors?

9 Today you're heard from workers, you've
10 heard their experiences, you've heard their pains,
11 you've heard what it does when they're displaced.
12 You've heard from tenants. I know that you've
13 listened to them, I know that you believe their
14 stories and you feel their pain. This is the
15 story of janitors who work 24 hours a day, making
16 sure that downtown buildings are clean and
17 sanitary. They work oftentimes when many of us
18 are at home with our families, they scrub floors
19 and toilets, they polish brass, they clean
20 windows, they empty trash, they dust, they
21 vacuum. They build up a relationship and re
22 trusted by their tenants. It is only right that
23 they should enjoy the peace of mind that they will
24 not be terminated simply because the company they
25 work for loses a contract.

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 The passage of the Displaced Worker
3 Protection bill will be good for workers and it
4 will be good for Philadelphia and it will be good
5 for all of our families. The act reduces
6 unnecessary stress in the City's unemployment
7 services and eliminates the economic and
8 psychological harm done to workers terminated
9 through displacement.

10 On behalf of the entire membership, our
11 1.3 million members across the country, we urge
12 you to pass this important legislation. We think
13 that it would be good for all of us.

14 Thank you.

15 (Applause.)

16 COUNCILMAN CLARKE: Thank you.

17 I have a couple questions for Miss
18 Ceresi. You made reference to the D.C. bill on
19 several occasions. Can you answer a question
20 about the number the employees in the D.C. bill?
21 I understand it applies to companies with more
22 than 25 employees. And why was that number 25?
23 In addition, there appears to be no up-front
24 penalty, a financial penalty imposed on the
25 violation of that ordinance in D.C. Can you tell

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 me why that's in place?.

3 MS. CERESI: I don't recall the 25 and

4 I need to look at that. I'm not sure how it was

5 that it came about to be 25. I know that there

6 was an earlier bill that applied to D.C.

7 government services, and it may have come out of

8 that bill and then just been adopted out from that

9 when they adopted it more broadly to apply to all

10 services. But I could get you an answer on that.

11 COUNCILMAN CLARKE: Yeah, because

12 that's substantially different than what we're

13 doing here in Philadelphia.

14 MS. CERESI: I can tell you that there

15 are a lot of buildings, though, that don't have

16 25, and that what you're talking about, you're

17 still talking about individual lives that are put

18 into jeopardy, individuals, and most of these

19 employers have more than 25 --

20 COUNCILMAN CLARKE: That's fine. You

21 made the reference to D.C. and that's why I asked

22 the question.

23 MS. CERESI: Right, okay. And the

24 penalty provision, why don't we have it in there?

25 COUNCILMAN CLARKE: Why did D.C. opt

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 not to put an up-front financial penalty on
3 violation of --

4 MS. CERESI: I don't it was think
5 brought to their attention, quite honestly. You
6 need to understand that D.C. was the first one to
7 start the bill and SEIU was very much in support
8 of the bill in D.C. It was probably one of the
9 first ones in the country. We're learning as
10 we're going.

11 I can give you a reason why that
12 penalty is important, and that is that the two
13 lawsuits that I brought, while we were successful
14 in them, one took a year and a half and the other
15 one took a year to get to a conclusion.
16 Meanwhile, there were people out on the streets
17 who had lost their jobs, who had nothing during
18 that period of time.

19 We need to make it a strong enough bill
20 that people arenot going to take it as a cost of
21 doing business to violate it and then pay it
22 letter. You need to have those provisions in
23 there. I think both the penalty provision and the
24 license provision are important ones for the City
25 to maintain.

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 COUNCILMAN ORTIZ: If I may, Mr.
3 Chairman. The aspect between the D.C. and
4 Philadelphia is that in D.C., the individual
5 worker has a private right of action. In
6 Pennsylvania, that is not -- it is prohibited in
7 Pennsylvania. And that's basically the
8 difference. If you have a private right of
9 action, you really can sue for damages and so on.
10 And so the penalty for violation of the contract
11 can be much broader than that \$300 fine.

12 COUNCILMAN CLARKE: Yeah, all right.

13 MS. CERESI: It's in the bill that you
14 have before you.

15 COUNCILMAN CLARKE: Yeah.

16 MS. CERESI: And I think that that is
17 important, I think it's important to get the
18 back-pay for the workers when they are injured,
19 you know, when their rights have been violated. I
20 think it's important that you get that. It's
21 important to get reinstatement.

22 I will tell you, one of the cases, the
23 one that took a year and a half, in that year and
24 a half, the contractor had been switched again.
25 So getting reinstatement was a real problem

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 because it was -- the contractor who hadn't hired
3 him had already been taken out, and then it was
4 trying to get them back into jobs with a new
5 contractor entirely, who had not been responsible
6 for the earlier violation. So you need to have a
7 strong enough mechanism in there to keep people
8 from doing this.

9 There will be employers who will do it.
10 There will be building owners who will try to get
11 around it by not giving notice, and there will be
12 building contractors who will -- you know, in one
13 case, it involved a snowstorm and they said they
14 should have come in and applied again as new hires
15 on a snowstorm day and because they didn't get
16 there, they lost their jobs. You need to have a
17 strong enough reinforcement mechanism in addition
18 to the right of private action, and that's the one
19 thing we did learn out of D.C., was that without
20 it, you end up with a year and a half --

21 COUNCILMAN ORTIZ: So let me say that I
22 misspoke. What we have is a City Solicitor's
23 opinion really that says we might not be able to
24 put in a private right of action. That's -- but
25 we have in other cases and it has not been

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108
2 overturned or challenged. The court supported it,
3 even though the City Solicitor did not consider
4 it.

5 MS. CERESI: Great. Well, I have to
6 admit that I don't know the state law in terms of
7 your charter and what you can do, but certainly,
8 private right of action is certainly something
9 that can be put into laws on a broad basis.

10 COUNCILMAN ORTIZ: But that's the basic
11 reason, in essence, why one penalty against the
12 other, just in case.

13 MS. CERESI: Well, it's not just in
14 case. It's really that you need both of them
15 there, both to make the employees whole and to
16 make sure that there's an additional leverage.

17 COUNCILMAN ORTIZ: Thank you.

18 COUNCILMAN CLARKE: Any other questions
19 or questions for the panel?

20 (No further questions.)

21 COUNCILMAN CLARKE: Thank you very
22 much.

23 (Applause.)

24 COUNCILMAN CLARKE: Is there anyone
25 else to testify on this bill today?

1 3/30/00 LABOR & CIVIL SERVICE - BILL 000108

2 (No response.)

3 COUNCILMAN CLARKE: Seeing none, the
4 committee shall stand in recess till the call of
5 the Chair. The committee stands in recess until
6 April 12th, at 1 o'clock.

7 (Adjourned at 2:45 p.m.)

8 - - -

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing
proceedings of the Council of the City of
Philadelphia of Thursday, March 30, 2000, were
reported fully and accurately by me, and that this
is a correct transcript of same.

RE: COUNCIL COMMITTEE ON LABOR AND CIVIL SERVICE
BILL NO. 000108

_____,
JOSEPHINE CARDILLO,
Registered Professional Reporter