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COUNCIL OF THE CITY OF PHILADELPHIA

COMMITTEE ON LAW AND GOVERNMENT

- - -

Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, May 5, 2010
10:15 a.m.

- - -

PRESENT:

COUNCILMAN WILLIAM GREENLEE, CHAIR
COUNCILMAN FRANK DiCICCO
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN JACK KELLY
COUNCILMAN JAMES F. KENNEY

BILLS 090580, 100080 and 100081
RESOLUTIONS 090610 and 100088

- - -

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2

COUNCILMAN GREENLEE: Good

3

morning, everyone. This is the Committee

4

on Law and Government. For the record,

5

we have a quorum with Councilman Kenney,

6

the Vice-Chair of the Committee,

7

Councilman Goode, Councilman DiCicco and

8

myself.

9

For the record, I want to

10

announce that at the request of the

11

sponsor, Bill Nos. 100080 and 100081 and

12

Resolution 100088 are all going to be

13

continued until Wednesday, June 2nd at

14

10:00 a.m.

15

Ms. Marconi, will you please

16

read the bill and resolution we'll be

17

hearing today.

18

THE CLERK: Bill No. 090580, an

19

ordinance providing for the submission to

20

the qualified electors of the City of

21

Philadelphia of the proposal set forth in

22

a Resolution approved by Council

23

proposing an amendment of the

24

Philadelphia Home Rule Charter confirming

25

Council's power to enact ordinances that

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 (i) require the City, City contractors
3 and recipients of City financial
4 assistance to provide their employees a
5 minimum level of pay and benefits, and/or
6 that require certain or all City
7 contracts to include provisions mandating
8 compliance with such a requirement; and
9 (ii) provide remedies for violations,
10 including debarment from doing business
11 with the City or receiving financial
12 assistance for a specified period of
13 time; and authorizing Council to specify
14 procedures for such debarment by
15 conferring powers and duties on existing
16 City agencies, including Council, or by
17 creating new agencies for such purposes;
18 and authorizing the appropriate officers
19 to publish notice and to make
20 arrangements for the special election.

21 COUNCILMAN GREENLEE: Read the
22 resolution, too.

23 THE CLERK: Resolution 090610,
24 resolution proposing an amendment to the
25 Philadelphia Home Rule Charter confirming

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 Council's power to enact ordinance that
3 (i) require the City, City contractors
4 and recipients of City financial
5 assistance to provide their employees a
6 minimum level of pay and benefits, and/or
7 that require certain or all City
8 contracts to include provisions mandating
9 compliance with such a requirement; and
10 (ii) provide remedies for violations,
11 including debarment from doing business
12 with the City or receiving City financial
13 assistance for a specified period of
14 time; and authorizing Council to specify
15 procedures for such debarments by
16 conferring powers and duties on existing
17 City agencies, including Council, or by
18 creating new agencies for such purposes;
19 and providing for the submission of the
20 amendment of the electors of
21 Philadelphia.

22 COUNCILMAN GREENLEE: Thank
23 you. Thank you very much.

24 First of all, any statement by
25 members of the Committee?

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 (No response.)

3 COUNCILMAN GREENLEE: Seeing
4 none, the first witness, the
5 Administration, Mr. Armbrister.

6 Good morning.

7 (Witness approached witness
8 table.)

9 COUNCILMAN GREENLEE: Please
10 proceed.

11 MR. ARMBRISTER: Good morning,
12 Chairman Greenlee and members of the
13 Committee. It is morning. My name is
14 Clarence Armbrister. I'm Chief of Staff
15 to Mayor Michael Nutter, and I'm here
16 today to testify on behalf of the Nutter
17 Administration on Bill No. 090580 and
18 Resolution No. 090610, which together
19 constitute a proposed change to the
20 City's Home Rule Charter.

21 First, let me say that Mayor
22 Nutter shares many of the concerns
23 addressed by the proposed legislation and
24 we commend Councilman Goode for his
25 efforts in connection with trying to

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 secure for employees of entities that do
3 business with the City a fair and decent
4 wage. State and federal minimum wage
5 requirements have for far too long been
6 simply inadequate. We agree that it is
7 important that the City stand up for
8 workers at the low-income spectrum of the
9 workforce.

10 We do have a few concerns about
11 the legislation that I would like to
12 address. The first relates to one
13 specific aspect of how the draft might be
14 read to apply to City workers. The
15 second relates to the financial impact of
16 this proposal with respect to City
17 contractors.

18 In 2005, the Council adopted
19 the 21st Century Minimum Wage ordinance,
20 which set forth requirements in The
21 Philadelphia Code for the payment of a
22 local minimum wage in certain instances.

23 The ordinance requires the City
24 to pay all City employees 150 percent of
25 the federal minimum wage. One hundred

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 and fifty percent of the federal minimum
3 wage constitutes the City's minimum wage.
4 Currently, the federal minimum wage is
5 \$7.25 per hour, and the City's minimum
6 wage is, therefore, \$10.88 per hour.

7 The ordinance also requires the
8 City to include, in certain City service
9 contracts and certain other agreements
10 such as leases, a requirement that the
11 contractor or lessee pay certain of its
12 employees the City minimum wage. For
13 example, the ordinance requires that
14 non-profit entities that have more than
15 five employees and that have service
16 contracts with the City for more than
17 \$100,000 in a 12-month period must pay
18 its employees who do work in connection
19 with such contracts at least the City
20 minimum wage. In addition, the ordinance
21 requires that if the entity provides
22 health benefits to any of its employees,
23 it must provide to all of its full-time,
24 year-round workers the minimum level of
25 health benefits it provides to any of its

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 employees. Contracts subject to the
3 ordinance must include those minimum wage
4 and minimum benefits requirements.

5 Around the time of the adoption
6 of the ordinance, the City Solicitor
7 provided a legal opinion stating that, in
8 his opinion, Council has the legal
9 authority under the Charter to mandate
10 that the Administration implement parts
11 of the ordinance, but not the authority
12 to require implementation of other parts
13 of it.

14 More specifically, the
15 Solicitor opined that Council does not
16 have the power to set pay and benefit
17 rates for City employees, except for
18 certain high-level officials like
19 department heads, with respect to whom
20 the Charter explicitly grants
21 salary-making authority. The Charter's
22 delegation to the executive and the
23 administrative branch to set pay rates is
24 quite explicit in the Charter. This
25 makes sense, as determining rates of pay

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 is part and parcel of the Mayor's role in
3 determining how to spend money in budgets
4 approved by City Council.

5 With respect to the ordinance's
6 requirements applicable to City
7 contractors, the Solicitor has determined
8 that the parts of the ordinance
9 applicable to contracts subject to the
10 Charter's lowest responsible bidder
11 requirements are enforceable, as are the
12 parts applicable to contracts approved by
13 Council. The parts setting forth
14 requirements applicable to professional
15 service contracts, however, are not.

16 This Charter change proposal
17 would significantly alter the Charter in
18 this respect. It would establish that
19 Council has the authority to set a
20 minimum pay rate and a minimum level of
21 benefits for City employees. It would
22 also establish that Council has the
23 authority to set a minimum level of pay
24 and a minimum level of benefits for the
25 employees of anyone who contracts with

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 the City. These represent significant
3 changes in the structure of our
4 government.

5 I will now address our concerns
6 with the legislation.

7 We are in agreement that all of
8 our full-time City employees should be
9 paid a decent wage. Based on an analysis
10 performed several years ago, when the
11 City was not fully implementing the terms
12 of the ordinance with respect to City
13 employees, it was estimated that doing so
14 would cost approximately an additional \$2
15 million per year. This cost was due to
16 the need to increase the pay of largely
17 seasonal employees in the Recreation
18 Department and Fairmount Park.
19 Subsequent to that analysis, the City
20 increased the pay for those positions in
21 accordance with the terms of the
22 ordinance. Accordingly, all City
23 employees, including seasonal employees,
24 now receive at least the \$10.88 minimum
25 wage required in the ordinance.

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 So based on the current terms
3 of the Minimum Wage ordinance, adoption
4 of the Charter change, which would give
5 Council the authority to mandate the
6 minimum wage requirements for City
7 employees, the ordinance would have no
8 immediate financial impact in connection
9 with City employees.

10 We have been advised by the Law
11 Department, however, that the Charter
12 proposal is ambiguous as to whether it
13 would permit Council to not only set a
14 single minimum wage applicable to all
15 City employees, but also to set varying
16 levels of minimum pay for different
17 classes of employees. For example, it is
18 unclear whether Council could set the
19 minimum pay for laborers in the Streets
20 Department or the minimum pay of Police
21 Sergeants or of all Parks and Recreation
22 Department employees.

23 In our view, a Charter change
24 allowing Council such authority would
25 simply go too far. When the framers of

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 our City Charter wrote its provisions
3 regarding who would establish the pay
4 levels of City workers, they very
5 consciously decided to centralize
6 authority for determining the level of
7 pay of virtually all City workers in the
8 executive and administrative branch. The
9 reason for this was accountability.

10 Currently, the determination of
11 the wage and benefits levels is primarily
12 a function of collective bargaining
13 between the City Administration and the
14 four unions who represent the vast
15 majority of our City employees. The
16 levels of pay of City employees
17 established in contract negotiations is
18 one of the most public aspects of policy
19 making by City officials. Accountability
20 for such decision-making is vested almost
21 exclusively in the Mayor. If he or she
22 makes decisions that the public does not
23 like, the public knows who to blame.

24 If Council had the authority to
25 set minimum wage and benefit levels for

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 different classes of City employees, this
3 would make accountability for these
4 decisions more diffuse. The Mayor would
5 still have some authority in this area in
6 the negotiation of collective bargaining
7 agreements and Council would have a
8 significant role in setting minimum wage
9 levels. Diffusion of responsibility for
10 these types of decisions is precisely
11 what the drafters of the Charter were
12 trying to avoid by centralizing decisions
13 on City spending.

14 If Council has the authority to
15 set minimum levels of pay and minimum
16 levels of benefits, there will be
17 enormous pressure on Council from the
18 City unions and indeed from individual
19 employees to increase levels of pay. We
20 expect that members of Council, who have
21 often advised us that they choose to
22 remain neutral during collective
23 bargaining negotiations, would prefer not
24 to have the authority to establish
25 minimum levels of pay by class of City

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 employee.

3 Accordingly, the Administration
4 would like to offer an amendment to
5 clarify that Council's powers with
6 respect to the pay of City employees
7 would be limited to establishing a single
8 minimum level of pay and benefits and not
9 varying levels of pay by class of
10 employee.

11 We also have concerns about the
12 Charter change insofar as it would grant
13 Council the authority to establish
14 minimum wage and benefit requirements for
15 City professional service contractors.
16 Our concern here is fundamentally one of
17 financial constraints.

18 Full implementation of the
19 current minimum wage requirements of the
20 ordinance in connection with City
21 professional services would present a
22 significant financial challenge at a time
23 when we simply do not have a lot of
24 flexibility in determining how to spend
25 our funds.

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 Based on an analysis performed
3 several years ago and a more recent
4 analysis performed since we received
5 notice of this hearing, we estimate that
6 full implementation of the provisions of
7 the ordinance in connection with social
8 service contracts would require an
9 increase in costs of approximately \$9
10 million per year, or \$45 million over the
11 life of our Five Year Plan, to cover
12 increases in pay alone. We have not yet
13 determined what increase in costs might
14 result from the requirement that all
15 employees of the contractor be provided
16 health benefits at the minimum level of
17 benefits provided to other employees of
18 the entity.

19 These costs would be borne
20 almost entirely in the area of contracts
21 with providers of behavioral health and
22 mental retardation services. These are
23 services funded almost entirely by funds
24 from the Commonwealth. The services are
25 also generally provided as entitlements

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 to the recipients of the services and,
3 therefore, cannot be reduced by the City
4 to reduce costs. The City almost
5 certainly would not be able to look to
6 the State to fund the services at a
7 higher rate based on the City's own
8 requirement that the pay and benefit of
9 some employees of the contractor be
10 increased to the amount of the City's
11 minimum wage and benefit requirements.

12 Accordingly, full
13 implementation of the minimum wage
14 requirements now, as we are working so
15 hard to fill our current budget deficit
16 and balance our budgets going forward,
17 could cause significant financial
18 hardship to the City. As I said at the
19 beginning of my testimony, we commend
20 Councilman Goode for his leadership in
21 this area, and during our time of greater
22 financial security, we would not hesitate
23 to wholeheartedly support implementation
24 of the measure. At this moment, we can
25 only say that if the measure is adopted,

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 we will have to work carefully to ensure
3 that implementation does not
4 significantly harm our financial
5 situation going forward.

6 That concludes my testimony. I
7 would be happy to answer any questions.

8 COUNCILMAN GREENLEE: Thank
9 you, Mr. Armbrister.

10 Maybe I could just ask one, and
11 it's a general question. I think this
12 came up at another hearing about a year
13 ago. And certainly we all understand,
14 because it's that time of year, about
15 budget restraints and all, but is it
16 really -- and I think fairness always has
17 to come into here somewhere, and I know
18 you said you will work with Councilman
19 Goode on this, but is it really fair that
20 we have employees that maybe they work
21 for a contractor but they're still --
22 it's connected with the City that have
23 such minimal benefits in pay? I mean, is
24 that really -- that's just the fair
25 process. I understand the financial

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 restraints, but we also have to mix

3 fairness in here, don't we?

4 MR. ARMBRISTER: Well, yeah.

5 Fairness -- and I don't want to parse

6 this. Certainly the Mayor shares the

7 concern, and I expressed that at the

8 beginning of the testimony, and I think

9 about this time last year he expressed

10 some of the concern about the situations

11 and basically have advised us that where

12 we can, we should try to encourage those

13 with whom we contract to make sure they

14 pay decent and fair wages.

15 Now, the reality is, though,

16 that oftentimes they have the privity of

17 a relationship with their own employees

18 and we are not at the table as it relates

19 to the negotiations with their own

20 employee. So to the extent that we can,

21 we can try to influence them.

22 The Mayor is certainly aware of

23 that. He wants to be helpful in that,

24 but we just want to make sure that people

25 recognize that there is going to be a

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 cost to that, and we're prepared to try
3 to work with Council, work with our
4 contractors to make sure that we can, to
5 the extent that we're not involved in the
6 negotiations with them, try to make sure
7 that we maintain those costs.

8 COUNCILMAN GREENLEE: And I
9 understand that, and I appreciate that.
10 Again, just to wrap up -- I know
11 Councilman Goode probably has questions
12 or comments, but I think we also have to
13 recognize the situation those workers are
14 in, too.

15 MR. ARMBRISTER: I appreciate
16 that.

17 COUNCILMAN GREENLEE: I think
18 we have to balance all that out.

19 MR. ARMBRISTER: I appreciate
20 that.

21 COUNCILMAN GREENLEE: Thank
22 you, sir.

23 Councilman Goode.

24 COUNCILMAN GOODE: Thank you,
25 Mr. Chairman.

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 Good morning, Mr. Armbrister.

3 MR. ARMBRISTER: Good morning.

4 COUNCILMAN GOODE: Thank you
5 for your testimony. The amendment to the
6 Charter resolution is acceptable to me.
7 I have no problems with it.

8 MR. ARMBRISTER: I appreciate
9 it.

10 COUNCILMAN GOODE: The
11 legislative intent was never to create
12 more than a single minimum wage standard,
13 definitely not per class of City
14 employee. But I do have a few questions
15 for the record regarding The Philadelphia
16 Code, some of which you addressed in your
17 testimony, but I would like to create a
18 difference of context for it.

19 The first is, wasn't my
20 legislative intent clear that the wage
21 and benefit standard should be applied to
22 non-competitive bid and professional
23 service contracts?

24 MR. ARMBRISTER: I'm sorry. I
25 didn't hear --

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 COUNCILMAN GOODE: I said
3 wasn't my legislative intent clear that
4 the minimum wage and benefits standard
5 should be applied to non-competitively
6 bid and professional service contracts?
7 In other words, when the bill was signed
8 into law and as the new Administration
9 came in and an amendment was signed into
10 law, wasn't it clear at that point that
11 my legislative intent was that it be
12 applied to non-competitively bid and
13 professional service contracts?

14 MR. ARMBRISTER: That it was
15 your intent? I think that's probably
16 correct, yes.

17 COUNCILMAN GOODE: But it was
18 not applied to those contracts?

19 MR. ARMBRISTER: I think in
20 certain instances, it has not been,
21 right.

22 COUNCILMAN GOODE: And because
23 that provision is within the bill and its
24 amendments were considered to be not
25 legally enforceable?

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 MR. ARMBRISTER: I think the
3 Solicitor had opined that they were
4 beyond the authority of the Council at
5 that time.

6 COUNCILMAN GOODE: So how long
7 have the wage and benefit standards been
8 applied to competitively bid contracts?

9 MR. ARMBRISTER: I think since
10 shortly after the ordinance was put into
11 effect.

12 COUNCILMAN GOODE: Actually, it
13 took two or three years --

14 MR. ARMBRISTER: Okay.

15 COUNCILMAN GOODE: -- to get
16 the Street Administration to actually
17 implement the ordinance.

18 And you mention this in your
19 testimony but again for the record, what
20 has the financial impact on the City been
21 for that contract provision?

22 MR. ARMBRISTER: We're getting
23 the information, but we think at a
24 minimum, I think in my testimony I think
25 it said it was a couple of million

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 dollars was calculated at that time and
3 primarily as it relates to City employees
4 and the seasonal workers.

5 COUNCILMAN GOODE: I was
6 referring more to the competitively bid
7 contracts, not the City --

8 MR. ARMBRISTER: Oh, the
9 competitive. I don't know. We're going
10 to try to get that information.

11 COUNCILMAN GOODE: So as far as
12 we know, there's been no financial impact
13 whatsoever with regard to competitively
14 bid contracts?

15 MR. ARMBRISTER: I'm not aware
16 of any, but we can check.

17 COUNCILMAN GOODE: If the wage
18 and benefits standard had been applied to
19 non-competitively bid contracts and
20 professional service contracts, then we
21 would already know what the financial
22 cost would be; is that true?

23 MR. ARMBRISTER: That's
24 probably correct.

25 COUNCILMAN GOODE: Okay. There

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 are provisions within The Philadelphia
3 Code already within the original
4 resolution that allow for waivers?

5 MR. ARMBRISTER: That is
6 correct. That's my understanding.

7 COUNCILMAN GOODE: And
8 exemptions.

9 MR. ARMBRISTER: That is
10 correct.

11 COUNCILMAN GOODE: Exemptions
12 as it relates to State and federal law
13 and the waivers as it relates to hardship
14 cases.

15 MR. ARMBRISTER: That is
16 correct.

17 COUNCILMAN GOODE: So the
18 Administration can in fact control the
19 financial impact through the waiver
20 process, if necessary?

21 MR. ARMBRISTER: That is
22 correct, and I think previous
23 Administrations have done that.

24 COUNCILMAN GOODE: So, in fact,
25 there should not be a concern about a

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 financial impact because you essentially,
3 as you put the provision within the
4 competitively bid contracts, if you're
5 putting out requests for proposals for
6 non-competitively bid contracts and
7 professional service contracts, you can
8 in fact put that minimum wage and benefit
9 requirement within there with the waiver
10 provisions as well?

11 MR. ARMBRISTER: That would be
12 within the Administration's control,
13 that's correct.

14 COUNCILMAN GOODE: So it's a
15 manageable situation.

16 And without a Charter
17 amendment, though, there would continue
18 to be pretty much a blanket waiver as it
19 applies?

20 MR. ARMBRISTER: Well, I'm not
21 sure it's been a blanket waiver, but I
22 know --

23 COUNCILMAN GOODE: Does the
24 minimum wage and benefit provision exist
25 in all RFPs?

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 MR. ARMBRISTER: I don't know
3 that it does and I would guess that it
4 may not.

5 COUNCILMAN GOODE: If it does
6 not exist in over 90 percent of RFPs,
7 then it's pretty much a blanket waiver.

8 MR. ARMBRISTER: But I'm not
9 going to concede the factual point, but
10 certainly the premise might be correct.

11 COUNCILMAN GOODE: So let's
12 just agree that without the Charter
13 provision, there could be conceivably a
14 blanket waiver, but, more importantly,
15 that a case-by-case waiver is the more
16 appropriate way to do it than a blanket
17 waiver?

18 MR. ARMBRISTER: That certainly
19 is a way that we can manage it,
20 Councilman.

21 COUNCILMAN GOODE: Thank you,
22 Mr. Chairman.

23 COUNCILMAN GREENLEE: Thank
24 you, Councilman.

25 Any other questions?

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 (No response.)

3 COUNCILMAN GREENLEE: Thank
4 you, Mr. Armbrister, for your testimony.

5 MR. ARMBRISTER: You're
6 welcome. Have we offered up the
7 amendment?

8 COUNCILMAN GREENLEE: We have
9 it already. So it will be offered at the
10 meeting. Thank you.

11 The next witnesses on my list
12 are Service Employees International
13 Union, SEIU.

14 (Witnesses approached witness
15 table.)

16 COUNCILMAN GREENLEE: Good
17 morning.

18 MS. TRAYHAMN: Good morning.

19 COUNCILMAN GREENLEE: Natalia,
20 you're a veteran at this. I guess you
21 should start. Please identify yourself
22 for the record and you can proceed. And
23 is it Ms. Trayhamn?

24 MS. TRAYHAMN: Trayhamn, yes.

25 COUNCILMAN GREENLEE: We have

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 your testimony, too.

3 MS. TRAYHAMN: Okay.

4 Hello. My name is Audra
5 Trayhamn. I'm a Member Leader for SEIU
6 Local 32BJ. Our union represents over
7 120,000 janitors, building engineers,
8 security guards and food service workers
9 across the eastern seaboard, 16,000 in
10 the State of Pennsylvania, 8,000 of whom
11 live and work in the City of
12 Philadelphia.

13 Throughout the years, our union
14 has worked tirelessly to ensure that
15 workers like myself earn the type of
16 wages we need to take care of ourselves
17 and our family, that we have the type of
18 benefits that will protect the health of
19 our children and that our rights are
20 protected at our jobs. But 32BJ
21 understands that we are more than just
22 union members. We are also tax-paying
23 citizens of the City of Philadelphia,
24 residents of its many neighborhoods and
25 that our needs go way beyond just those

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 of the workplace. It is just those
3 reasons we have engaged in fights on
4 issues such as transit fare hikes and
5 inclusionary housing.

6 Those campaigns were never
7 easy, and while we have had some great
8 wins, we have also had our losses, but
9 regardless of the outcome, the one thing
10 that remains true is that no matter the
11 campaign and no matter the issue, we have
12 always had the ability to speak to our
13 elected officials about our concerns.

14 I have on more than one
15 occasion sat down with City Council
16 members to talk about one campaign or
17 another. Sometimes those conversations
18 were good and sometimes they weren't. We
19 don't always agree, but it's the
20 opportunity to at least be able to have
21 those discussions to make everyday people
22 such as myself powerful in a democracy.
23 We are here today for the same reason, to
24 protect our ability to have a dialogue on
25 issues that matter the most to us.

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 I support Bill 090580 and
3 090610 because my tax dollars should not
4 go to pay people property wages and
5 undercut the standards that I fought so
6 hard for to win. These bills are
7 important to me as both a worker and a
8 taxpayer. Government should lead by
9 example. If my tax dollars are going to
10 be spent on development, I expect that
11 jobs created will be good jobs that pay a
12 decent wage and provide health benefits
13 to ensure that workers such as myself are
14 not being exploited and are able to take
15 home our fair share.

16 Yet as we have seen in the
17 past, particularly in cases of City
18 subcontractors work, even bills passed
19 with the best intentions if not enforced
20 become irrelevant, that the City Council
21 should have the power -- and already has
22 the responsibility -- to ensure that
23 legislation as passed is doing what it's
24 supposed to do once on the books. The
25 hard-working men and women of

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 Philadelphia need to know that the laws
3 that are passed are being implemented,
4 and as our elected officials, you are the
5 only ones we can turn to. Our ability to
6 work our concerns through this body
7 allows us not only to participate in the
8 democracy process of the City but also
9 protect our rights as workers.

10 Otherwise, who would we talk to? How
11 would my voice be heard? It is the body
12 that gives me the opportunity to make a
13 difference.

14 Thanks for giving me the
15 opportunity to testify today and for your
16 support on Bill 090580 and 090610.

17 COUNCILMAN GREENLEE: Thank you
18 for your testimony.

19 Any questions or comments?

20 Councilman Goode.

21 COUNCILMAN GOODE: Just thank
22 you for your testimony. I look forward
23 to working with you in the future and
24 moving forward. Thank you.

25 MS. TRAYHAMN: Thank you,

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 Councilman.

3 COUNCILMAN GOODE: Thank you.

4 Our next witness is

5 Philadelphia Security Officers Union.

6 Mr. Rodriguez, you're becoming
7 a veteran in this place.

8 (Witnesses approached witness
9 table.)

10 MR. RODRIGUEZ: I enjoy
11 spending time with you guys.

12 COUNCILMAN KENNEY: That's
13 scary.

14 COUNCILMAN GREENLEE: We might
15 have to start wondering about you now.

16 Please identify yourself for
17 the record and proceed.

18 MR. RODRIGUEZ: Thank you. My
19 name is Fabricio Rodriguez and I am the
20 Lead Coordinator for the Philadelphia
21 Security Officers Union. We represent
22 the 135 security officers at the
23 Philadelphia Museum of Art.

24 Seated next to me I'd like to
25 point out is Bernardo Dickerson, the

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 Vice-President of the Philadelphia

3 Security Officers Union.

4 Yesterday we testified about

5 the issues we're facing at the Museum. I

6 just wanted to clarify the relationship

7 between the City and the Museum to answer

8 some of the concerns I think Councilman

9 Goode brought up about subcontracts in

10 our City and waivers granted to some of

11 those subcontractors.

12 The Philadelphia City Council

13 created the Museum almost 100 years ago

14 with an act. And if you look at the

15 lease that the Museum has with the City,

16 it says that the City of Philadelphia is

17 responsible for the security of the

18 building, the upkeep and the maintenance,

19 and that the City is obligated to cover

20 those costs. The subcontractor, Allied

21 Barton, and the Museum of Art have been

22 able to make an argument -- I'm not sure

23 how -- that they're not a City-related

24 agency, and so so far, the Philadelphia

25 minimum wage is not being applied there.

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 Our members come into the Philadelphia
3 Museum of Art and start at \$9.54 an hour
4 with no benefits whatsoever. They top
5 out, some people working there for 35
6 years, they top out at \$10.03 per hour
7 with no benefits. So I just wanted to
8 put some context on that situation.

9 The Philadelphia Museum of Art
10 is our city's most iconic monument. It
11 is the face of our city. It is known the
12 world over for its renowned collections
13 and its groundbreaking exhibitions.
14 However, it's also a place of hardship
15 and poverty.

16 These ugly things are hidden
17 from public view, and the responsibility
18 for this suffering has been accepted so
19 far because of federal -- the
20 inadequacies of federal and state minimum
21 wage. They are masked by subcontracted
22 relationships and arrangements.

23 I don't think anyone from the
24 Mayor's Office was in Council when we
25 testified yesterday, and so for their

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 benefit, I want to briefly reiterate some
3 of the things that our members spoke
4 about.

5 Yesterday we had testimony from
6 Dyannita Bryant, Lashan Stewart and an
7 organizer, Eduardo Soriano. Dyannita
8 Bryant, who is a full-time worker at the
9 Museum of Art, spoke about how her
10 condition eczema, which is easily
11 controlled and cheap to control, still
12 debilitates her due to her low wages and
13 lack of healthcare. It puts her out of
14 work sometimes for more than a week at a
15 time. She has to count on getting her
16 medication from her relatives and her
17 neighbors who have the same condition and
18 them sharing out pills with her.

19 Lashan Stewart told us about
20 how she's paying -- how paying out of
21 pocket for healthcare has driven her deep
22 into debt.

23 We heard the story of Charles
24 Shaick, a man who has been guarding our
25 city's most precious cultural treasures

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 for the last 35 years and has to work
3 full time at the age of 79 to keep from
4 going hungry. Eduardo, our organizer who
5 met with him, told us a story about how a
6 tooth fell out of Charles Shaick's mouth
7 and bounced across the table during their
8 meeting. Charles cannot afford the
9 procedure to fix his teeth. He has to
10 have them periodically glued back into
11 his face.

12 The lives of good, hard-working
13 Philadelphians should not be this way.
14 City Council should have the power to
15 change this. You are the legislative
16 body closest to the people. You are, in
17 the pure sense, our representatives. You
18 are us. You come from our neighborhoods.
19 You know our problems.

20 But I and the members and
21 supporters of our union do not come here
22 today to ask for your sympathy. We come
23 to ask for your solidarity and offer ours
24 in return.

25 If passed, or finally I guess

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 sanctified, the Philadelphia minimum wage
3 bill will increase the wages for the
4 security guards at the Museum of Art by
5 at least \$2,375 per person per year.

6 That means more than \$320,000 flowing
7 into your districts from raising the
8 standards at one work site alone. That's
9 not even talking about the custodians in
10 the facility or the food service workers,
11 because we don't even know how badly
12 they're treated.

13 The healthcare provisions in
14 Councilman Goode's bill will have an
15 effect on -- will affect the lives of our
16 members in a way that's impossible to
17 estimate. We are certain that it would
18 save each of our members thousands of
19 dollars in out-of-pocket costs each year.

20 The increased wages and savings will be
21 enough to send a security guard's child
22 or a security guard to the Community
23 College of Philadelphia for a year.

24 That's what we're talking about here.

25 This will also lower our city's

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 costs for workers whose primary
3 healthcare is our health clinics and
4 emergency rooms. This will help reduce
5 our city's budget deficit.

6 The power to make that -- make
7 sure that Philadelphia businesses pay
8 their fair share should be your power.
9 We know that there's not clarity on
10 whether City Council should have that
11 power, but we came here today to offer
12 our support in making sure that you have
13 working people supporting you and
14 amending the Home Rule Charter.

15 Thank you.

16 COUNCILMAN GREENLEE: Thank
17 you, Mr. Rodriguez.

18 Councilman Goode.

19 COUNCILMAN GOODE: Thank you
20 for your testimony.

21 MR. RODRIGUEZ: Thank you.

22 COUNCILMAN GREENLEE:
23 Councilman Kelly.

24 I forgot to mention the
25 presence of Councilman Kelly.

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 COUNCILMAN KELLY: Thank you,
3 Mr. Chairman.

4 Mr. Rodriguez, one of the
5 things you forgot to mention in that, the
6 Art Museum is actually -- the building
7 itself is owned by the City of
8 Philadelphia.

9 MR. RODRIGUEZ: That's right.

10 COUNCILMAN KELLY: I just want
11 to ask you, did you receive any support
12 or what is the feelings of the Board of
13 the Art Museum?

14 MR. RODRIGUEZ: Thank you for
15 asking that, Councilman Kelly. I know
16 that Councilman Greenlee has led a lot of
17 discussions on the Board level. We
18 reached out to the Board and to the
19 leadership of the Museum several times
20 over the last three years. We haven't
21 had any direct discussions.

22 I would like to point out
23 you're right, the building is owned by
24 the Museum, which the Museum's budget
25 shows worth \$171 million. The City pays

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 the Museum's utilities, worth another 3.6
3 million, and they are slated to get
4 another 2.6 million as a direct
5 contribution. So they're pretty City
6 related, I would say.

7 COUNCILMAN KELLY: Yeah.

8 They've been cut over the years. They
9 actually should be over \$5 million.
10 That's what it was years ago, but they've
11 been cutting it ever since.

12 Thank you very much for your
13 testimony.

14 MR. RODRIGUEZ: Thank you,
15 Councilman Kelly.

16 COUNCILMAN GREENLEE: And just
17 for the record, Mr. Rodriguez, so
18 everybody knows, the latest on your
19 particular situation is, the NLRB ruled
20 in the union's favor that that was a fair
21 election, and I think recently Allied
22 Barton did at least go on record saying
23 that they are finally going to accept
24 reality, let me say that, and start
25 negotiating. I don't know if they've

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 actually done any of that yet, but they
3 did make that statement, if I'm correct,
4 right?

5 MR. RODRIGUEZ: That's correct,
6 Councilman Greenlee. We have set the
7 first date for negotiations, also passed
8 this prologue. We are still asking for
9 Council's support to make sure that they
10 actually want to make progress. So we
11 made a request that the allotment to the
12 Museum be moved to a 500 class grant so
13 that Council can monitor whether worker
14 improvements are actually being made
15 there, and we hope you'll support us on
16 that.

17 COUNCILMAN GREENLEE: Thank
18 you. And, again, thank you for all you
19 do, and the same with SEIU. For the
20 people who really need help a lot, you
21 guys work really hard, so we appreciate
22 it.

23 MR. RODRIGUEZ: Thank you,
24 Councilman.

25 COUNCILMAN GREENLEE: I have

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 one more person on my witness list,

3 Mr. William Arnold. Is he here?

4 Come to the table, identify
5 yourself for the record and proceed with
6 your testimony.

7 (Witness approached witness
8 table.)

9 MR. ARNOLD: Hello. My name
10 is --

11 COUNCILMAN GREENLEE: Speak
12 into the microphone, please.

13 MR. ARNOLD: Sure. Hello. My
14 name is William Arnold. I'm a resident
15 of the City for over 30 years. I live on
16 East Clearfield Street in Port Richmond.

17 And when it comes to fairness,
18 my idea of fairness -- I've never worked
19 for the City government and I've sat and
20 watched City employees and everybody else
21 get more and more that's funded by people
22 that are frequently making less than
23 that. So my idea of fairness is that
24 public sector employees should receive
25 wages, pensions and benefits that are not

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 above those in the private sector for
3 comparable work. The politically
4 connected should not receive more than
5 anybody else. That is my idea of
6 fairness.

7 Last night Mayor Nutter was on
8 television. He was talking about the
9 budget process, and he said people
10 continue to want firehouses, libraries,
11 police service. They don't want the
12 libraries closed. They want all those
13 things. But I didn't hear him say that
14 they wanted to pay the people that were
15 working for the City or that had
16 contracts with the City more money. I
17 didn't hear him say that they wanted them
18 to continue to get larger pensions than
19 is available in the public sector.
20 That's not what the people want, I don't
21 think. That's certainly not what this
22 taxpayer wants.

23 I think we're moving in the
24 wrong direction with this bill. I not
25 only call it misguided, but

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 misdirectional.

3 There should be a balance. We
4 should be moving towards not overpaying
5 and overpensioning the City employees.
6 These labor costs are the root cause of
7 the financial problems the City now has.

8 COUNCILMAN GREENLEE: Sir, just
9 for the record, this bill does not deal
10 with the City employees. That was the
11 amendment that was taken out. It deals
12 with people who contract, just for the
13 record.

14 MR. ARNOLD: Yes. Thank you.
15 Yes. Okay. Exactly. But this is
16 actually spreading the problem that you
17 have with the City to beyond the City.
18 In other words, it's completely going the
19 wrong way. It's saying, Okay, we've
20 taken care of ourselves, now let's reach
21 out tentacles out further and do the same
22 thing and spread the same problem there.

23 COUNCILMAN GREENLEE: Let them
24 all eat cake, absolutely.

25 MR. ARNOLD: Pardon me?

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 COUNCILMAN GREENLEE: Let them
3 eat cake, right?

4 MR. ARNOLD: I didn't hear what
5 you said.

6 COUNCILMAN GREENLEE: Never
7 mind. Go ahead.

8 MR. ARNOLD: So I do understand
9 that, yeah, this is going to raise all
10 those labor costs, and then with the
11 waivers, there's going to be the
12 politically connected pay for play and
13 backroom deals, which to me sounds very
14 shady, very shady.

15 And so to make a long story
16 short, I would say as a taxpayer of this
17 city, that after painting the taxpayers
18 of this city into a financial corner, it
19 is sad that some members of this Council
20 seem only concerned with how to best
21 apply a second coat.

22 That is the conclusion of my
23 testimony. I'll be happy for any
24 questions or comments.

25 COUNCILMAN GREENLEE: Anyone

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 else here to testify on this bill or
3 resolution?

4 COUNCILMAN GOODE: A few
5 questions.

6 COUNCILMAN GREENLEE: Oh, you
7 have questions. I'm sorry.

8 Councilman Goode.

9 COUNCILMAN GOODE: Good
10 morning, Mr. Arnold.

11 MR. ARNOLD: Hi.

12 COUNCILMAN GOODE: Are you
13 aware of what the minimum wage standard
14 is for the City of Philadelphia?

15 MR. ARNOLD: As of today, yes.
16 I had forgotten. The Mayor read it at
17 some point, but, no. Somebody said 10.50
18 an hour.

19 COUNCILMAN GOODE: 10.88. You
20 did not know what it was before today?

21 MR. ARNOLD: Never knew that.

22 COUNCILMAN GOODE: So your
23 testimony was not really related to the
24 minimum wage standard?

25 MR. ARNOLD: I wouldn't say

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.
2 that. What I did say was that wages for
3 public sector employees and those that
4 have contracts, the politically connected
5 contracts with the City, politically
6 connected usually, right?

7 COUNCILMAN GOODE: My question
8 was, before you decided to testify, did
9 you know what the minimum wage standard
10 was?

11 MR. ARNOLD: No.

12 COUNCILMAN GOODE: Okay. It's
13 10.88. So if someone works 40 hours a
14 week for 52 weeks a year, that's 2,080
15 hours. Do you know what their annual
16 salary would be?

17 MR. ARNOLD: Yes.

18 COUNCILMAN GOODE: What is
19 that?

20 MR. ARNOLD: 10.88. Eleven
21 times 40 is 440, times 50 is about 22, 23
22 thousand dollars.

23 COUNCILMAN GOODE: That's
24 exactly correct.

25 MR. ARNOLD: Now, I go to work

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 tonight --

3 COUNCILMAN GOODE: And do you
4 believe that someone who works 40 hours a
5 week 52 weeks a year should not receive
6 at least 22, 23 thousand dollars in pay?

7 MR. ARNOLD: I believe --

8 COUNCILMAN GOODE: That's the
9 question. You can answer it or you
10 cannot answer it. Do you believe that --

11 MR. ARNOLD: Not necessarily.

12 COUNCILMAN GOODE: Thank you
13 very much for your testimony. I
14 disagree.

15 MR. ARNOLD: I go to work
16 tonight for 7.75. I work four hours
17 tonight, 7.75 an hour is what I get. I
18 don't want money pulled out of my pocket
19 to give somebody else that's got a
20 contract with the City 10.88 an hour or
21 more, plus pay for his health insurance,
22 no. Don't want to. There's plenty of
23 other people in the City probably feel
24 the same way. Nor would I really feel
25 comfortable with a bill that said I

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 should get \$10 an hour, because that's

3 not how I think.

4 COUNCILMAN GREENLEE: Don't

5 worry, we won't put that bill in. Don't

6 worry.

7 MR. ARNOLD: Okay. So you know

8 where I'm coming from.

9 Is there anyone else?

10 COUNCILMAN GREENLEE: Thank you

11 for your --

12 MR. ARNOLD: Thank you.

13 COUNCILMAN GREENLEE: --

14 testimony.

15 Anyone else here to testify on

16 this bill?

17 (No response.)

18 COUNCILMAN GREENLEE: Seeing

19 none, that concludes the public hearing,

20 and we will commence with the public

21 meeting in just one minute.

22 Good morning again. This is

23 now the public meeting of the Committee

24 on Law and Government.

25 The Chair recognizes Councilman

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 Goode regarding Bill No. 090580.

3 COUNCILMAN GOODE: Thank you,

4 Mr. Chairman. I move that Bill No.

5 090580 be reported out of the Committee

6 with a favorable recommendation, that the

7 rules of Council be suspended so as to

8 permit first reading at our next Council

9 session.

10 (Duly seconded.)

11 COUNCILMAN GREENLEE: It's been

12 moved and seconded.

13 All in favor say aye.

14 (Aye.)

15 COUNCILMAN GREENLEE: Opposed?

16 (No response.)

17 COUNCILMAN GREENLEE: Hearing

18 none, Bill No. 090580 has been reported

19 out of Committee with a favorable

20 recommendation and the rules of Council

21 are suspended to allow for first reading

22 at our next Council session.

23 The Chair once again recognizes

24 Councilman Goode regarding an amendment

25 for Resolution 090610.

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 COUNCILMAN GOODE: Thank you,
3 Mr. Chairman. I move that the amendment
4 to Resolution No. 090610 as submitted by
5 the Administration and circulated to all
6 members of the Committee be approved.

7 (Duly seconded.)

8 COUNCILMAN GREENLEE: It's been
9 moved and seconded.

10 All in favor?

11 (Aye.)

12 COUNCILMAN GREENLEE: Opposed?

13 (No response.)

14 COUNCILMAN GREENLEE: Hearing
15 none, the amendment is adopted.

16 Again, Councilman Goode.

17 COUNCILMAN GOODE: Thank you,
18 Mr. Chairman. I move that Resolution No.
19 090610, as amended, be reported favorably
20 out of Committee.

21 (Duly seconded.)

22 COUNCILMAN GREENLEE: Moved and
23 seconded.

24 All in favor say aye.

25 (Aye.)

1 5/5/10 - LAW & GOV'T - BILL 090850, etc.

2 COUNCILMAN GREENLEE: Opposed?

3 (No response.)

4 COUNCILMAN GREENLEE: Hearing

5 none, Resolution 090610, as amended, has

6 been reported out of this Committee with

7 a favorable recommendation.

8 Being no further business

9 before this Committee, that concludes our

10 meeting for today.

11 Thank you all very much for

12 coming.

13 (Committee on Law and

14 Government concluded at 10:55 a.m.)

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CERTIFICATE

I HEREBY CERTIFY that the
proceedings, evidence and objections are
contained fully and accurately in the
stenographic notes taken by me upon the
foregoing matter on May 5, 2010, and that this
is a true and correct transcript of same.

MICHELE L. MURPHY
RPR-Notary Public

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