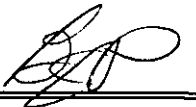


OAKLAND CITY COUNCIL

RESOLUTION NO. 76864 C.M.S.

INTRODUCED BY COUNCILMEMBER _____



RESOLUTION SUBMITTING, ON THE CITY COUNCIL'S OWN MOTION, A PROPOSED CHARTER AMENDMENT, ENTITLED, "LIVING WAGE AND LABOR STANDARDS AT PORT-ASSISTED BUSINESSES", TO BE SUBMITTED TO THE ELECTORS AT THE NOMINATING MUNICIPAL ELECTION ON MARCH 5, 2002; DIRECTING THE CITY CLERK TO FIX THE DATE FOR SUBMISSION OF ARGUMENTS, TO PROVIDE FOR NOTICE AND PUBLICATION IN ACCORDANCE WITH THE STATEWIDE PRIMARY ELECTION, EACH TO BE HELD ON MARCH 5, 2002

WHEREAS, Oakland City Charter Article VII specifies the role and responsibilities of the City's Port Department and created the Board of Port Commissioners; and

WHEREAS, the Board of Port Commissioners oversees the operations of the Port Department which includes the Port of Oakland and the Oakland airport; and

WHEREAS, with certain exceptions the ordinances passed by the Oakland City Council do not apply to the Port Department; and

WHEREAS, due to the Board of Port Commissioners' role and responsibilities under the current City Charter, the City of Oakland's Living Wage Ordinance does not apply to the Port of Oakland; and

WHEREAS, contractors and lease holders receive a substantial benefit from doing business at the Port of Oakland, in part because of the large public investment in infrastructure, such that it is fair to require them to adhere to certain minimum labor standards in dealing with their employees at the Port; and

WHEREAS, an amendment to the Oakland City Charter adding section 728 to Article VII would:

- (1) require payment of a "living wage" of at least the rate of the living wage ordinance of the City of Oakland (currently \$10.50 without health benefits) by certain Port tenants and contractors doing more than \$50,000 of business with the Port, and
- (2) require, with certain exceptions, that new Port contractors and tenants doing more than \$50,000 of business with the Port, who replace a prior Port

contractor; hire the non-management non-professional employees of the prior Port contractor for a period of not less than 90 days if the employees can perform the new contractor's work, and terminate such employees only for just cause during the 90 day period; and

WHEREAS, the proposed Charter amendment would apply to employees of Port contractors and tenants involved in a business that principally provides maritime or aviation business related services or whose business is located in the maritime or aviation division areas of the Port as defined by the Port, and protect workers from displacement by private contractors by requiring that Port contractors/tenant who replace a prior Port contractor assume the non management employees of the prior Port contractor/tenant; now, therefore, be it

RESOLVED: That the Oakland City Charter is amended to add the following section 728, which shall read as follows:

728. LIVING WAGE AND LABOR STANDARDS AT PORT-ASSISTED BUSINESSES

1. Scope and Definitions

The following definitions shall apply throughout this Section:

A. "Port" means the Port of Oakland.

B. "Port-Assisted Business" or "PAB" means (1) any person involved in a Port Aviation or Port Maritime Business receiving in excess of \$50,000 worth of financial assistance from the Port, or (2) any Port Contractor involved in a Port Aviation or Port Maritime Business if the person employs more than 20 persons per pay period, unless in the prior 12 pay periods the person has not had more than 20 such employees and will not have more than 20 persons in the next 12 pay periods. A PAB shall be deemed to employ more than 20 persons if it is part of an 'enterprise' as defined under the Fair Labor Standards Act employing more than 20 persons. "Port Contractor" means any person party to a Port Contract as herein defined.

C. "Port Contract" means:

(1) Any service contract with the Port for work to be performed at the Port under which the Port is expected to pay more than \$50,000 over the term of the contract;

(2) Any contract, lease or license from the Port involving payments to the Port expected to exceed \$50,000 either (a) over the term of the contract, lease or license, or (b) during the next 5 years if the current term is less than 1 year but may be renewed or extended, either with or without amendment;

(3) any subcontract, sublease, sublicense, management agreement or other transfer or assignment of any right, title or interest received from the Port pursuant to any of the foregoing contracts, leases or licenses.

A contract, lease or license with the Port or any agreement derived therefrom shall not be deemed a Port Contract unless entered into after enactment of this Section, or amended after enactment of this Section to benefit in any way the party dealing with the Port.

D. "Employee" means any individual employed by a PAB in Port related employment.

E. "Person" includes any natural person, corporation, partnership, limited liability company, joint venture, sole proprietorship, association, trust or any other entity.

F. "Valid collective bargaining agreement" as used herein means a collective bargaining agreement entered into between the person and a labor organization lawfully serving as the exclusive collective bargaining representative for such person's employees.

G. "Port Aviation or Port Maritime business " means any business that principally provides services related to maritime or aviation business related services or whose business is located in the maritime or aviation division areas as defined by the Port.

2. Exemptions from Coverage

In addition to the above exemption for workforces of fewer than 20 workers, the following persons shall also be exempt from coverage under this Section:

A. An Employee who is (1) under twenty-one (21) years of age and (2) employed by a nonprofit entity for after-school or summer employment or for training for a period not longer than ninety (90) days, shall be exempt.

B. An Employee who spends less than 25 percent of his work time on Port-related employment.

C. A person who employs not more than 20 employees per pay period.

3. Payment of Minimum Compensation to Employees

Port-Assisted Businesses shall provide compensation to each Employee of at least the following:

A. Minimum Compensation

The minimum compensation shall be wages and health benefits totaling at least the rate of the living wage ordinance of the City of Oakland

B. Credit for Health Benefits

The PAB shall receive a credit against the minimum wage required by this Section for health benefits in the amount provided by and in accordance with the living wage ordinance of the City of Oakland.

4. Notifying Employees of their Potential Right to the Federal Earned Income Credit

Each PAB shall inform each Employee who makes less than twelve dollars (\$12.00) per hour of his or her possible right to the federal Earned Income Credit ("EIC") under Section 2 of the Internal Revenue Code of 1954, 26 U.S.C. §32, and shall make available the forms required to secure advance EIC payments from the business. These forms shall be provided to the eligible Employees in English (and other languages spoken by a significant number of such Employees) within thirty (30) days of employment under this Section and as required by the Internal Revenue Code.

5. Preventing Displacement of Workers

Each PAB, which is to replace a prior PAB shall offer employment to the Service Employees of the prior PAB, if, these Employees worked for the prior PAB for at least 90 calendar days. Such Employees may not be terminated by the new PAB during the first 90 workdays except for just cause. The new PAB may operate at lower staffing levels than its predecessor but in such event, shall place the prior Employees on a preferential reinstatement list based on seniority. For purposes of this Section, a PAB "replaces" another if it (1) assumes all or part of the lease, contract or subcontract of a prior employer or obtains a new lease, contract, or sublease, and (2) offers employment which Employees of the prior PAB can perform. In the case of a replacement connected to the new PAB relocating from another location, in staffing decisions the new PAB may recognize seniority from its prior locations in addition to the seniority of the prior PAB's workforce. "Service Employees" means all employees except manager, supervisors, professionals, paraprofessionals, confidential and office employees.

6. Waiver

A. A PAB who contends it is unable to pay all or part of the living wage must provide a detailed explanation in writing to the Port Executive Director who may recommend a waiver to the Port board. The explanation must set forth the reasons for its inability to comply, including a complete cost accounting for the proposed work to be performed with the financial assistance sought, including wages and benefits to be paid all employees, as well as an itemization of the wage

and benefits paid to the five highest paid individuals employed by the PAB. The PAB must also demonstrate that the waiver will further the public interests in creating training positions which will enable employees to advance into permanent living wage jobs or better and will not be used to replace or displace existing positions or employees or to lower the wages of current employees.

B. The Port Board will grant a waiver only upon a finding and determination that the PAB has demonstrated the necessary economic hardship and that waiver will further the public interests in providing training positions which will enable employees to advance into permanent living wage jobs or better. However, no waiver will be granted if the effect of the waiver is to replace or displace existing positions or employees or to lower the wages of current employees.

C. Such waivers are disfavored, and will be granted only where the balance of competing interests weighs clearly in favor of granting the waiver. If waivers are to be granted, partial waivers are favored over blanket waivers. Moreover, any waiver shall be granted for no more than one year. At the end of the year the PAB may reapply for a new waiver which may be granted subject to the same criteria for granting the initial waiver.

D. Any party who objects to the grant of a waiver by the Port Board may appeal such decision to the City/Port Liaison Committee, who may reject such waiver.

7. Retaliation and Discrimination Barred; no Waiver of Rights.

A. A PAB shall not discharge, reduce the compensation of or otherwise discriminate against any person for making a complaint to the Port, participating in any of its proceedings, using any civil remedies to enforce his or her rights, or otherwise asserting his or her rights under this Section.

B. Any waiver by an individual of any of the provisions of this Section shall be deemed contrary to public policy and shall be void and unenforceable, except that Employees shall not be barred from entering into a written valid collective bargaining agreement waiving a provision of this Section if such waiver is set forth in clear and unambiguous terms. Any request to an individual by a PAB to waive his or her rights under this Section shall constitute a violation of this Section.

8. Enforcement

A. Each PAB shall maintain for each person in Port-related employment a record of his or her name, pay rate and, if the PAB claims credit for health benefits, the sums paid by the PAB for the Employee's health benefits. The PAB shall submit a copy of such records to the Port at least by March 31st, June 30th, September 30th and December 31st of each year, unless the PAB has employed less than 20 persons during the preceding quarter, in which case the

PAB need only submit a copy of such records every December 31st. Failure to provide a copy of such records within five days of the due date will result in a penalty of five hundred dollars (\$500.00) per day. Each PAB shall maintain a record of the name, address, job classification, hours worked, and pay and health benefits received of each person employed, and shall preserve them for at least three years.

B. If a PAB provides health benefits to persons in Port-related employment but does not pay for them on a per-hour basis, then upon the PAB's request, the amount of the hourly credit against its wage obligation shall be the Port's reasonable estimate of the PAB's average hourly cost to provide health benefits to its Employees in Port-related employment. The PAB shall support its request with such documentation as is reasonably requested by the Port or any interested party, including labor organizations in such industry.

C. Each PAB shall give written notification to each current Employee, and to each new Employee at time of hire, of his or her rights under this Section. The notification shall be in the form provided by the Port in English, Spanish and other languages spoken by a significant number of the Employees, and shall also be posted prominently in areas at the work site where it will be seen by all Employees.

D. Each PAB shall permit access to work sites and relevant payroll records for authorized Port representatives for the purpose of monitoring compliance with this Section, investigating employee complaints of noncompliance and evaluating the operation and effects of this Section, including the production for inspection and copying of its payroll records for any or all persons employed by the PAB. Each PAB shall permit a representative of the labor organizations in its industry to have access to its workforce at the Port during non-working time and in non-work areas for the purpose of ensuring compliance with this Section.

E. Notwithstanding any provision in Article VI of this Charter to the contrary, the City Manager may develop rules and regulations for the Port's activities in (1) Port review of contract documents to insure that relevant language and information are included in the Port's RFP's, agreements and other relevant documents, (2) Port monitoring of the operations of the contractors, subcontractors and financial assistance recipients to insure compliance including the review, investigation and resolution of specific concerns or complaints about the employment practices of a PAB relative to this section, and (3) provision by the Port of notice and hearing as to alleged violations of this section.

9. Private Rights of Action.

A. Any person claiming a violation of this Section may bring an action against the PAB in the Municipal Court or Superior Court of the State of California, as appropriate, to enforce the provisions of this Section and shall be entitled to all remedies available to remedy any violation of this Section, including

but not limited to back pay, reinstatement or injunctive relief. Violations of this Section are declared to irreparably harm the public and covered employees generally.

B. Any employee proving a violation of this Section shall recover from the PAB treble his or her lost normal daily compensation and fringe benefits, together with interest thereon, and any consequential damages suffered by the employee.

C. The Court shall award reasonable attorney's fees, witness fees and costs to any plaintiff who prevails in an action to enforce this Section.

D. No criminal penalties shall attach for any violation of this Section, *nor shall this Section give rise to any cause of action for damages against the Port or the City.*

E. No remedy set forth in this Section is intended to be exclusive or a prerequisite for asserting a claim for relief to enforce any rights hereunder in a court of law. This Section shall not be construed to limit an employee's right to bring a common law cause of action for wrongful termination.

10. Severability

If any provision or application of this Section is declared illegal, invalid or inoperative, in whole or in part, by any court of competent jurisdiction, the remaining provisions and portions thereof and applications not declared illegal, invalid or inoperative shall remain in full force or effect. The courts are hereby authorized to reform the provisions of this Section in order to preserve the maximum permissible effect of each subsection herein. Nothing herein may be construed to impair any contractual obligations of the Port. This Section shall not be applied to the extent it will cause the loss of any federal or state funding of Port activities; and be it

FURTHER RESOLVED: That in accordance with the Elections Code and Chapter 3 of the Oakland Municipal Code, the City Clerk shall fix and determine a date for submission of arguments for or against said proposed charter amendment, and said date shall be posted in the Office of the City Clerk; and be it

FURTHER RESOLVED: That in accordance with the Elections Code and Chapter 3 of the Oakland Municipal Code, the City Clerk shall provide for notice and publication as to said proposed charter amendment in the manner provided for by law; and be it

FURTHER RESOLVED: That each ballot used at said municipal election shall have printed therein, in addition to any other matter required by law the following:

PROPOSED CHARTER AMENDMENT

**MEASURE PROVIDING FOR LIVING WAGE AND LABOR STANDARDS
AT PORT-ASSISTED BUSINESSES**

MEASURE _____

Measure _____. Shall the Charter be amended to: require certain Port of Oakland contractors and tenants with over 20 employees and contracts/leases with the Port over \$50,000 to: • Pay employees at least what Oakland's Living Wage Ordinance requires (currently \$9.13 per hour with health benefits; \$10.50 without benefits); and • If replacing a previous contractor/tenant, retain the prior employer's non-management employees for at least 90 days unless there is cause for discharge or layoff?	Yes	
	No	

FURTHER RESOLVED: That the City Clerk and City Manager are hereby authorized and directed to take any and all actions necessary under law to prepare for and conduct the March 5, 2002 election and appropriate all monies necessary for the City Manager and City Clerk to prepare and conduct the March 5, 2002 election, consistent with law.

IN COUNCIL, OAKLAND, CALIFORNIA, DEC - 4 2001, 2001

PASSED BY THE FOLLOWING VOTE:

AYES- ~~BRUNNER~~, CHANG, ~~MAYNE~~, ~~NADL~~, REID, SPEES, WAN AND PRESIDENT

DE LA FUENTE - 5

NOES- *Brunner / Nadel / Mayne - 3*

ABSENT- *None*

ABSTENTION- *None*

ATTEST:

Ceda Floyd
CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California