

Memorandum

TO: Chair Ray & Members of the Health & Human Services and Public Safety Committee

FROM: Michael Murray, Assistant to the City Manager

CC: Jon P. Jennings, City Manager

SUBJECT: Minimum Wage Enforcement

DATE: June 21, 2018

Portland minimum wage has been in effect since January 1, 2016. An integral part of the minimum wage ordinance has been education/outreach to Portland employers to inform them of increases in the minimum wage. A mailing takes place before any adjustment in minimum wage; the most recent mailing took place in April 2018 for the upcoming minimum wage adjustment scheduled for July 1, 2018. The mailing was sent to approximately 6700 addresses with a total cost for printing and mailing of approximately \$4300.00. A copy of the mailing is posted on the city's website, along with pertinent materials for employers and employees.

There is no active enforcement of minimum wage in Portland - enforcement is complaint based. Questions from businesses and employees arrive via telephone call; email or US mail. Most questions arrive via telephone, and the main question from employees is the confusion of whether or not they qualify for the Portland minimum wage. The Portland ordinance states that the work must be performed in Portland, and the employer must have a place of business in Portland. Employees may work for a Portland based business, but the work performed is outside of the city. Conversely a business located outside of the city sends workers into Portland each day - they too are not subject to Portland minimum wage.

Questions from employers generally revolve around the date of the next adjustment will take place, as employers are planning their operating budgets several months in advance.

Since Portland enacted the minimum wage ordinance, there have been three infractions that required some type of city involvement - 1 each in 2016, 2017, and 2018. The infractions in 2017 and 2018 resulted in employees being paid the proper hourly rate plus back pay. The 2016 infraction involved family members that did not wish to proceed and the business closed. None of these resulted in any type of fine being assessed.