

CITY OF PORTLAND

Effective January 1, 2023

Minimum Wage in the City of Portland is \$14.00 per hour

Service Employees

- A service employee is someone who regularly receives more than \$175 a month in tips.
- An employer may consider tips as part of a service employee's Minimum Wage.
- An employer must pay tipped workers a "direct wage" of at least \$7.00 cash per hour.

- If a service employee's direct wage and total tips do not equal or exceed \$14.00 per hour, the employer must pay the service employee the difference.

Applicability of State Law

- Employers must still comply with all labor laws of the State of Maine, as detailed in Title 26. This includes:
 - Which workers are eligible for overtime pay;
 - Notice to employees.

Know Your Rights

- If you feel that your wages do not comply with this ordinance, please consult a lawyer about your legal rights under this ordinance.

For additional information, contact:
citymanager@portlandmaine.gov

Order 297-14/15
Passage as Amended: 5-3 (Mavodones, Brenerman, Suslovic) on 7/6/2015
Returned to Agenda for Reconsideration: 9-0 on 7/20/2015
Order Postponed till 9/9/2015: 9-0 on 7/20/2015
Passage as amended to make direct wage the same as under Maine Law: 7-2 (Brenerman, Mavodones) on 9/9/2015

Effective 1/1/2016

MICHAEL F. BRENNAN (MAYOR)
KEVIN J. DONOGHUE (1)
DAVID A. MARSHALL (2)
EDWARD J. SUSLOVIC (3)
JUSTIN COSTA (4)

CITY OF PORTLAND
IN THE CITY COUNCIL

DAVID H. BRENERMAN (5)
JILL C. DJUSON (A/L)
JON HINCK (A/L)
NICHOLAS M. MAVODONES, JR (A/L)

AMENDMENT TO PORTLAND CITY CODE CHAPTER 33 (MINIMUM WAGE)

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORTLAND, MAINE IN CITY COUNCIL ASSEMBLED AS FOLLOWS:

1. That the Portland City Code is hereby amended by adding a section, to be numbered Chapter 33, Articles I to VIII, Sections 33-1 to 33-12, which said Sections read as follows:

Chapter 33 MINIMUM WAGE

- Art. I. Purpose, §33.1**
Art. II. Definitions, §33.2 – 33-6
Art. III. Minimum Wage, 33-7
Art. IV. Notice, Posting and Records, 33-8
Art. V. Enforcement and Violations, 33-9
Art. VI. Relationship To Other Requirements, 33-10
Art. VII. Severability Clause, 33-11
Art. VIII. Effective Date, 33-12

ARTICLE I

Sec. 33.1. Purpose.

WHEREAS, the City of Portland is a home-rule unit of government under the Maine Constitution and 30-A M.R.S. §3001 and, as such, may exercise any power and perform any function in order to protect health, safety and welfare of the citizens of the City; and

WHEREAS, promoting the welfare of the City's citizens, its most important asset, and those who work within the City's borders is an endeavor that plainly meets this criterion; and

WHEREAS, after years of inaction by the United States Congress, it is time for municipalities and states to lift families out of poverty and stimulate the economy by raising the minimum wage; and

WHEREAS, Mayor Michael Brennan created a working group, which included community, labor and business leaders, and tasked them with reviewing the minimum wage issue within the City of Portland; and

WHEREAS, the cost of living in Portland has increased making life here cost, as a percentage of income, as much as is paid by residents of Chicago, Illinois, Sacramento, California and other major United States cities where the minimum wage is much higher; and

WHEREAS, an estimated 20,000 workers in the State of Maine work for minimum wage, and a substantial number of them are among the City of Portland's more than 65,000 wage and salary earners; and

WHEREAS, The Massachusetts Institute of Technology has calculated that, for a single adult to support him- or herself in Portland at the current minimum wage, he or she would need to work over 50 hours a week; and

WHEREAS, more than 50 percent of Portland public school students are eligible for free lunch, meaning their families have incomes at between 100 percent and 185 percent of the Federal poverty level, which is higher than what a single parent with one child in school would earn with a full-time minimum wage job; and

WHEREAS, rising housing costs, including an increase in the median home price from \$125,200 in 2000 to \$238,400 in 2012, are pushing low wage workers out of the City; and

WHEREAS, the Fair Market Rent in the Portland Area for a two-bedroom apartment is \$1,012, and a full-time worker job would have to earn at least \$19.46 per hour to afford that rent;

WHEREAS, phasing in the wage increase over time will allow businesses to adjust and result in reasonable annual increases in expenses;

WHEREAS, based on the work of the working group (the materials and report of which are incorporated herein by reference) and the aforementioned facts, Mayor Brennan proposed that the minimum wage be increased within the City of Portland;

NOW THEREFORE, to promote the health, safety and welfare of its citizens and pursuant to and consistent with 26 M.R.S. §664, the City Council of the City of Portland, Maine hereby establishes the following minimum wage ordinance applicable to all Employers and Employees within the City of Portland:

ARTICLE II

Sec. 33.2. Definitions.

Unless the context otherwise indicates, the following words shall have the following meanings.

City: City of Portland.

City limits: the physical boundaries of the City.

Consumer Price Index – All Urban Consumers ("CPI-U") means the national, annual average of the Consumer Price Index for all urban consumers as reported by the United States Bureau of Labor Statistics, with the Series identification number of CUUR0005A0.

Employer: Any individual, group of individuals, partnership, association, corporation, business trust, or any other entity or group of persons or entities who employs or exercises control over the wages, hours, or working conditions of any Employee and who has a place of business within the City limits. "Employer" shall include but not be limited to the City of Portland.

Employee: Any person who performs work for an Employer for monetary compensation within the municipal limits of the City. Employee shall include persons who perform work for an employer on a full-time, part-time, seasonal or temporary basis. Employee shall not include any person who is exempted from the definition of Employee under 26 M.R.S. §663(3) of Chapter 7, Employment Practices.

Minimum wage: The minimum hourly rate of monetary compensation that an Employer shall legally pay an Employee for work within the City.

Service Employee: Any employee engaged in an occupation in which he or she customarily and regularly receives more than \$30.00 a month or more in tips.

Tip: A sum presented by a customer in recognition of services performed by one or more Service Employees, including a charge automatically included in the customer's bill. "Tip" does not include a service charge added to a customer's bill in a banquet or private club setting by agreement between the customer and the Employer.

Sec. 33.5 – 33-6 Reserved.

Article III.

Section 33.7. Minimum Wage.

(a) *Minimum Wage payment required:* Except as provided herein, Employers shall pay all Employees no less than the Minimum Wage established by this ordinance for each hour worked within the City Limits.

(b) *Minimum Wage rate:*

(i) Beginning on January 1, 2016, the regular Minimum Wage for all Employees, including, but not limited to, Service Employees, shall be raised to \$10.10 per hour;

(ii) Beginning on January 1, 2017, the regular Minimum Wage for all Employees, including, but not limited to, Service Employees, shall be raised to \$10.68 per hour; and

(iii) Beginning on every first day of July following January 1, 2018, and every first day of July thereafter, the Minimum Wage for all Employees, including, but not limited to, Service Employees, shall be increased according to the Consumer Price Index – All Urban Consumers (CPI-U) percentage increase from the prior year. If there is no increase, the Minimum Wage will be unchanged. The percentage increase in the annual CPI-U for the previous calendar year from the annual CPI-U for the calendar year preceding that shall be the percentage by which the Minimum Wage is increased on the first day of July 2018 and every July 1 thereafter.

(c) *Tip Credit:*

(i) As provided in 26 M.R.S. §664(2), an Employer may consider tips as part of the wages of a Service Employee toward satisfaction of the Minimum Wage established by this ordinance. Such a tip credit shall be no greater than the amount necessary to reduce the direct wages paid to a Service Employee to an amount equal to the minimum direct wages required to be paid to Service Employees pursuant to 26 M.R.S. §664(2). Minimum direct wages pursuant to 26 M.R.S. §664(2) is the amount required by state law to be paid to a Service Employee after an Employer reduces the state minimum wage by the maximum allowable tip credit as provided in 26 M.R.S. §664(2).

(ii) An employer who elects to use the tip credit must inform the affected employee in advance and must be able to show that the employee receives at least the Minimum Wage established by this ordinance when direct wages and the tip credit are combined. Upon a satisfactory showing by the employee or the employee's representative that the actual tips received were less than the tip credit, the employer shall increase the direct wages by the difference.

(iii) The tips received by a Service Employee become the property of the employee and may not be shared with the employer. Tips that are automatically included in the customer's bill or that are charged to a credit card must be treated like tips given to the Service Employee. A tip that is charged to a credit card must be paid by the employer to the employee by the next regular payday and may not be held while the employer is awaiting reimbursement from a credit card company.

(iv) This section may not be construed to prohibit an employer from establishing a valid tip pooling arrangement among service employees that is consistent with the federal Fair Labor Standards Act and regulations made pursuant to that Act.

(v) The meaning of the language used in this section shall be interpreted consistently with the interpretation of the language of 26 M.R.S. §663 and 26 M.R.S. §664.

(d) Overtime.

(i) The Minimum Wage set out in this ordinance is subject to the overtime compensation provisions in 26 M.R.S. §664(3).

(e) Collective Bargaining Agreements.

(i) Nothing in this ordinance shall be deemed to interfere with, impede, or in any way diminish the right of all Employees including, but not limited to, Service Employees to bargain collectively with their Employers in order to establish wages or other conditions of work in excess of the applicable minimum standards of this ordinance.

(f) Retaliation Prohibited.

(i) It shall be unlawful for any Employer to discriminate in any manner or take any adverse action against any Employee including, but not limited to a Service Employee in retaliation for exercising any right under this ordinance.

ARTICLE IV.

Sec. 33.8. Notice, Posting and Records.

(a) Notice to Employees. Every employer shall post in a conspicuous place at any workplace or job site where any Employee works, a notice informing Employees of the City's current Minimum Wage rates, as well as a copy of this ordinance.

(b) Records. Employers shall maintain payroll records showing hours worked daily by and the wages paid to all Employees, including, but not limited to, Service Employees. Employers shall retain such payroll records pertaining to all Employees for a period of at least three (3) years after an Employee has left employment.

(c) Access. The City shall have access to any and all Employer payroll records subject to this ordinance during business hours to investigate whether or not an Employer has violated any of the provisions of this chapter.

(d) Paycheck Notice. Every Employer shall provide with the first paycheck issued to an Employee, including a Service Employee, a notice advising the Employee of the current Minimum Wage under this ordinance and of the Employee's rights under this ordinance.

ARTICLE V.

Sec. 33.9. Enforcement and Violations.

(a) Enforcement.

(i) The City Manager or his/her designee shall enforce the provisions of this ordinance.

(ii) The City Manager is authorized to adopt rules and regulations for the proper administration and enforcement of this ordinance.

(b) Complaint Process.

(i) Any Employee, including, but not limited to, a Service Employee, receiving less than the Minimum Wage he or she is required to receive under this ordinance may file a written complaint with the City Manager's office.

(ii) The City Manager or his or her designee may investigate and issue a response to the complaint within fifteen (15) work days following the receipt of a complaint. The City Manager's or his or her designee's response to the complaint shall be final.

(iii) If the City Manager finds that a violation of this chapter has occurred, he or she may order any and all appropriate relief including, but not limited to, the payment of any back wages withheld and/or the payment of not less than \$100.00 as a penalty for each day that a violation of this chapter has occurred. A violation of this Ordinance may also be considered a civil violation subject to the general penalty provisions of section 1-15 of this Code.

(c) Private Cause of Action.

(i) Any Employee, including, but not limited to, a Service Employee, the City or any person aggrieved by a violation of this ordinance may bring an action in a Court of competent jurisdiction against the Employer for any and all violations of this ordinance, including, but not limited to, wages owed under this ordinance. Upon a judgment being rendered in favor of any employee(s), in any action brought pursuant to this ordinance, such judgment shall include, in addition to the wages adjudged to be due and any penalties assessed, any and all costs of suit including, but not limited to, reasonable attorney's fees.

ARTICLE VI.

Sec. 33.10. Relationship To Other Requirements.

This ordinance provides for payment of Minimum Wage rates within the City and shall not be construed to preempt or otherwise limit or affect the applicability of any other law, regulation, requirement or policy, including any that provides for payment of higher wages and/or benefits. Nothing contained in this ordinance prohibits an employer from paying more than the Minimum Wage rates established herein.

ARTICLE VII.

Sec. 33.11. Severability Clause.

If any section, paragraph, sentence, word or phrase of this ordinance is for any reason held to be invalid or unenforceable by any court, such decision shall not affect the validity of the remaining provisions of this ordinance.

ARTICLE VIII.

Sec. 33.12. Effective Date.

This ordinance shall take effect on January 1, 2016.

