

City of Portland, Maine
Joint Finance/Economic Development Committee Meeting
Wednesday, September 12, 2018
5:30 p.m., City Council Chambers

1. Finance Committee Meeting Agenda

Documents:

[FINANCE COMMITTEE MEETING AGENDA 9.12.2018.PDF](#)

2. Attachment A

Documents:

[ATTACHMENT A - MINUTES FOR APPROVAL.PDF](#)

3. Attachment B

Documents:

[ATTACHMENT B - MEMO FROM MAYOR STRIMLING.PDF](#)

4. Attachment C

Documents:

[ATTACHMENT C - POWERPOINT PRESENTATION FROM E. WILLIAM STOCKMEYER.PDF](#)

5. Backup Materials From Mayor Strimling - Proposed Disparity Study

Documents:

[MEMO AND BACKUP FROM MAYOR STRIMLING - DISPARITY STUDY.PDF](#)

City of Portland, Maine
Joint Finance/Economic Development Committee Meeting
Wednesday, September 12, 2018
5:30 p.m., City Council Chambers

AGENDA

1. Introductions

2. Approval of Previous Meeting Minutes

During the August 2nd Finance Committee meeting, [a memo was presented outlining the State of Maine Public Record of Proceeding law](#). The Committee determined for future meetings the requirements of the law will continue to be met via the video recording of public proceedings. Additionally, a supplementary written record of the meeting date, time and place, members of the board in attendance, votes taken, and approximate times each agenda item is taken up will be kept and posted online after approval by the Committee.

Attachment A – Packet of Prior Meeting Minutes

3. Proposed Amendments to City Contracting from Mayor Strimling

The Committee will receive a proposal from Mayor Strimling on changes to City Contracting rules. A Powerpoint Presentation from the law firm Drummond Woodsum will also be presented. This item is a discussion item only – no action will be taken at the current meeting.

Attachment B – Memo from Mayor Ethan Strimling

Attachment C – Presentation from E. William Stockmeyer, DrummondWoodsum

4. Portland Employment Disparity Study Proposal from Mayor Strimling

The Committee will receive a proposal from Mayor Strimling on conducting a disparity study on employment in Portland. This item is a discussion item only – no action will be taken at the current meeting.

5. Future Finance Committee Meeting Dates

a. Thursday, September 27th – CANCELLED – Public is invited to attend the [Grand Opening of Rowe Elementary School from 6:30PM – 7:30PM](#)

b. Thursday, October 4th – 5:30PM in Room 209

i. Discussion Item: Capitalization of the Housing Trust Fund

ii. Discussion Item: Fiscal Impact Notes

c. Thursday, October 25th and November dates TBD

6. Adjournment

City of Portland, Maine
Finance Committee Meeting Minutes
Wednesday, April 11, 2018 - 5:00 p.m., Council Chambers

Full Stream Available: http://townhallstreams.com/stream.php?location_id=42&id=16399

1. Introductions

**Attendees: Committee Members Costa, Mavodones, Strimling
City Council Members Cook, Thibodeau, Ray and Duson
City Manager and Members of City Staff**

2. FY19 – FY23 Capital Improvement Plan Discussion

a. Review of Follow Up Questions / Answers from February and March Finance Committee Meetings

b. Action on FY19-FY23 Capital Improvement Plan

i. Amendments as proposed by the City Manager (Attachment A – memo on proposed amendments from the City Manager)

- 1. Amendment to Remove Hadlock Field Lighting Project (\$550k) – Motion made by ES, Seconded by JC, Passed unanimously 3-0**
- 2. Amendment to add Stroudwater Dam Repairs Project (\$60k) - Motion made by ES, Seconded by JC, Passed unanimously 3-0**
- 3. Motion made to fully fund Sidewalk Rehabilitation ask (additional \$200k) - Motion made by ES, Seconded by JC, Passed unanimously 3-0**
- 4. Motion made to add additional funding to Ocean Avenue Landfill Project (\$290k) - Motion made by JC, Seconded by ES, Passed unanimously 3-0**

ii. Failed Amendments

- 1. Amendment to Remove Demolition of POT Mechanical Room Project (\$500k) – Motion made by ES, Seconded by JC for debate, Failed 1-2 (Costa, Mavodones)**
- 2. Amendment to add Riverton Elementary Playground Replacement Project (\$250k) – Motion made by ES, Seconded by JC for debate, Failed 1-2 (Costa, Mavodones)**
- 3. Amendment to add Fire Station Repairs Project (\$150k) – Motion made by ES, Seconded by JC for debate, Failed 1-2 (Costa, Mavodones)**
- 4. Amendment to add EV Charging Stations Project (\$37.5k) – Motion made by ES, Seconded by JC for debate-Withdrawn by ES**

iii. Main motion as amended passes unanimously 3-0 – See attached backup (Attachment B) page for full project listing as amended.

3. Future Finance Committee Meeting Dates Discussed

Portland, Maine



Yes. Life's good here.

Executive Department
Jon P. Jennings, City Manager

To: Members of the Finance Committee
From: Jon P. Jennings – City Manager
Re: Recommended Amendment to the FY19 Capital Improvement Plan
Date: April 11th, 2017

CC: Brendan T. O'Connell, Finance Director, Chris Branch, Public Works Director

During recent discussions with the Finance Committee members questions and concerns have been raised about the several FY19 Capital Improvement Plan Projects. Four projects in particular have received the most significant attention:

- Hadlock Field LED Lighting
- Ocean Avenue Landfill Project (faster completion of all required remediation)
- Sidewalk and ADA Accessibility (increased funding)
- Stroudwater Dam Restoration (addition of project into the FY19 CIP)

Based on a number of still uncertain items surrounding the Hadlock Field LED Lighting project I am recommending we remove the \$550,000 funding allocation from the FY19 CIP. Removing the project from the current year CIP will provide staff with more time to determine whether there is any remaining useful life on the existing lights beyond 2019 and allow exploration of potential options for cost sharing on the project. As staff has noted the lights are expected to last through 2018 and even if the project were approved this month installation would not begin until after the current season.

In place of the \$550,000 Hadlock Field LED Lighting project I am requesting a formal amendment to my FY19 Recommended CIP funding to instead fund the following three projects:

- \$290,000 of additional funding for remediation work at the Ocean Avenue Landfill
- \$200,000 to fully fund the FY19 CIP sidewalks request from Department of Public Works
- \$60,000 to fund the top priority items per the 2012 Stroudwater Dam study

Additional detail on each of the recommended projects is included below.

Ocean Avenue Landfill

Last fall, the City's contractors regraded approximately 4.5 acres of the landfill on which our new solar array will be placed. This project included ensuring a positive grade to encourage storm water to flow off the site and ensuring an adequate depth of cover over the landfilled waste. During this work, the contractor also installed gas vents to mitigate concerns about several pockets of landfill gas discovered during testing. The DEP has indicated that this work needed to be done before the array could be installed.

Since that time staff has worked with the DEP on a draft permit for construction of the array. The current draft indicates that construction of the array may proceed but, as condition of approval, requires the City to continue to ensure that the other sections of the landfill have adequate depth of cover and adequate slope. Work to meet this requirement would occur outside the footprint of the solar array and would not interfere with its installation and operation. The current CIP has \$500,000 of funding appropriated to fully complete work within the footprint of the solar array and begin remediation work outside of the footprint of the solar array. This additional \$290,000 would be used exclusively outside of the footprint of the solar array and would help ensure the City stays on track to meet the DEP's full remediation deadlines.

Sidewalk Rehabilitation and ADA Accessibility

In their FY19 CIP request, the Department of Public Works requested \$700,000 of funding for sidewalk rehabilitation and accessibility improvements. Due to the immense amount of funding need throughout the City my initial recommendation included a recommended funding of only \$500,000 for FY19. The additional \$200,000 would restore this funding to the fully requested amount in line with guidance I have received from Committee members. The funding would also assist in the work we know will be required once the City completes our ADA study which is currently underway with Tindale-Oliver, an outside vendor with expertise in transportation, community planning and design, transit, and ADA accessibility.

Stroudwater Dam Repairs

Back in 2012 the City commissioned a study of the Stroudwater Dam and determined there were a number of items that needed to be dealt with immediately. Due to lingering questions about ownership and the City's obligation to maintain the dam, none of those items have been dealt with. Upon receiving guidance from several City Councilors, most notably District 3 Councilor Brian Batson, I am recommending that we now move forward with \$60,000 of the top priority repairs at the dam. This includes reduction and elimination of leakage by sealing the upstream face of the dam, repairing holes in multiple areas of the dam, removing vegetation between the rocks in the walls of the dam, installing a trash gate and filling sink holes. Although this work was recommended at a cost of \$50,000 back in 2012, upon consultation with our Director of Public Works Chris Branch, we have included a cost escalator in the original estimate.

I have discussed these recommendations with our Director of Finance Brendan O'Connell and these will not increase the overall amount of bonding for FY19. Staff will be on hand at the April 11th Finance Committee meeting to address these amendments and answer any questions.

FY19 CIP - General Fund		Exhibit A	
	Bonded Amount	Other Funding	
Transportation			
PACTS/Match/Other Leveraged Funds			
PACTS RTMS - Traffic Signals	\$ 270,000	\$ -	-
MPI PACTS Paving - Allen Avenue (Yale-Pennell)	203,400	-	-
PACTS Washington Avenue Road & Signals	150,000	-	-
PACTS Collector Paving - Allen Avenue	106,250	-	-
PACTS USM Roundabout	100,000	-	-
Traffic Signals / Lights			
Traffic Signals Upgrade Program	480,000	20,000	-
Streets/Sidewalks			
Woodford's Corner Project - Supplemental Funding	878,241	-	-
Pavement Preservation Program	750,000	-	-
CSO Compliance - SRF Ineligibles	600,000	-	-
MPI DOT Paving - Washgtn Ave(Ocean - Allen)	550,000	-	-
Street Rehabilitation Program	250,000	-	-
Arterial Street Ped Crossings	100,000	-	-
Andrew Square Rehabilitation	100,000	-	-
Park Ave Protected Bike Lanes	100,000	-	-
CPR Paving - Park Avenue	83,000	-	-
CPR Paving - Valley St (entire)	72,400	-	-
RR Quiet Zone Compliance Program	25,000	-	-
Franklin Street Design Completion and Construction	-	250,000	-
Sidewalk Rehabilitation/Accessibility	600,000	100,000	-
	400,000		
Other			
Neighborhood Byway Network Implementation	100,000	-	-
Congress Square Redesign	15,000	-	-
Stroudwater Dam Repairs	60,000	-	-
Ocean Avenue Landfill Remediation and Pre-Solar Array Work	540,000	-	-
	250,000		
Transportation Total	\$ 6,133,291	\$ 370,000	
Facilities			
Buildings/Garages			
Barron Center - Generator Replacement	\$ 430,000	\$ -	-
Barron Center - Expansion of walk in cooler and freezer FY19	90,628	-	-
Fire Station Rehabilitation and Upgrades	100,000	-	-
Temple St Garage Cond. Appraisal Rrs Concrete & S/W 1	290,000	-	-
Continued Course Improvements at Riverside Golf Course	50,000	-	-
Sanitation office/ crew space	200,000	-	-
Marine			
Ocean Avenue Landfill Remediation and Pre-Solar Array Work	250,000		
On going pile/pier work at OG and P.O.T	150,000		

Replace Ocean Gateway Plaza Sidewalk	100,000	-
Utility Upgrades	500,000	-
<i>School Facilities</i>		
Lincoln School ADA accessibility and secure entry vestibule	712,126	-
King School - Boiler Replacement	500,000	-
School District ADA compliance upgrades	338,198	-
Moore School - Fire Alarm System Replacement - Engineering and Installation	270,000	-
King School - Fire Alarm System Replacement - engineering and installation	270,000	-
DHS - Fire Sprinkler System Installation	255,130	1,000,000
PHS - Roof Replacement - Engineering	130,000	-
School Energy Management Control Upgrades	50,000	-
DHS Kitchen Remodel/Upgrade	50,000	-
Facilities Total	\$ 4,486,082	\$ 1,000,000
Parks, Fields, Trails		
<i>Parks, Fields, Trails</i>		
Memorial Field Artificial Turf Replacement	\$ 672,772	\$ -
Lincoln Park Fence	100,000	-
Dougherty Skate Park Expansion	50,000	-
Parks, Fields, Trails Total	\$ 822,772	\$ -
Equipment and Vehicles		
<i>Equipment</i>		
Barron Center - Replace Patient Call System Phase II	\$ 48,000	\$ -
Barron Center - Domestic Hot Water Heaters	46,400	-
Upgrade Network switches	150,000	-
Hadlock Field - Lighting Upgrades	550,000	-
Observatory Flagpole and Lightning Protection Replacement	45,000	-
109 Middle Street - Replace Boiler #2	40,000	-
Traffic Signal Upgrades with Paving Programs	400,000	100,000
District Phone System	335,000	-
Records Management System	-	600,000
Virtualization, Storage and Redundancy Upgrade	100,000	-
Phone System Upgrade	100,000	-
Police - Patrol Full Body Cameras	-	400,000
<i>Vehicles</i>		
School Bus Replacements	97,000	-
Trash and Recycling Trucks	770,000	-
Police Cruisers (7)) Replacement - Police	266,000	-
Grader Replacement - Winter 5096	225,000	-
Loader DPS 5116	210,000	-
TA Dump Truck Replacement - Districting 3096	210,000	-
SA Dump Truck Replacement - Peaks 3114	170,000	-
SA Dump Truck Replacement - Winter 3115	170,000	-
Wheel Loader Replacement - Trades 5006	135,000	-
1 Ton Dump Truck Replacement - Peaks 2508	70,000	-
1 Ton Dump Truck Replacement - Parks 3101	65,000	-
Replace Utility Truck - DPW Traffic 2515	62,000	-

Mower Hill Climber 10' Replacement - Parks 7158	60,000	-	
3/4 Ton Pickup - PRF Ballfields - 2199	40,000	-	
3/4 Ton Pickup - PRF Parks - 2202	40,000	-	
3/4 Ton Pickup Replacement - Parks 2203	40,000	-	
Car 7 & Service Truck 2 Replacement - Fire	40,000	-	
3/4 Ton Pickup - PRF - Rangers - 2037	38,000	-	
Compact Pickup DPW Engineers 2051	25,000	-	
3/4 Ton Utility Van Replacement - Trades 2006	25,000	-	
3/4 Ton Utility Van Replacement - Trades 2045	25,000	-	
Compact Pickup Replacement - PRF Ballfields	15,000	-	
Equipment and Vehicles Total	\$ 4,062,400	\$ 1,100,000	
Sub-Total FY19 CIP (General Fund)	\$ 15,504,545	\$ 2,470,000	
FY19 CIP - Sewer Fund			
Sewer / Stormwater			
Bedford Street Sewer Separation Project	\$ 8,500,000	\$ -	
CMOM - Pump Station Rehabilitation	670,000	-	
CMOM - Inflow and Infiltration Program	790,000	-	
CMOM - Sewer System Renewal	1,100,000	-	
CSO - Close CSO #42	100,000	-	
Warren - Hicks to Hemingway Sewer Separation	400,000	-	
Forest - Avalon to Warren Sewer Separation	250,000	-	
Integrated Planning LTCP and Post Construction Monitoring Program	400,000	-	
Brighton - Dorset to Lomond Sewer Separation	1,000,000	-	
Thames St Stormwater Outfall	150,000	-	
Thames St Sewer / Stormwater Extension	225,000	-	
Pavement Preservation Program - Utility costs	200,000	-	
MPI/CPR Paving Programs - Utility costs	127,050	-	
Street Rehab Program - Utility costs	800,000	-	
PACTS Paving - ineligible Utility costs	30,000	-	
Pump Station at 109 District Road	120,000	-	
Stormwater Retrofits on Riverside Street	185,000	-	
Bell Street Sewer Replacement	350,000	-	
Stormwater Infrastructure Improvements	272,000	-	
Street Sweepers Replacement	270,000	-	
Catch Basin Cleaning Vehicle Replacement - Sewer 3127	145,000	-	
Service Truck - DPW Water Resources	60,000	-	
Sewer / Stormwater Total (Sewer Fund)	\$ 16,144,050	\$ -	
TOTAL CIP (General Fund & Sewer Fund)	\$ 31,648,595	\$ 2,470,000	\$ 34,118,595
Citywide property revaluation	\$ -	\$ 1,055,000	
TOTAL CIP & Revaluation	\$ 31,648,595	\$ 3,525,000	
Reallocated Bond Proceeds		\$ (470,000)	
Total Appropriation	\$ 31,648,595	\$ 3,055,000	\$ 34,703,595

City of Portland Finance Committee Minutes - May 9, 2018

Attendees: Chair Nick Mavodones (NM), Committee Members Justin Costa (JC) and Ethan Strimling (ES), City Councilors Duson, Thibodeau, Cook and Ray. School Board Members Trevorrow, Davis, Vendil, Balfantz and Atkinson, Members of City and School Staff, Media and Public

Meeting Called to Order

Brief presentation from Portland Public School (PPS) Staff on Q&A Received at 4-26-18 Meeting including additional Q&A from Councilors
Presentation of follow up Q&A from City Finance Director including additional Q&A from Councilors

Motion to approve PPS budget as presented made by ES, Seconded by JC, discussion begins.

Amendment to PPS budget to reduce overall appropriation to \$110,578,716 from JC, seconded by NM - Passes 2-1 (ES opposed)

Motion to table PPS budget made by ES, seconded by JC, passes 3-0

Motion to take up FY19 City Manager Recommended budget: ES 1st, JC 2nd - discussion

Amendments to the main motion

- That the Building Permit Fee increase to 1.75%, instead of the recommended 1.5% increasing revenues by \$400,000 in the Inspections & Permitting Department, account 100-25- 02; Motion made by ES, seconded by JC - Fails 1-2 (ES in favor)
- That Business Licensing Fees be increased 10%, increasing revenues by \$120,000 in the Permitting and Inspections Department, account 100-25-04; Motion made by ES, seconded by NM - Fails 1-2 (ES in favor)
- That the payment for Supplemental Services from Portland Downtown be increased by \$200,000, increasing revenues in the Public Works Department, account 100-31-16; Motion made by ES, seconded by NM - Fails 1-2 (ES in favor)
- That Youth League fees be eliminated, decreasing revenues by \$47,000 in the Parks while raising expenditures by \$9,000, for a gain of \$56,000 in Recreation and Facilities Department, account 100-33-13; Motion made by ES, seconded by JC Passes 3-0
- That the increase in Before and After School Fees be eliminated, decreasing revenues by 100,000 in the Parks, Recreation and Facilities Department, account 100-33- 14; Fails 1-2 (ES in favor)
- That the increase in summer camp fees be eliminated, decreasing revenues by 12,000 in the Parks, Recreation and Facilities Department, account 100-33- 14; Passes 3-0
- That the fees for registering short term rental units be increase to \$500.00 for the 1st unit, \$1,000 for the 2nd unity; \$2,000 for the 3rd unit, \$3,000 for the 4th unit and \$5,000 for the 5th unit, increasing revenues by \$250,000 in the Permitting and Inspections Department account 100-25-03; Motion made by ES, seconded by JC Fails 1-2 (ES in favor)
- That dues for the Greater Portland Council of Governments be eliminated, reducing expenditure by \$67,850, in Memberships and Contributions, account 100-65-07; Motion made by ES, seconded by JC Fails 1-2 (ES in favor)
- That the expenditure for July 4th fireworks be eliminated, reducing that expenditure by \$35,000, in the Parks, Recreation and Facilities Department, account 100-33-10; Motion made by ES, seconded by JC Fails 1-2 (ES in favor)
- That implementation of wage increases in the wage study be reduced by \$100,000 and be made only to those making less than \$100,000, only in fiscal year 2019, in various departments; Motion made by NM, seconded by ES Fails 1-2 (ES in favor)
- That one new Office of Economic Opportunity Program Coordinator be added, increasing by \$63,686 the budget in the Executive Department, account 100-19- 20; Motion made by ES, seconded by JC Fails 1-2 (ES in favor)

Motion from JC to pass the FY19 City Manager Recommended budget as amended, ES seconds - Passes 3-0

Motion from ES to un-table the PPS budget, JC seconds - Passes 3-0

Motion from JC to pass the FY19 PPS budget as amended, NM seconds - Passes 2-1 (ES opposed)

Move to adjourn JC, seconded by ES. Passes 3-0

**City of Portland, Maine
Finance Committee Meeting Minutes
Thursday, June 14th, 2018
5:30 p.m., Room 209**

MINUTES

**MEMBERS PRESENT: Chair Mavodones,
Committee Members Costa & Strimling, Councilor
Duson, Members of City Staff and Public**

MEETING CALLED TO ORDER AT 5:36PM

1. Introductions

2. Portland Downtown Budget - Follow up from 5/15 Economic Development Committee Meeting (Public Hearing and Vote)

-Motion made by Mayor Strimling to Increase the Portland Downtown Mil Rate to \$1.03,
Seconded by Councilor Costa (Passes 3-0)

3. Future Meeting Dates Discussion

a. Thursday, June 28th

b. July TBD

It was determined the June 28th meeting would be canceled - next meeting date will be TBD by staff in July based on Councilor availability.

ADJOURNMENT AT 7:13PM

City of Portland, Maine
Finance Committee Meeting Minutes
Thursday, July 19th 2018
6:00 p.m., Council Chambers

ATTENDEES: Committee Members Mavodones, Costa & Strimling
City Manager Jon Jennings, Deputy City Manager Anita LaChance, Superintendent Xavier Botana,
Finance Director Brendan O'Connell, PPS Finance Director Alicia Gardiner, Planning & Urban
Development Director Jeff Levine, Acting Fire Chief Keith Gautreau, Liability and Insurance Claims
Manager Lori Smith, Project Manager Michael Fask, Members of Public

MEETING CALLED TO ORDER – 6:03PM

1. Introductions

Appropriation of \$130,000 of School Fund Balance for Middle School Math Curriculum Expansion and Materials for the Portland Public Schools (Public Hearing and Vote)

- Brief Presentation from School Finance Director Alicia Gardiner and Q&A from Council
- Motion to approve by Mayor Strimling, Seconded by Council Costa (Passes 3-0)

2. Discussion Item – 0 Hancock Street Sale Proceeds

- Presentation from City Manager and Q&A from Council
- Decision to schedule Public Hearing and Vote on this item (a portion of the proceeds only) would occur at the newly scheduled August 2nd Finance Committee Meeting (5:00PM) in order to facilitate final approval at August City Council meeting

3. Pension Obligation Bond Update

- Presentation from Finance Director Brendan O'Connell and Q&A from Council

4. Discussion of Future Agenda Items

a. August 2nd – Appropriation of 0 Hancock Street Sale Proceeds

b. September / October / November

- i. Staff Suggested Topic – Review Fund Balance Policy
- ii. Staff Suggested Topic – Review Debt Management Policy
- iii. Mayor Suggested Topic – City Contracting Changes
- iv. Councilor Cook Suggested Topic – Fiscal Accountability Memos
- v. Other Suggested Topics from March Council Workshop
 - 1. Councilor Mavodones suggested discussion of appropriation of remaining sale proceeds (potential joint item with Housing)
 - 2. Councilor Costa noted transition to Fall CIP and potential joint discussions with Economic Development on TIFs

ADJOURNMENT – 7:53PM

**City of Portland, Maine
Finance Committee Meeting
Thursday, August 2nd, 2018
5:00 p.m., Room 209**

MINUTES

**MEMBERS PRESENT: Chair Mavodones,
Committee Members Costa & Strimling,
Members of City Staff and Public**

Meeting called to order at 5:11PM

1. Introductions

2. Appropriation of \$2.11M of the \$3.3M of 0 Hancock Street Sale Proceeds (Public Hearing and Vote)

a) \$1M for Allen Avenue Fire Station Rehabilitation

b) \$1M for Housing Trust Fund

c) \$110,000 for Climate Action Plan (joint effort with South Portland

See attached memorandum Appropriation of \$2.11M of 0 Hancock Street Sale Proceeds

-Motion made by Mayor Strimling, seconded by Councilor Mavodones (Passes 3-0)

3. Housekeeping Discussion Items

a. Public Record of Proceedings

[Presentation of memo was presented outlining the State of Maine Public Record of Proceeding law](#) followed by Committee discussion. Future meeting minutes will be formally approved by the Committee and times each item is taken up will be added.

b. Future Meeting Dates:

Thursday, September 13th and Thursday, September 27th

Thursday, October 11th and Thursday, October 25th

Thursday, November 8th – Second meeting date TBD

ADJOURNMENT AT 6:33 p.m.



Office of the Mayor, Ethan K. Strimling

MEMORANDUM

To: Finance Committee

From: Ethan K. Strimling, Mayor

Date: Sept 6, 2018

Subject: Responsible Contracting

OBJECTIVE: The objective of this amendment is to strengthen the city purchasing policy to better reflect our values and to incentivize better outcomes for workers and Portland taxpayers, by adding and encouraging key components of what is commonly referred to as “responsible contracting.” There are many components of responsible contracting, some of which the city already adheres to. The two areas that I am focused on at this time are (1): the payment of prevailing wages for building contracts that are funded by municipal funds; (2): requiring contractors who are awarded a municipally funded construction project to participate in a registered apprenticeship/job training program; (3) adding additional opportunities for contractors who treat their workers well to earn points toward the possible awarding of a contract. Each of these proposals will be taken up individually.

1. PREVAILING WAGE

BACKGROUND: The payment of prevailing wages by contractors to employees involved in government building contracts is not a new concept. The federal government requires contractors to pay prevailing wages to all workers employed in government construction projects.

Prevailing wage rates are also used by many states for state funded projects, including Maine. In Maine, construction projects funded and administered by a state agency that are over \$50,000 must adhere to State of Maine prevailing wage and reporting guidelines.

Prevailing wage rates are also found at our municipal level. In 2017, the Portland City Council passed an ordinance requiring contractors working on any construction project receiving tax increment financing (TIF) from the City of Portland to pay its workers prevailing wages. Additionally, contractors who receive HUD and CDBG funding from the City of Portland must also adhere to federal prevailing wage reporting requirements.

RECOMMENDATION: *Require building contractors using municipal funds to pay prevailing wages.*

Since it is imperative that workers in our city receive wages that allow them to be able to afford to live in our city, and since contractors working on federal and most state construction projects are already familiar with the payment and reporting of prevailing wages, it seems logical to extend such wage requirements to locally funded projects.

For purposes of consistency it is recommended that the minimum threshold for the prevailing wage requirement for municipally funded projects mirror the State of ME requirements of any project projected to cost over \$50,000. It is further recommended that the City follow the prevailing wage construction categories already in place at the state level. These wage rates are adjusted every year, and are broken down by county to reflect local wage requirements. The wage rates are also broken down by construction category, including: 1. Building 1 - One or two family homes; 2. Building 2 - Other than one or two family homes; 3. Highway and Earthwork; 4. Heavy and Bridge.

Attachment 1 provides the 2018 prevailing wage rates for Cumberland County in these four construction categories. These are the rates I recommend we use (consistent with TIF and CDBG).

Critics will argue that such a mandate will add to the cost of municipally funded construction projects. However, construction companies working on state funded and managed projects over \$50,000, as well as federal projects, are already in the habit of compensating at the prevailing wage rates as well as completing and submitting prevailing wage reports to the appropriate agencies. Plus, evidence shows that accurately tracking payroll and job classification is simply good business practice.

It is conceded that there will likely be an incremental increase in the city's cost of monitoring these projects. However, with the recent passage of TIFs for two local affordable housing projects, as well as the mechanism already in place to monitor such projects as those supported with CDBG funds, it is only a matter of time that a more fully robust reporting mechanism will be in place for monitoring of payment of prevailing wages at the city level. The expansion of prevailing wage requirements to all municipally funded construction contracts over \$50,000 will only marginally increase these city costs.

Finally, the requirement for contractors to pay prevailing wage rates for all municipally funded building contracts over \$50,000 will help ensure that all bidders are using similar wage rates, and

that the historically awarded “low bidder” will not be cutting corners on his/her labor lines in order to achieve a competitive advantage. In fact, setting a wage floor will serve to encourage contractors to compete based on work product, creativity and ingenuity, rather than an artificially depressed wage line.

Put simply, if we as a City agree - as we have - that private companies such as the ones receiving support through a TIF should adhere to prevailing wage standards, the City then should follow its own example and adhere to the same standards on publicly-funded projects.

2. APPRENTICESHIP PROGRAM/JOB TRAINING REQUIREMENT

BACKGROUND: Presently, the bidding process and timely completion schedules for publicly funded construction projects in Southern Maine are strained by a shortage of skilled workers. Apprenticeship programs are recognized nationally and statewide as effective tools for creating pipelines of highly skilled local workers and propelling workers into secure, well-paying careers.

Currently, the State administers the Maine Apprenticeship Program which, in 2016, served 1220 apprentices across a wide range of trades. Along with quality trade-focused programming at our own Portland Arts & Technology High School and other local CTEs, community colleges such as Southern Maine Community College also offer an Associate Degree in Trade & Technical Occupations. There are also several union and non-union administered programs in occupations such as painting, masonry and carpentry. Further, there are currently apprenticeship programs in place for the state licensed trades such as plumbing and electrical.

RECOMMENDATION: *A requirement aimed at increasing contractor participation in registered apprenticeship programs.*

This recommendation could be executed in one of two ways:

1. *Requiring Contractor Participation in Registered Apprenticeship Programs as a Stipulation for Submitting a Bid:* If this option is chosen, it is recommended that all firm(s) utilized on municipally funded construction projects be required to participate in a registered apprenticeship program for each applicable occupation in which workers will be employed. The firms must continue such participation for the duration of the project. Currently, the State of Maine defines a registered apprenticeship as, “a formal, industry-led, nationally-recognized, workforce training program for employees that provides in-house skill development through structured on-the-job learning supplemented with technical and theoretical course work.”

2. *Awarding Preference Points to Bids Submitted by Contractors Participating in Registered Apprenticeship Programs:* A less restrictive alternative would be to award preference points as a part of the bid process to contractors who meet the qualifications outlined in the first recommendation option. While not an absolute requirement, it will be a definite incentive for contractors to participate in order to gain an advantage in the bid process.

As with the proposed prevailing wage amendment, there will likely be an incremental increase in the city's cost of monitoring construction projects. Many municipalities that have local responsible contracting requirements have staff who are able to monitor and enforce both the prevailing wage requirements and the apprenticeship/job training requirements.

Since many responsible employers across Maine already participate in some variation of on-the-job training program, any additional cost to certify their training program through the Maine Apprenticeship Program would be negligible. In fact, the investment in increasing the availability of a highly skilled workforce allows for contractors to access the workers they need to bid on, compete for, win and complete their current and future projects.

3. OTHER BONUS POINT PROVISIONS

BACKGROUND: As an additional way to incentivize employers to spend taxpayer monies in a way that reflects Portland's values, and that will ultimately create a higher quality product for our taxpayers, bonus provisions could be placed in our RFP scoring process. Many cities utilize this tool and most recently, Maine State Housing used it successfully for years. Four specific incentives discussed below are OSHA 10, Health Care, SS/UEI/WC and wage/hour consistency.

RECOMMENDATION: *A bonus provision that awards additional points to contractors who provide additional safety and health related benefits to their employees.*

1. *OSHA 10:* Provide up to 3 points in scoring an RFP for contractors who will ensure that all workers on the site have gone through full OSHA 10 Certification (can be provided on-line or in person) or better.
2. *Health Care Insurance:* Provide up to 3 points in scoring an RFP for contractors who provide health care benefits above and beyond the prevailing wage.

3. *Social Security, Workers Comp and Unemployment Insurance*: Provide up to 3 points in scoring an RFP for contractors who provide social security (or a similar retirement program), Unemployment, and Workers Comp above and beyond the prevailing wage.
4. *Wage and Hour Violations*: Provide up to 3 points in scoring an RFP for contractors who have not had a recorded wage and hour violation for a period of three consecutive years prior to the project bid due date.

As with the proposed prevailing wage and apprenticeship amendments, there will likely be an incremental increase in the city's cost of monitoring construction projects. However, with the other requirements in place, monitoring these additional items will be minimal. Likewise, providing Health Care benefits, SS/UEI/WC will most likely reduce costs to the city when and if someone falls on hard times or retires.

Additionally, since many, if not most, responsible employers across Maine already provide these benefits, any additional cost to most companies would be negligible. Plus, ensuring that workers in Portland are well trained in safety will ultimately reduce a company's Workers Compensation costs.

MAINE BUREAU OF LABOR STANDARDS

	Minimum	Minimum	
<u>Occupation Title</u>	<u>Wage</u>	<u>Benefit</u>	<u>Total</u>
Asbestos/Lead Removal Worker	\$15.10	\$0.42	\$15.52
Backhoe Loader Operator	\$20.00	\$2.16	\$22.16
Boom Truck (Truck Crane) Operator	\$21.66	\$6.86	\$28.52
Bricklayer	\$24.00	\$3.99	\$27.99
Bulldozer Operator	\$20.00	\$4.06	\$24.06
Carpenter	\$21.00	\$1.84	\$22.84
Carpenter - Rough	\$16.00	\$0.00	\$16.00
Cement Mason/Finisher	\$17.00	\$0.00	\$17.00
Communication Equip Installer	\$13.50	\$0.45	\$13.95
Driller - Rock	\$18.38	\$2.60	\$20.98
Dry-Wall Applicator	\$22.00	\$0.70	\$22.70
Dry-Wall Taper & Finisher	\$18.50	\$0.45	\$18.95
Electrician - Licensed	\$23.50	\$2.20	\$25.70
Electrician Helper/Cable Puller	\$16.50	\$1.05	\$17.55
Excavator Operator	\$22.00	\$1.94	\$23.94
Fence Setter	\$17.75	\$2.89	\$20.64
Floor Layer	\$17.00	\$0.00	\$17.00
Furniture Installer/Assembler	\$16.00	\$1.22	\$17.22
Glazier	\$16.88	\$1.12	\$18.00
Grader/Scraper Operator	\$21.33	\$5.13	\$26.46
HVAC	\$20.50	\$2.09	\$22.59
Insulation Installer	\$20.00	\$2.91	\$22.91

2018 CUMBERLAND COUNTY *B1* PREVAILING WAGE RATE

	Minimum	Minimum	
<u>Occupation Title</u>	<u>Wage</u>	<u>Benefit</u>	<u>Total</u>
Laborers (helper/tender)	\$15.00	\$0.33	\$15.33
Laborer - Skilled	\$17.00	\$2.21	\$19.21
Loader Operator - Front-End	\$19.13	\$2.95	\$22.08
Mechanic- Maintenance	\$21.00	\$3.84	\$24.84
Oil/Fuel Burner (Service/install)	\$24.50	\$4.52	\$29.02
Painter	\$16.00	\$0.00	\$16.00
Pipe/Steam/Sprinkler Fitter	\$23.50	\$4.54	\$28.04
Pipelayer	\$28.00	\$12.54	\$40.54
Plumber (Licensed)	\$25.00	\$3.44	\$28.44
Plumber Helper/Trainee	\$20.00	\$3.01	\$23.01
Propane & Natural Gas (Service/install)	\$26.50	\$1.97	\$28.47
Pump Installer	\$21.00	\$3.73	\$24.73
Roofer	\$20.63	\$3.85	\$24.48
Sheet Metal Worker	\$22.80	\$4.60	\$27.40
Stone Mason	\$20.00	\$0.00	\$20.00
Tile Setter	\$23.00	\$4.26	\$27.26
Truck Driver - Light	\$18.15	\$2.88	\$21.03
Truck Driver - Medium	\$17.75	\$1.82	\$19.57
Truck Driver - Heavy	\$17.00	\$0.38	\$17.38
Truck Driver - Tractor Trailer	\$17.50	\$2.42	\$19.92

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The Prevailing Wage rates are set for all 16 counties with 4 categories coded as follows:

B1 = One or two family homes

B2 = Other than one or two family homes

MAINE DEPARTMENT OF LABOR STANDARDS

	Minimum	Minimum	
<u>Occupation Title</u>	<u>Wage</u>	<u>Benefit</u>	<u>Total</u>
Asbestos/Lead Removal Worker	\$15.10	\$0.55	\$15.65
Backhoe Loader Operator	\$20.00	\$2.16	\$22.16
Boom Truck (Truck Crane) Operator	\$21.66	\$6.86	\$28.52
Bricklayer	\$24.00	\$3.43	\$27.43
Bulldozer Operator	\$20.00	\$4.06	\$24.06
Carpenter	\$23.00	\$4.10	\$27.10
Carpenter - Acoustical	\$17.00	\$2.68	\$19.68
Carpenter - Rough	\$19.00	\$2.40	\$21.40
Cement Mason/Finisher	\$17.00	\$0.45	\$17.45
Communication Equip Installer	\$22.00	\$2.98	\$24.98
Comm Transmission Erector-Microw	\$17.00	\$0.00	\$17.00
Crane Operator =>15 Tons)	\$25.13	\$5.94	\$31.07
Driller - Rock	\$18.38	\$2.60	\$20.98
Dry-Wall Applicator	\$22.42	\$0.92	\$23.34
Dry-Wall Taper & Finisher	\$23.25	\$0.00	\$23.25
Electrician - Licensed	\$27.55	\$4.90	\$32.45
Electrician Helper/Cable Puller	\$17.25	\$3.30	\$20.55
Elevator Constructor/Installer	\$57.50	\$24.42	\$81.92
Excavator Operator	\$22.00	\$2.08	\$24.08
Fence Setter	\$16.00	\$1.17	\$17.17
Flagger	\$12.00	\$0.00	\$12.00
Floor Layer	\$18.75	\$3.72	\$22.47
Furniture Installer/Assembler	\$16.00	\$1.24	\$17.24
Glazier	\$21.00	\$3.50	\$24.50
Highway Worker/Guardrail Installer	\$16.75	\$0.80	\$17.55
HVAC	\$23.84	\$3.86	\$27.70
Insulation Installer	\$19.75	\$2.42	\$22.17

2018 CUMBERLAND COUNTY *B2* PREVAILING WAGE RATE

	Minimum	Minimum	
<u>Occupation Title</u>	<u>Wage</u>	<u>Benefit</u>	<u>Total</u>
Ironworker - Ornamental	\$22.85	\$4.85	\$27.70
Ironworker - Reinforcing	\$24.79	\$10.60	\$35.39
Ironworker - Structural	\$21.25	\$3.25	\$24.50
Laborers (Helper & Tenders)	\$15.00	\$1.08	\$16.08
Laborer - Skilled	\$17.00	\$2.75	\$19.75
Line Erector Power/Cable Splicer	\$26.00	\$7.59	\$33.59
Loader Operator - Front-End	\$19.13	\$2.95	\$22.08
Mechanic- Maintenance	\$25.50	\$3.77	\$29.27
Mechanic – Refrigeration	\$23.91	\$4.76	\$28.67
Millwright	\$26.00	\$11.58	\$37.58
Oil/Fuel Burner Serv/Instlr(Lic)	\$26.50	\$2.19	\$28.69
Painter	\$17.00	\$0.36	\$17.36
Pipe/Steam/Sprinkler Fitter	\$23.00	\$4.49	\$27.49
Pipelayer	\$28.00	\$12.54	\$40.54
Plumber (Licensed)	\$26.00	\$4.13	\$30.13
Plumber Helper/Trainee (Lic)	\$17.57	\$3.31	\$20.88
Propane/Natural Gas Serv/ Inst	\$26.55	\$1.93	\$28.48
Rigger	\$20.00	\$6.12	\$26.12
Roofer	\$16.00	\$1.18	\$17.18
Sheet Metal Worker	\$20.50	\$4.13	\$24.63
Stone Mason	\$20.00	\$0.00	\$20.00
Tile Setter	\$22.00	\$4.17	\$26.17
Truck Driver - Light	\$18.15	\$2.88	\$21.03
Truck Driver - Medium	\$17.75	\$1.82	\$19.57
Truck Driver - Heavy	\$16.00	\$1.96	\$17.96
Truck Driver - Tractor Trailer	\$17.50	\$2.42	\$19.92

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HI = Highway and Earthwork

HB = Heavy Construction and Bridge

MAINE BUREAU OF LABOR STANDARDS

2018 CUMBERLAND COUNTY *HI* PREVAILING WAGE RATE

<u>Occupation Title</u>	<u>Wage</u>	<u>Benefit</u>	<u>Total</u>	<u>Occupation Title</u>	<u>Wage</u>	<u>Benefit</u>	<u>Total</u>
Asphalt Raker	\$16.00	\$0.44	\$16.44	Ironworker – Ornamental	\$23.13	\$4.80	\$27.93
Backhoe Loader Operator	\$20.00	\$2.23	\$22.23	Ironworker - Reinforcing	\$24.79	\$10.60	\$35.39
Boom Truck (Truck Crane) Operator	\$21.66	\$6.86	\$28.52	Ironworker - Structural	\$21.80	\$4.88	\$26.68
Bulldozer Operator	\$22.30	\$4.19	\$26.49	Laborer (Includes Helper-Tender)	\$14.50	\$0.94	\$15.44
Carpenter	\$21.00	\$2.36	\$23.36	Laborer - Skilled	\$17.00	\$2.22	\$19.22
Cement Mason/Finisher	\$17.00	\$0.56	\$17.56	Line Erector-Power/Cable Splicer	\$26.00	\$7.59	\$33.59
Crane Operator =>15 Tons)	\$26.00	\$5.97	\$31.97	Loader Operator - Front-End	\$19.88	\$3.74	\$23.62
Crusher Plant Operator	\$17.75	\$2.39	\$20.14	Mechanic- Maintenance	\$21.00	\$3.15	\$24.15
Diver	\$28.50	\$1.48	\$29.98	Painter	\$17.00	\$0.00	\$17.00
Driller -Rock	\$18.38	\$2.60	\$20.98	Paver Operator	\$18.00	\$1.57	\$19.57
Earth Auger Operator	\$22.97	\$6.17	\$29.14	Pipelayer	\$18.00	\$3.16	\$21.16
Electrician - Licensed	\$26.00	\$4.67	\$30.67	Pump Installer	\$21.00	\$3.73	\$24.73
Electrician Helper/Cable Puller (Licens	\$17.00	\$2.84	\$19.84	Reclaimer Operator	\$19.13	\$2.98	\$22.11
Elevator Constructor/Installer	\$19.25	\$1.62	\$20.87	Roller Operator - Earth	\$16.00	\$1.89	\$17.89
Excavator Operator	\$21.54	\$3.44	\$24.98	Roller Operator - Pavement	\$18.00	\$2.07	\$20.07
Fence Setter	\$17.25	\$1.72	\$18.97	Screed/Wheelman	\$22.88	\$4.25	\$27.13
Flagger	\$12.50	\$0.00	\$12.50	Truck Driver - Light	\$17.83	\$3.74	\$21.57
Grader/Scraper Operator	\$21.33	\$5.65	\$26.98	Truck Driver - Medium	\$18.00	\$1.89	\$19.89
Highway Worker/Guardrail Installer	\$16.50	\$0.79	\$17.29	Truck Driver - Heavy	\$16.50	\$1.53	\$18.03
Hot Top Plant Operator	\$23.38	\$5.55	\$28.93	Truck Driver - Tractor Trailer	\$19.00	\$2.79	\$21.79

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MAINE BUREAU OF LABOR STANDARDS

2018

CUMBERLAND COUNTY *HB* PREVAILING WAGE RATE

<u>Occupation Title</u>	<u>Wage</u>	<u>Benefit</u>	<u>Total</u>	<u>Occupation Title</u>	<u>Wage</u>	<u>Benefit</u>	<u>Total</u>
Backhoe Loader Operator	\$20.00	\$2.16	\$22.16	Laborer (Includes Helper-Tender	\$16.00	\$1.64	\$17.64
Boom Truck (Truck Crane)Operator	\$21.66	\$6.86	\$28.52	Laborer - Skilled	\$20.55	\$3.62	\$24.17
Bricklayer	\$24.00	\$3.99	\$27.99	Line Erector-Power/Cable Splicer	\$25.75	\$7.59	\$33.34
Bulldozer Operator	\$20.00	\$4.06	\$24.06	Loader Operator - Front-End	\$19.75	\$2.82	\$22.57
Carpenter	\$24.31	\$10.41	\$34.72	Mechanic- Maintenance	\$20.00	\$5.72	\$25.72
Carpenter - Rough	\$20.67	\$5.49	\$26.16	Mechanic- Refrigeration	\$24.88	\$4.76	\$29.64
Cement Mason/Finisher	\$17.00	\$0.56	\$17.56	Millwright	\$28.90	\$22.50	\$51.40
Communication Equipment Installer	\$21.50	\$3.28	\$24.78	Painter	\$22.00	\$3.06	\$25.06
Comm Transmission Erector Microwave	\$19.00	\$3.57	\$22.57	Paver Operator	\$20.00	\$3.78	\$23.78
Crane Operator =>15 Tons)	\$28.00	\$7.15	\$35.15	Pile Driver Operator	\$25.00	\$11.13	\$36.13
Crusher Plant Operator	\$17.75	\$2.48	\$20.23	Pipe/Steam/Sprinkler Fitter	\$22.50	\$8.53	\$31.03
Diver	\$32.00	\$0.00	\$32.00	Pipe Layer	\$28.00	\$12.54	\$40.54
Driller -Rock	\$18.38	\$2.60	\$20.98	Pump Installer	\$21.00	\$3.73	\$24.73
Earth Auger Operator	\$23.76	\$6.31	\$30.07	Reclaimer Operator	\$18.50	\$2.85	\$21.35
Electrician - Licensed	\$28.83	\$13.97	\$42.80	Rigger	\$20.00	\$6.12	\$26.12
Electrician Helper/Cable Puller (License	\$26.00	\$8.68	\$34.68	Roller Operator - Earth	\$15.88	\$1.76	\$17.64
Excavator Operator	\$23.00	\$3.68	\$26.68	Roller Operator - Pavement	\$18.30	\$1.64	\$19.94
Fence Setter	\$16.00	\$1.17	\$17.17	Truck Driver - Light	\$18.15	\$2.88	\$21.03
Flagger	\$12.00	\$0.00	\$12.00	Truck Driver - Medium	\$17.75	\$1.82	\$19.57
Grader/Scraper Operator	\$21.33	\$5.13	\$26.46	Truck Driver - Heavy	\$19.00	\$3.17	\$22.17
HVAC (Heat-Vent-Air Conditioning)	\$23.00	\$3.05	\$26.05	Truck Driver - Tractor Trailer	\$21.50	\$5.59	\$27.09
Ironworker – Ornamental	\$22.85	\$4.85	\$27.70				
Ironworker - Reinforcing	\$26.20	\$12.15	\$38.35				
Ironworker - Structural	\$23.00	\$6.26	\$29.26				

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FAIR CONTRACTING

LEGAL CONSIDERATIONS



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What Is "Fair Contracting"?

Laws and policies that **protect wages** on **public projects** by requiring payment of “prevailing wages” in the locality

- Regulate wages and benefits paid to workers
- Public works construction projects
- Pay same level of wages and benefits customary for each occupation in a specific geographic area
- Prevent contractors from importing or using cheap labor

GENERALLY REFERRED TO AS
PREVAILING WAGE LAWS

Elements of Fair Contracting

COMMON ELEMENTS OF PREVAILING WAGE LAWS

- Pay prevailing wages
- Notice to workers on site
- File payroll information

OTHER POSSIBLE ELEMENTS OF FAIR CONTRACTING

- Responsible bidder requirements (not de-barred or suspended)
 - Overtime laws
 - Safe and healthful working conditions (OSHA)
 - Worker misclassification prohibition
 - Small and Minority Owned Businesses
- Requiring contractor to preferentially hire local resident workers

Why Enact Prevailing Wage Laws?

“LEVEL THE PLAYING FIELD” RATIONALE

Public projects . . .

- Infuse large sums of money into an area
- Require contractors to compete on price (lowest qualified bidder)
- May attract non-local contractors from areas where wage rates are lower

Effect:

- Public projects may lead to erosion of local construction compensation standards on the job and on other jobs

REASONING

Government should not be in the business of cutting government costs by cutting the wages of its citizens

VIEWPOINTS: Opponents

CLAIMS OF OPPONENTS OF PREVAILING WAGE LAWS

- Prevailing wage laws increase construction costs of public projects
- Prevailing wage laws reduce pool of bidders; the reduced competition further increases public project costs
- Prevailing wage laws increase taxes to pay for public projects or decrease the number of projects that can be funded
- Prevailing wage laws increase costs of other projects and thereby constrain economic development

VIEWPOINTS: Proponents

CLAIMS OF PROPONENTS OF PREVAILING WAGE LAWS

- Prevailing wage laws prevent destabilization of local and regional construction markets
- Prevailing wages reduce taxpayer burdens by reducing likelihood that workers will earn incomes below poverty level, rely on public assistance, and not have health insurance or retirement benefits
- Prevailing wages redirect competition around quality, productivity and efficiency, rather than compensation

FAQs

Q: Are construction costs affected by prevailing wages?

A: Probably not. Research indicates construction costs do not appear to be affected by prevailing wages. Labor costs are low (~ 23% of building costs); studies indicate that increased wages result in lower-cost materials and fuel and lower contractor profits.

Q: Do winning bids change with prevailing wages?

A: Probably not. Winning bids do not seem to change when contractors move between projects requiring prevailing wages and those that do not.

Q: How do prevailing wage laws affect movement of construction contractors?

A: Across state lines, prevailing wage laws discourage the use of out-of-state contractors. Within state lines, the effect is not clear.

Legal Framework: Federal Projects

- Davis-Bacon and Related Acts
 - Applicability: Federally-funded or federally-assisted public construction projects
 - Dollar threshold: > \$2,000
- Other Elements
 - Copeland “Anti-Kickback” Act
 - Federal Overtime Laws
 - OSHA
- *Note: City projects are exempt from Davis-Bacon unless certain federal grants or assistance is obtained*

Legal Framework: State Projects

“LITTLE DAVIS-BACON ACTS”

State Prevailing Wage Laws



Legal Framework: State of Maine

MAINE'S LOCAL PREFERENCE AND PREVAILING WAGE LAWS

(Title 26, Chapter 15)

Local Preference: All other things being equal, “preference to workmen and bidders ... who are residents of this State.” 26 M.R.S. § 1301; see also 26 M.R.S. §1303.

- Applicability of Local Preference:
 - State-contracted public works $\geq$ \$50,000. 26 M.R.S. § 1304(8).
 - City buildings. 26 M.R.S. § 1301.

Prevailing Wages: “It is declared to be the policy of the State that a wage of no less than the prevailing hourly rate of wages and benefits for work of a similar character in this State must be paid to all workers employed in the construction of public works.” 26 M.R.S. § 1305.

- Applicability of Prevailing Wages:
 - State-contracted public works $\geq$ \$50,000. 26 M.R.S. § 1304(8).
 - Federally-funded projects are exempt, but subject to Davis-Bacon.
 - Locally-funded projects are exempt.

Legal Framework: State of Maine

FOR EXAMPLE:

2017 PREVAILING WAGES & BENEFITS

CARPENTERS

CATEGORY: BUILDINGS OTHER THAN ONE- OR TWO-FAMILY HOMES

	<u>Minimum Wage</u>	<u>Minimum Benefit</u>	<u>Total</u>
CUMBERLAND	\$21.00	\$3.44	\$24.44

	<u>Minimum Wage</u>	<u>Minimum Benefit</u>	<u>Total</u>
SOMERSET	\$18.75	\$1.99	\$20.74
AROOSTOOK	\$19.00	\$2.10	\$21.10
PISCATAQUIS	\$19.00	\$2.10	\$21.10
WALDO	\$18.00	\$3.20	\$21.20
HANCOCK	\$20.00	\$2.44	\$22.44
PENOBSCOT	\$20.00	\$2.44	\$22.44
WASHINGTON	\$20.00	\$2.44	\$22.44
KNOX	\$21.00	\$2.73	\$23.73
OXFORD	\$21.00	\$3.41	\$24.41
CUMBERLAND	\$21.00	\$3.44	\$24.44
YORK	\$21.00	\$3.47	\$24.47
KENNEBEC	\$21.73	\$3.66	\$25.39
LINCOLN	\$21.73	\$3.66	\$25.39
ANDROSCOGGIN	\$21.88	\$3.70	\$25.58
SAGadahoc	\$21.73	\$3.86	\$25.59
FRANKLIN	\$22.00	\$3.74	\$25.74

Source: https://www1.maine.gov/labor/labor_stats/publications/wagerateconst/index.html

Legal Framework: Municipalities

- **ASSOCIATED BUILDERS AND CONTRACTORS v. CITY OF LANSING**

880 N.W.2d 765 (Michigan Supreme Court, 2016)

City's enactment of prevailing wage ordinance was a valid exercise of City's police power under the state constitution and Home Rule authority.

- **STATE BUILDING & CONSTRUCTION TRADES COUNCIL OF CALIFORNIA, AFL-CIO v. CITY OF VISTA**

279 P.3d 1022 (California Supreme Court, 2012)

Charter city's ordinance prohibiting prevailing wages on locally funded public works was valid because the state constitution allowed a charter city to govern itself free of state legislative intrusion as to "municipal affairs," and prevailing wages for locally funded public works were not "matters of statewide concern."

BOTTOM LINE: *Judicial authority from other states exists for municipally-enacted prevailing wage laws, but there is a risk of litigation.*

Legal Authority: City of Portland

- **CITY ORDINANCE: Ch. 2, Art. VII. Procurement and Contracting Procedures**

City's rules for competitive bidding apply to the procurement of goods and services for the City.

Note: The City Ordinance provides that competitive bidding includes the "intent to award the bid to the lowest qualified and responsible bidder who meets the specifications."

- **CITY POLICIES; CITY COUNCIL ORDERS**

Nothing in the ordinance prevents the City from adopting additional fair contracting / prevailing wage policies or City Council orders

E.g., 2017 amendments to City's TIF Policy incorporating state prevailing wage requirements.

Implementation Considerations

- **Applicability/Scope**
 - Project Minimum Dollar thresholds
 - Exemptions (e.g., emergency procurements)
- **Method of Determining Prevailing Wages**
 - What work/occupations/trades are covered?
 - How are rates determined? Method and frequency?
 - What is “local”? (area covered)
 - What benefits, if any, are considered?
- **Recordkeeping, Compliance/Enforcement**
 - What does contractor need to supply for proof of compliance? Who reviews?
 - What are the penalties for failure to comply? Who enforces?

Compliance and Enforcement

- **Establish a Compliance/Enforcement Entity**
 - This could be a sub-committee or department or enforcement officer of the local awarding agency
 - Possible Staffing: Director of Finance, City Manager, or Owner's Representative
- **Labor Standards Administration**
 - Prepare bid document/contract provisions (apply fair contracting standards; select proper wage decision)
 - Participate in pre-construction conference so that potential bidders are aware of labor standard requirements
 - Include fair wage standards in prequalification questionnaire and process
 - Support contractor compliance through training and advice

Compliance and Enforcement

- **Labor Standards Enforcement**

- Conduct on-site inspections, including interviews with laborers and mechanics and verification of posted wage decision (may be limited to spot-checks)
- Review certified payroll submissions and related documentation for discrepancies/underpayments and falsification indicators (may be limited to spot-checks)
- Investigate and resolve probable violations and complaints of underpayments; ensure that needed corrections are made promptly, including payment of wage restitution, assessment and collection
- Pursue debarment and other available sanctions against repeat violators



Office of the Mayor, Ethan K. Strimling

MEMORANDUM

To: Economic Development Committee/Finance Committee

From: Ethan K. Strimling, Mayor

Date: Sept 6, 2018

Subject: Disparity Study

According to recent articles in the Portland Press Herald and state/local data, women and communities of color continue to confront workplace hardship and disparities in Maine, Cumberland County and Portland.

For women, from the #metoo movement confronting [increased sexual harassment in Maine workplaces](#) to [pay disparities in Maine workplaces](#), we know that the playing field is not yet level with their male colleagues (see attached).

For new immigrants in Maine, a recent article in the Press Herald describes how many face a cold shoulder when they are looking for employment. One, an attorney who passed the Maine State Bar on her first try, could not find a law firm to hire her. Another, an electrical engineer, described firms telling him he didn't have enough "US experience." A third said that there was a serious disconnect between the words of our economic leaders and their hiring practices. [Press Herald: Immigrants describe cold reception from Maine employers](#) (attached).

Additionally, we know the poverty and unemployment rates for immigrants in Cumberland County are well above those of native born Mainers. In some areas, the difference nearly three times as stark (see attached).

In order to confront some of these disparities, in the fall of 2016, the City Council referred to the Economic Development Committee [EDC] a series of proposed changes to our Tax Increment Financing Policy [TIF]. The changes were threefold. 1) Require companies receiving a Credit Enhancement Agreement [CEA] to pay prevailing wages as measured by the state Department of Labor. 2) Require that a company receiving a CEA participate in a registered apprenticeship program. 3) Require that 25 percent of the hours worked on the CEA-funded project be filled with city residents, veterans, minorities and/or women.

In September of 2017, the EDC voted unanimously to include the prevailing wage provision in the TIF/CEA policy (subsequently passed unanimously by the Council) and not to include the Apprenticeship requirements (failed 1-2 at the Committee level and 3-5 at the full Council).

In regard to the hiring provision, it was determined that a formal Disparity Study was needed, in order to protect against a constitutional challenge if the City were to implement hiring goals to

offset the above mentioned employment disparities. The study would move beyond the anecdotal and determine statistically if and where disparities in hiring existed in Portland. It would also provide guidance for future policy discussions on how to confront hiring discrimination. The committee voted unanimously to direct the City Manager to conduct an analysis of the cost associated with undertaking such a study and report the results back by January, 2018.

In March/April, 2018, the Manager reported that the price for disparity studies in other communities around the country was generally between \$300K to over a million dollars and that no firms could conduct a study for the City of Portland.

Subsequently, upon reaching out to President Glenn Cummings at the University of Southern Maine, leadership at the Muskie School determined that they could perform a study for well below the generic costs that were initially presented to the Committee. They propose a single study of City contractors and the general population of businesses in Portland. According to the proposal from the Muskie School, the cost for this study is estimated to be approximately \$50,000 (proposal summary attached).

My recommendation is engage with our partners at USM/Muskie School and proceed with the study to determine how significant the hiring disparities are in Portland. While the preliminary estimate of the cost for the study is \$50K, I propose that the City allocate \$75K of the proceeds from the sale of 0 Hanover Street (\$3.3M) to ensure sufficient funding in the event additional resources are needed.

Muskie School Proposed Disparity Study

Disparity Study of Hiring Practices in Portland, ME

The City of Portland oversees numerous departments that contract with hundreds of businesses to provide essential services to city residents and businesses. Additionally, the City of Portland is home to over 4,600 businesses and over 67,000 people. Recent census data shows that Portland has 28,944 women of workforce age, 10,686 people of color (16%), and 3,188 Veterans (4.8%). [US Census Portland, Maine](#)

The fundamental question the study aims to determine is whether socially/economically disadvantaged groups, are being fairly hired, retained and compensated in our workforce.

The study will analyze, through statistical evidence, whether there is a significant disparity between those eligible for the workforce and those hired. Evidence may be drawn from census data, the records of the City, federal studies, public hearings, surveys, and interviews.

To that end, the Muskie School has put together a preliminary proposal to survey businesses to determine if their hiring practices lead to equitable hiring and compensation. The survey will look at hiring practices by certain business sectors/industries, taking into account the current makeup of the workforce in each sector.

The subsequent analysis would then compare that data to current demographics to determine if disparities in hiring and compensation exist. If disparities exist, a subset of data from businesses that currently contract with the city will be analyzed to determine whether the city has been a participant.

In collaboration with the Survey Research Center, Muskie would send the on-line survey with up to 15 close-ended questions to approximately 1,500 businesses (we would work with the city/local business groups to attain primary contact emails). We would need to get responses from a minimum of 355 contractors to achieve a result at the 95% confidence level with a confidence interval of $\pm 5\%$. It is important to emphasize the anonymity of the survey, so as to make sure individual businesses will not fear reprisal if their hiring practices are not leading to fair representation and compensation. This will also ensure that the responses are as accurate as possible.

We would then analyze the results and produce a report and presentation on hiring practices and what, if any, remediation steps were necessary. The report would include a brief literature review section detailing other cities that had undertaken responsible contracting and the outcomes. Results would be shared with the City Council in presentation and report format.

This 6 month project would cost approximately **\$50,000**, subject to fine tuning based on the actual number of contacts, number of questions asked/analyzed and the data gathering needed to ensure an accurate comparative conclusion. Upon recommendation of the Council, Muskie will develop a fuller survey with the Mayor's office and city staff.

State fumbles data as sexual harassment complaints double

 pressherald.com/2017/11/28/sexual-harassment-complaints-in-maine-doubled-in-last-two-years/

By Edward D. Murphy

November 29, 2017

The number of sexual harassment complaints in the state have doubled since 2015, contrary to figures given to the Portland Press Herald by the Maine Human Rights Commission that originally showed a steady decline in complaints over the past 15 years.

Amy Sneirson, the commission's executive director, apologized to the newspaper for the incorrect figures, which indicated sexual harassment filings had been dropping since 2000-01.

Related Headlines

Reported claims of sex harassment in Maine on the decline

The corrected figures show that allegations actually increased in three of the past four fiscal years, from 73 during the period from July 1, 2013, to June 30, 2014, to 84 in 2014-15, and then hitting an all-time high of 192 in 2015-16. Last fiscal year, there were 162 complaints of sexual harassment.

The rising numbers come as a wave of sexual misconduct allegations against men has reached the highest levels of the nation's media, business, entertainment and political arenas in recent weeks.

Sneirson said she was "sick" over the error and could not specify how it occurred. She said the commission is understaffed and hasn't been able to analyze why annual harassment complaints had jumped to more than 160 in the past two years.

"Everyone is already working past their capacity in enforcement," she said. "We don't have the resources to figure out why."

The human rights commission has asked in the past for budget increases – \$1.4 million last year – to add staff, but has been turned down, Sneirson said. The commission has no power to impose a penalty to resolve a complaint and has asked for that authority, but the Legislature has refused.

Sneirson said she could not recall a large number of complaints related to a single employer, and that she did not know of any pattern to the complaints that would explain the increases.

Arnold S. Clark, the chair of the commission, also couldn't explain the sharp increase in harassment allegations in the past three years, especially compared with the steady decline in prior years.

Clark said the commission will keep an eye on the figures, especially given the recent high-profile accusations nationally.

"It will be interesting to see in the next year and the year after if there's a continuing increase," he said.

MAINE'S STRICT WORKER TRAINING LAWS

Clark said the commission hasn't previously proposed legislation specifically dealing with a particular human rights problem in Maine, such as sexual harassment, but it would be open to commenting on any changes proposed by legislators.

Filings of sexual harassment charges with the federal Equal Employment Opportunity Commission also are rising, although not as dramatically as in Maine. The EEOC said filings dipped from 12,695 in fiscal year 2010 to 12,146 in fiscal year 2014. But they rebounded in the two years since, and 12,860 charges were filed in fiscal year 2016.

Maine has the country's strictest workplace training laws on sexual harassment, requiring all companies with 15 or more employees to provide worker training on recognizing and preventing harassment, including descriptions of prohibited behavior and procedures for reporting potential violations. The training must be provided within a year of an employee's hiring.

Supervisors are required to get more rigorous training within a year of taking a management post.

Only two other states, California and Connecticut, have mandatory training requirements for the private sector, but those states require it only for supervisors. Some states have training requirements for state workers, while others have no laws on the books requiring training.

Gov. Paul LePage, who has been a frequent critic of the human rights commission, signed a law this year that stepped up enforcement of the state's training law, including, for the first time, fines of up to \$5,000 for companies that violate laws on posting notices about what constitutes sexual harassment and how to report violations. Similar fines are imposed for companies that fail to provide employee training.

The law, which makes the state Department of Labor responsible for enforcement, took effect Nov. 1.

When asked whether his office could explain the sudden increase in sexual harassment complaints, the governor's spokeswoman would not comment beyond pointing out the recent law signed by LePage.

EMPLOYMENT COMPLAINTS MOST COMMON

In the past year, 687 new complaints of all types were filed with the commission, with nearly 70 percent alleging rights violations in employment. The rest were almost evenly split between housing complaints and allegations of a violation in public accommodations. Less than 1 percent dealt with education.

The most common employment complaints dealt with an employer's alleged refusal to make a reasonable accommodation for an employee's disability, and retaliation for filing a complaint at work, Sneirson said.

Filing a complaint with the commission is a prerequisite to filing a lawsuit in Maine, but the commission's findings cannot be offered as evidence in a trial, Sneirson said.

The commission staff investigates complaints and recommends a finding that reasonable grounds did or did not exist for the complaint. If either side objects to that finding, Sneirson said, the issue goes before the commission for a vote.

Sneirson said proving violations of the state's human rights laws is often difficult. She estimated that only 5 percent of complaints result in a commission finding that "reasonable grounds" exist to believe that a violation occurred. About a third of the complaints result in a settlement between the accuser and the company before a formal determination by the commission, she said.

In the case of sexual harassment, a victim needs to show he or she was in a severe or pervasive hostile work environment because of sexual harassment.

If the case drags on before the commission without a determination, the party that filed the complaint can get a "right-to-sue" letter, indicating that the party tried to pursue resolution through the commission but is moving ahead to a trial before the process is complete. About 180 right-to-sue letters were issued by the commission last year, Sneirson said.

Edward D. Murphy can be contacted at 791-6465 or at:

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Maine

FOR EVERY \$1 MEN MAKE, WOMEN MAKE:

84¢

STATE RANK:

8th



FOR IMMEDIATE RELEASE

April 9, 2018

Contact:

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Women in Maine Face a Pay Gap of 16%, Ranks Eighth Nationally in Gender Pay Equity

American Association of University Women Calls for Legislative Action and Launches 10 Million Women Salary Negotiation Initiative to Close the Gap

WASHINGTON — An [analysis](#) by the [American Association of University Women](#) (AAUW) finds that on average women working full-time, year-round in Maine currently make 84 cents on the dollar compared to men, a pay gap of 16 percent, placing them eighth out of all 50 states and the District of Columbia.

To mark Equal Pay Day (April 10), the symbolic day that demonstrates women, on average, have to work more than three months longer to earn the same amount as men. AAUW is highlighting [The Simple Truth about the Gender Pay Gap](#) report, which finds nationally the gap has, on average, remained at 80 cents on the dollar for women who work full-time, year-round compared to men. The gap has only closed by 7 cents in the past 20 years. The inequities are greater among [Latinas \(54 cents\) and black women \(63 cents\)](#). The [pay gap also exists in every state](#) — ranging from 30 cents in Louisiana and Utah to 11 cents in New York.

“Women in Maine — and all over the country -- are sick of unequal pay,” said Kim Churches, chief executive officer at AAUW. “That’s why we’re issuing an expiration date on pay inequity. Pay inequity harms our families and employers, while also robbing our economy of [billions of dollars](#). There’s no reason we shouldn’t be able to close the pay gap, and do it soon. At AAUW, we’re aiming to eliminate the gap by 2030. It’s ambitious, but achievable, if we all take the right actions.”

This Equal Pay Day, AAUW calls for every state to adopt comprehensive equal pay laws. While 48 states and the District of Columbia (all except Alabama and Mississippi) have some form of an equal pay law, they differ significantly in their scope and strength. Currently, Maine has moderate equal pay protections in place. A comprehensive breakdown of strong pay equity laws is available at <https://www.aauw.org/resource/state-equal-pay-laws/>.

Maine Equal Pay Policy Snapshot		
<i>A strong equal pay law includes many provisions. This chart provides a snapshot of just three important policies. For a comprehensive overview of current equal pay laws click here.</i>		
<i>A "Y" means state has particular policy</i>		
Best Practices	Maine Law	National Trends (States + Washington, D.C.)
Employers are prohibited from discriminating or retaliating against an individual for taking legal action to secure equal pay.	Y	41 states
Employers are prohibited from discriminating or retaliating against an individual for discussing or disclosing wages.	Y	19 states
Employers cannot rely on salary history during the hiring process.		4 states

For a complete breakdown of Maine's current equal pay laws, visit:

https://www.aauw.org/aauw_check/pdf_download/show_pdf.php?file=Gender Pay Gap Maine

So far in 2018, 38 states and the District of Columbia have introduced or have some form of equal pay legislation pending. In 2016, [six states passed pay equity laws](#) (California, Delaware, Maryland, Massachusetts, Nevada, and Utah), and in 2017, [five states and Puerto Rico passed laws](#) (California, Colorado, Delaware, Nevada, and Oregon).

After Gov. Paul LePage (R) vetoed an equal pay bill in 2017, no equal pay legislation was introduced in the Maine legislature this session. This marks yet another squandered opportunity to make the lives of women better and more equitable. In addition to state action, AAUW is calling for:

- The federal government to reinstate the EEOC's wage data collection, which was halted last year by the U.S. Office of Management and Budget. Collecting wage data information is critical in order to identify and address [gender and racial pay gaps in workplaces](#).
- Congress to pass the [Paycheck Fairness Act](#), to update and close loopholes in the [Equal Pay Act of 1963](#), as well as to pass other pieces of [federal legislation](#) that provide additional tools to close the wage gap.
- Employers to commit to and implement fair pay best practices, such as conducting regular compensation analyses to ensure equal pay levels and internal equity, setting and publicizing pay ranges for positions, prohibiting the practice of asking job candidates for salary histories, which perpetuates a cycle of lower pay for women,

adopting non-retaliation policies for discussing salary, and promoting more women into leadership roles.

AAUW has also announced a new commitment to train 10 million women through salary negotiations programs by 2022 through [AAUW's Work Smart](#) program. The trainings will provide millions of women the skills they need to effectively understand their market worth -- based on skills, experience, and accomplishments -- and the tools and confidence to negotiate for it. The organization has launched an e-learning interactive experience, [It's Negotiable: Salary Skill Builder](#), in partnership with LUNA® Bar, the first nutrition bar for women. The skill builder focuses on helping individuals learn to identify and articulate personal value as one key aspect of negotiations. Through April 14, as a continued effort to champion equality for all women and help them move toward closing the gender pay gap, LUNA Bar will donate 20 percent of sales, up to \$100,000, to support AAUW's salary negotiation programs.

"Training 10 million women to speak up for themselves -- and to understand and articulate their value -- will help accelerate change for women individually while also, collectively, building a bigger, broader movement to even the playing field for women in the workplace," Churches added. "We are calling on mayors and governors across the country to join us and bring salary negotiation trainings to their communities."

[AAUW's Work Smart](#) has already partnered with [Boston](#), [Tempe](#), [San Francisco](#), [Washington, D.C.](#), [Long Beach](#), and the [Commonwealth of Massachusetts](#) to provide workshops in those communities. And in fall 2018, AAUW's Work Smart will be available online, which will be available at no cost and in English and Spanish.

Research has shown that the U.S. economy would produce additional income of more than [\\$512.6 billion](#) if women received equal pay and the number of [working women living in poverty in half](#). A recent analysis by McKinsey found that [\\$12 trillion](#) could be added to the global GDP by 2025 with better workplace gender equity practices.

More information about AAUW's salary negotiation workshops, including upcoming workshops and how to host a training, is available at: <https://salary.aauw.org/>. More information on the gender pay gap and pay equity laws is available at: www.aauw.org.

PAY GAP BY STATE

2016 state median annual earnings ratio for full-time, year-round workers, by state and gender ranked from smallest to largest pay gap. State pay gaps are displayed rounded to the nearest whole percentage, but are ranked by unrounded percentage.

1. New York, 89% | 2. California, 88% | 3. Florida, 87% | 4. District of Columbia, 86% | 5. Vermont, 86% | 6. Colorado, 84% | 7. Alaska, 84% | 8. Maine, 84% | 9. Maryland, 84% | 10. Hawaii, 83% | 11. New Hampshire, 83% | 12. Minnesota, 83% | 13. Tennessee, 82% | 14. Massachusetts, 82% | 15. Delaware, 82% | 16. New Mexico, 82% | 17. Georgia, 82% | 18. North Carolina, 82% | 19. Arizona, 82% | 20. Rhode Island, 82% | 21. New Jersey, 81% | 22. Nevada, 81% | **United States, 80%** | 23. Virginia, 80% | 24.

Kentucky, 80% | 25. Connecticut, 79% | 26. Texas, 79% | 27. Oregon, 79% | 28. Illinois 79% | 29. Pennsylvania, 79% | 30. Missouri, 78% | 31. Arkansas, 78% | 32. Michigan, 78% | 33. Wisconsin, 78% | 34. South Dakota, 78% | 35. South Carolina, 78% | 36. Nebraska, 78% | 37. Kansas, 77% | 38. Ohio, 77% | 39. Wyoming, 77% | 40. Washington, 77% | 41. Iowa, 77% | 42. Idaho, 76% | 43. Mississippi, 75% | 44. Alabama, 74% | 45. North Dakota, 74% | 46. Indiana, 74% | 47. Oklahoma, 74% | 48. Montana, 73% | 49. West Virginia, 72% | 50. Utah, 70% | 51. Louisiana, 70%

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The American Association of University Women (AAUW) empowers women and girls through advocacy, education, philanthropy, and research. Our nonpartisan, nonprofit organization has more than 170,000 members and supporters across the United States, as well as 1,000 local branches and 800 college and university members. Since AAUW's founding in 1881, our members have examined and taken positions on the fundamental issues of the day — educational, social, economic, and political. Learn more and join us at www.aauw.org.

Immigrants describe cold reception from Maine employers

 [pressherald.com/2018/06/22/immigrants-describe-cold-reception-from-maine-employers/](https://www.pressherald.com/2018/06/22/immigrants-describe-cold-reception-from-maine-employers/)

By J. Craig Anderson

June 22, 2018

Angela Okafor studied law in Nigeria, and after emigrating to Maine she studied and passed the state's bar exam on her first try.

But Okafor, who speaks perfect English, said she couldn't get a single Maine law firm to hire her. She ended up getting a job washing dishes.

Related Headlines

- [Maine needs immigrants to fill worker shortage, business leaders say](#)
- [Business groups say Maine's workforce needs more immigrants](#)

"I worked in a dish room, a licensed attorney," she said.

Immigrant entrepreneurs in Maine who spoke on a panel Friday as part of the [Startup Maine conference](#) in Portland said that despite a severe shortage of knowledge workers in the state, anti-immigrant prejudice prevents many Maine companies from hiring skilled foreign nationals.

Nawar Alobaidi, an electrical engineer from Iraq, had an experience similar to Okafor's when he applied for jobs in Maine after escaping persecution by Islamic terrorists in 2012.

"They either said I was overqualified, or that I didn't graduate in the U.S.," Alobaidi said. He eventually got a job working as an employment case management supervisor at Catholic Charities Maine, an organization that helps many immigrants when they arrive in the state.

Stefanie Trice Gill, a professional recruiter of international knowledge workers and owner of IntWork in Portland, said a common refrain skilled immigrants hear from Maine employers is that they "don't have enough Maine experience."

"I think 'Maine experience' is a code," she said. "It's cronyism. The idea is that if you're from away, somehow your knowledge, your experiences, are less valuable."

Rwandan immigrant Dieudonne Nzeyimana said there seems to be a serious disconnect between the words of Maine CEOs, who stress the need to capitalize on foreign expertise for the sake of economic growth, and Maine hiring managers, who often seem uncomfortable hiring foreigners.

Nzeyimana, an intern at the Manufacturers Association of Maine, said the state's manufacturing leaders have suggested that such prejudice could be costly to Maine's economic future.

"A tsunami is coming in five years, and that tsunami is a lack of workers," he quoted them as saying.

The Maine Department of Labor [has predicted that by 2022](#), nearly one-fourth of Maine residents will be at least 65 years old. An estimated 400,000 working Mainers are expected to retire by 2032, and current population trends suggest there will only be about 300,000 new workers in the state to replace them.

In 2010, the nonprofit Maine Development Foundation set out to determine what it would take to make up an anticipated shortfall of 65,000 workers in the state by 2020. Along with the Maine State Chamber of Commerce, it asked more than 1,000 business leaders for their input.

The general consensus was that bridging the gap would require a significant boost in workforce participation among those already living in Maine, as well as redoubling efforts to recruit workers from outside the state.

According to the foundation, roughly 20,000 young adults living out of state would need to be lured to Maine, along with about 12,000 foreign nationals. In addition, 10,000 Mainers with disabilities, 12,000 older residents, 5,000 veterans and 6,000 disengaged youths would need to be coaxed into the workforce.

Trice Gill said top company executives in Maine generally understand the need to tap into immigrant knowledge and expertise, but the same cannot necessarily be said for the front-line managers who screen job candidates.

"It's often not the CEO; it's the hiring manager (who is rejecting immigrant applicants)," she said.

Okafor and Alobaidi ultimately did what many immigrants in Maine do after going through the frustration of trying to get hired: They started their own businesses.

Okafor, who lives in Bangor, has two businesses now. She operates her own private legal practice, and she also owns a store called Tropical Tastes International Market.

Alobaidi, in addition to his job at Catholic Charities, owns a business on Forest Avenue in Portland called Foodie Friends Grocery & Restaurant.

The immigrant entrepreneurs said there is much to like about Maine, and that most of the people they've met have been welcoming. Still, they said running into prejudice is a regular occurrence.

"I was called names that I was never exposed to growing up," said Dr. Krishna Jamadagni, a physician who emigrated from India to Bangor and is now in the process of establishing his own startup company through the state's Top Gun business accelerator program.

Okafor said it's important for immigrants in Maine not to let rejection discourage them and prevent them from trying to succeed. She said Mainers also need to work on being more accepting of their immigrant neighbors.

"For me, it still boils down to attitude," Okafor said. "Local Mainers need to open their minds."

The immigrant entrepreneurs spoke at one of several panel discussions Friday as part of Startup Maine, a three-day annual conference at Maine College of Art in Portland that focuses on challenges and opportunities for entrepreneurs in Maine.

Startup Maine organizer Katie Shorey said about 500 people attended the conference, which started Thursday and ends Saturday.

This story was updated on July 5 to clarify a quote by Dieudonne Nzeyimana.

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< Previous

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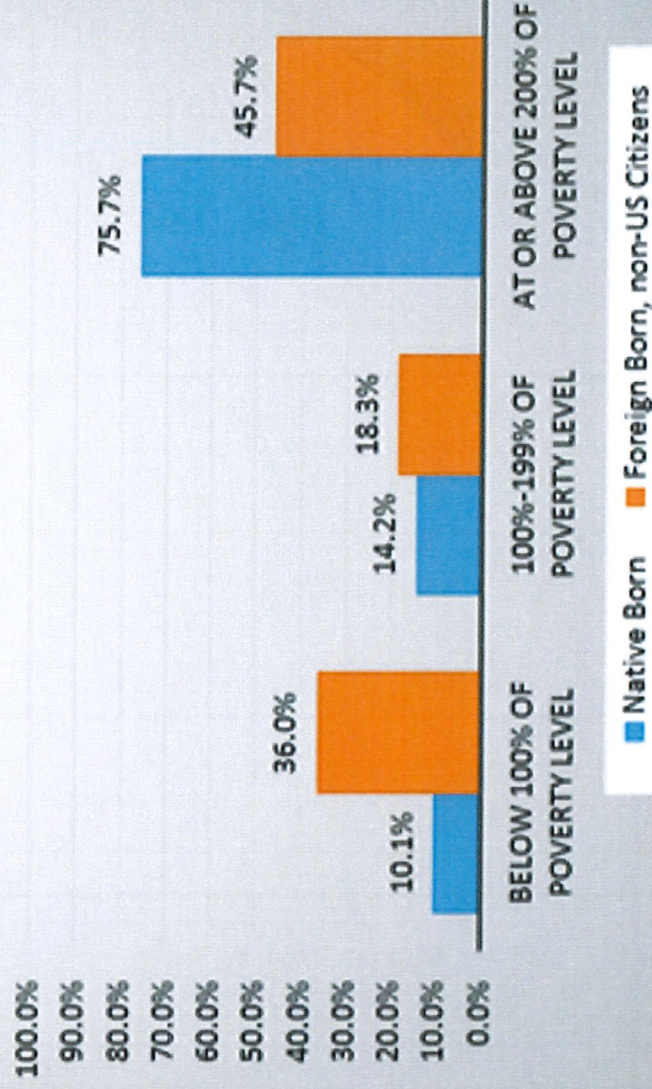
In 2016:

100% of the Poverty Level was
\$24,250
for a family of four

200% of the Poverty Level was
\$48,500
for a family of four

2016 Poverty Levels

(U.S. Census Bureau, 2012-2016 American
Community Survey 5-Year Estimates)



CUMBERLAND COUNTY

2016 Unemployment

(U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates)

