#### (Hot Schedules)

- Deals with 3 million hourly employees with 40,000 locations with several hundred in Chicago.
- Hot Schedules create solution for flexible employees.
- Half of million spent on implementing this type of ordinance.
- Have been following trends in restaurants.
- Labor trends 11,000 restaurants shut down every year.
- An Italian Deli in San Antonio had been open for 5 years with 3 to 5% profit margin. With all the new requirements such as min. wages, they closed.
- 98% of restaurants are already under staffed. They can't find workers, there are other challenges.
- Every employee drives 50K dollars in labor intense business.
- As restaurants are looking for ways to work, they are adding more automated checkouts.
- Bartenders that close on Friday and want to open Saturday morning are not allowed under this ordinance.
- As far as utilizing software for scheduling they rather run short than to go into premium pay.

## (BJ's Market)

- Located at 87<sup>th</sup> and Stoney Island.
- They have popups, food at Trader Joe's and festivals.
- After 26 years, they are still in business.
- In Chicago, they have 53 total employees with 32 full time working 30 to 60 hours per week.
- They recently provided food for federal employees that were affected by shutdown.
- They give food at St. Sabina. In Dec 2018, they gave away 2,300 meals.
- They provide jobs to at risk youth.
- Their profit margin is 3 to 5%.
- Recently they received a catering order in Naperville for \$5,000 on Wed for Saturday delivery. The nature of business is constantly changing.
- This ordinance is a legislative curve ball.
- They are trying to be creative so they can stay in business.
- We don't want people to come to us for special occasion; we want to be part of everyday.
- Restaurants are affected by sports in Chicago. It's hard to predict.
- They are getting bigger, if we're at 48 or 49 and want to add more employees, how does it affect their restaurants?

#### (Vanille Patisserie)

- She has 4 stores with fewer than 40 employees but will hit 50 employees by this summer.
- She has partnered with the Special Olympics.
- When hiring, employees ask for flex schedule.
- Last 2 weeks, with bad weather, they don't know what to expect.
- Hotel orders they only get 3 day notice.
- Call offs sick (last minute), child care, dr's appointment, missed the train, women employees drained because they fight with their partners.
- Small businesses they do what they can.

This note was taken by Jennifer Bae

From:

Maryann Walz

Sent:

Thursday, January 31, 2019 2:11 PM

To:

Tom Tunney; Denise Poelsterl

**Subject:** 

Fair Workweek Working Group Meeting of Tuesday, February 5, 2019

**Attachments:** 

Fair Workweek Working Group - Meeting Notes of January 22, 2019.pdf; UNITE HERE

Local 1 CBA - Meeting of January 22, 2019.pdf

Dear Alderman Tunney,

Please be advised that the next meeting of the Fair Workweek Working Group will be held on Tuesday, February 5<sup>th</sup> at 10:00 a.m. in Room 300A. This meeting will discuss the restaurant industry.

Attached please find the meeting notes from the meeting held on January 22, along with the a portion of the CBA detailing scheduling language from UNITE HERE Local 1.

If you are unable to attend the meeting, please let me know if you will be sending a representative.

Thank you.

Mary Ann Roti-Walz Legislative Aide to Alderman Patrick O'Connor 312-744-3325

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#### CHICAGO'S PROPOSED FAIR WORKWEEK – ORDINANCE 02018-5089 ALDERMANIC WORKING GROUP NOTES

January 22, 2019
Meeting 1 – 9:00 a.m.
City Hall, Room 300A
Topic – Hotel Industry - Proponents
In attendance:
Ald. Patrick O'Connor (40); Ald. Tom Tunney (44); Ald. Roderick Sawyer (6); Owen Brugh (45);  , Progressive Caucus; , UNITE HERE Local 1; UNITE HERE Local 1; Local 881 UFCW;  Pablo David, Mayor's Office; Chauncey Rice, Mayor's Office
Introduction by Alderman O'Connor with Aldermen Tunney and Sawyer
Ald. O'Connor introduced , Local 881 UFCW, and asked to make opening comments.
Proponent Presentation - with Local 881 UFCW
• stated that there are 400,000 hotel/motel/hospitality industry jobs in Illinois and over half are in Chicago. Service industry jobs are supporting families and communities. This is a multi-billion dollar industry affecting the economy and stated more of this has to go to the workers. Workers should see more profits trickle down to them.
• In Philadelphia, the ordinance that just passed was driven by UNITE HERE and UFCW because of all the new hotels being built in Philly that were non-union. Covers 250 employees or 30 locations globally. In 2020, schedule will have to be posted with 10 days advance notice; in 2021 it will be tw weeks advance notice. In Oregon, scheduling is two weeks; New York City is 72 hours for fast food

#### Aldermanic Question for Proponent

- Alderman Sawyer
  - Does Philadelphia have anything comparable to what we have with the Office of Labor Standards?
    - o Nick: No

but retail establishments is two weeks.

## Proponent Presentation - Organized Director of UNITE HERE Local 1

• They represent about 15,000 workers in Chicago (hotels in Chicago area, casinos in Northwest Indiana, hotels at O'Hare.) The workers are primarily minority and women. 55% of hotels in Chicago belong to the union. They are the backbone of the city. They take pride in their work. These are

permanent and career jobs for the workers, jobs they can retire from, pay their bills, send kids to college, buy homes. Scheduling is a big part of that and a big issue for the union. Knowing what you will bring home so you can do a budget is critical. You know how much comes in and how much goes out.

- Most of the language being presented in FWW is in the union contracts. Some of the comments he stated as to why scheduling is so important to the union:
  - If they put you on the schedule and they call and say don't come into work today because they don't need you, you get paid for the whole time you were supposed to work.
  - If you come to work and they send you home before 8 hour shift is completed, they pay you for the day.
  - If the schedule is posted 3 days in advance, what your schedule looks like company cannot change it. It is locked in.
  - Overtime is after 8 hours in the contract.
- We have some workers 20/30 years because they know how many hours they will work and can make reasonable plans with their families.
- 45% in the industry are not unionized.
- Has been working in the union for 19 years. The last 9 years his job has been to organize workers who don't have unions.
- Sofitel Hotel came to Angel to form a union. Their #1 issue in their jobs is scheduling. They ask you to stay for overtime but you don't actually get paid for it because now you land the 40 hours a week when they say stay and work overtime today, but then they tell you don't come in the next day so now you don't put in 40 hours and don't get paid overtime.
- A lot of non-union companies don't have insurance if you don't work 32 hours and companies schedule around this. You think you are coming into work, you arrange babysitting, you think you are going to work your 8 full hours, and they tell you they don't need you any more for that day and send you home. You only worked 4 or 6 hours instead of your full 8 hours.
- There is a lot of worker turnover in these companies because of no scheduling in a non-union setting.
- Hotel industry is usually big corporations so a lot are non-union and a lot are union. FWW is going
  to help people who don't have a safety net and workers will be able to live a little better because
  they can quantify how much income they can bring home. Will also stabilize a community. You
  spend and buy in your community. FWW will set up an equal playing field.

#### **Aldermanic Questions for Proponent**

#### Alderman O'Connor

- You stated that 55% of hotels are unionized. Can you give me some example of some that are non-union?
  - O Starwoods are; Double Tree Hyatts; Omni; Loews; Four Seasons; to name a few.
- o Scheduling language where union exists, legislation exists in those contracts to give overtime, insurance and guarantee of payment. Can you extract that language from the union agreement and forward it to me?
  - Will forward that to you.

- I would have thought that more of the bigger hotels were unionized and part of the group.
   When you were finalizing a contract last year, it seemed like more were at play than what we are talking about.
  - There are more in play because they are chains. Major chains in the city are union. As stated above, Marriott is not but they bought Starwoods and Starwoods is. When new hotels get built like Loews, Trump, they are not.
- Let's say that I'm a member and I have my schedule for three days out. I have an emergency and can't come into work. If I call up and cancel due to an emergency, is there any punishment?
  - You can take vacation time or sick time if you call in without starting. But if you start and you ask to leave early, they don't have to pay you because you've asked to leave early.

#### Alderman Tunney

- o How much do entry level dishwasher, stewards, etc., make?
  - \$20.32 per hour union job and your health insurance is covered. \$15.32 per hour non-union job and you're paying for health insurance.
- o Back of the house workers need 40 hours. They need the guarantee. They aren't getting tips like the front of the house so they really need their 40 hours. In reality, how often is their schedule changing and how often are they being sent home?
  - Sending home happens a lot of the time. They do this to cut costs.
- There are definite lag times in the hotel industry, i.e., January and February depending on what's going on. You need full time employment for your workers, but how do you deal with these seasonal lag times?
  - Make sure they have health insurance in the winter time. If there are five days to give and you give it to me, I want you to keep it. If you have 3 days that you give me, I want what's promised to me. If you change it for whatever reason, you should pay me.

January 22, 2019 Meeting 2 – 10:00 a.m.

City Hall, Room 300A

Topic - Hotel Industry - Opponents

#### In attendance:

Ald. Patrick O'Connor (40); Ald. Tom Tunney (44); Ald. Roderick Sawyer (6); Owen Brugh (45);				
Chauncey Rice, Mayor's Office;	, Kimptoi	n Hotels;	, Sheraton Hotels;	
Oxford;	, Chicago's First Lady;		, Alvarez & Associates;	
, Illinois Hotel & Lodgin	g Association			

#### Opponent Presentation -

#### of Sheraton Hotels

- Las Vegas and Orlando are our competitors for tourism and conventions. We have to make sure
  that all our hotels are offering what other hotels offer to stay competitive. If scheduling becomes
  too tight or restricted, it does not work as services become impacted and significantly modified. We
  then have to offer a different level of service.
- Hotel work is 24/7. We don't shut down. This allows significant flexibility for workers. It allows
  workers to be with their families on schedules that they want; might not be their main passion in life
  and allows them time to do other things; it allows them to work and schedule around other things
  they want to do.
- Because we can be flexible, our employees come from all backgrounds and neighborhoods.
- 2/3 of the hotel rooms rented are by individual travelers for business or leisure.
- 1/3 are for conventions.
- In the Central Business District individual trackers show that over 50% of hotel bookings occurred in last 21 days; in Chicago and suburbs 57% comes in last 14 days.
- Last minute demands change bookings and staffing needs greatly. Examples: Weather conditions can have a huge impact. Airport hotels that had many vacancies could now be booked completely due to the snow. When Chicago's sports teams play well, that brings more people into Chicago looking for rooms, eating in hotel restaurants, hanging out in hotel bars. Staffing needs and demands change quickly.
- For workers in the Food & Beverage end of the hotel industry, we will look at what events are scheduled for the month but we don't get a final count on the number attending until 72 hours prior. It's at that time that we'd know how many servers, waiters, etc., we're going to need.
- Banquet waiters work roughly eight months out of the year. Last year, ours made between \$145,000 - \$180,000 for the year. They will work a dinner shift until 11 p.m. and come back at 5 a.m. for a breakfast shift. Tipped employees want to work when there is business. Being able to work like this allows an employee to change their schedule.
- Some of our employees are supporting a family of four. Sometimes it means they want to work a third shift or schedule when they want to schedule. We have to be allowed to work with their needs.
- Air B&B is having a huge impact on the hotel industry now.
- We have a property tax bill of \$28,000 a day. We have to sell 150 rooms a day just to cover the tax. This doesn't include wages and benefits.

#### Aldermanic Question for

#### Alderman Sawyer

- o Is it industry practice to have software to assist with scheduling?
  - Yes, we do use software. We do our scheduling by seniority. If someone calls off, we have to call employees by seniority. Software helps us to be able to go down the list as quickly as possible based on seniority. Some of the smaller hotels do a spread sheet scheduling.

that same thing a different way. We had a 40 day strike and these are the things that were on the table – pension and benefits – but not scheduling. Feels like a double whammy.

## Opponent Presentation - of Chicago's First Lady (boating business)

- Began on Lake Michigan in 1930s.
- Operate on Chicago's River Walk and share revenue with Chicago and architectural group.
- Have roughly 150 employees in the summer, predominantly part-time.
- Employees are paid \$15 an hour (plus tips to bartenders).
- We invest heavily in training as safety is a big priority.
- We are regulated by the FDA and Coast Guard.
- Some employees have been with us 10 or more years. One just retired after 45 years.
- Flexibility is a big priority for most of the staff some are college students, some are actors performing in Chicago, some are parents who can only work around their children's schedules this flexibility in scheduling is critical to them.
- Exclusively outdoor work that is totally dependent on the weather. Employees work when they want to work. We schedule around their schedule.
- We have two Human Resource people to manage these part-time and seasonal jobs. Most employees come back year-to-year. If we had to follow all the guidelines as in proposed FWW, I'd have to hire two more.
- When people book charters, the RSVP to lock in their numbers is not due until 7 days in advance, regardless of when they originally booked the charter. And sometimes, some groups will call to book a charter only 2 or 3 days in advance.
- This FWW would hurt employees and she asks that you look through a different lens on a business that is seasonal with primarily part-time, college student employees.

## Opponent Presentation - of Kimpton Hotels

- They have 1200 hotel rooms in the city, a mix of union and non-union.
- Software development of FWW for scheduling is complicated and would have to be done in a way that complies with all regulations. Would be very expensive to implement.

- Workers are being replaced by technology in many instances; Examples you can order food at a machine in many fast food operations; you can check into hotels or check in at airports at kiosks, etc.
- We did a survey of our employees and it didn't come up once that scheduling was an issue in any of the CBAs.
- If you have a CBA in place, you should be exempt. Would prefer FWW language to read "shall be waived". Not "may be waived."

#### **Additional Comments:**

- The question was raised "what percentage of employees are full time and what part time?"

of Kimpton Hotels:

of Sheraton & bigger hotels:

of Chicago's First Lady:

90% are full time

about 80% when you take out the banquet wait staff

40% full time/60% part time

- Ald. Tunney made closing comments that housekeepers, dishwashers, cooks are the backbone and need solid, full-time employment. You shouldn't have to work 2 or 3 jobs to support a family. We need to see if there is something we can live with as a city that moves us in a better direction.

Notes prepared by Laurie Block

#### **SECTION 21. SINGLE SHIFT PROVISION**

It is understood that an Employer shall not compel nor shall a regularly scheduled employee be permitted to work more than one shift in any calendar day, except in an emergency. This shall not prohibit the performance of overtime work consecutive with the shift completed.

## SECTION 24. TIPPED WORKERS-PAID TIME NOT WORKED

Tipped employees will be paid at one hundred fifty percent (150%) of the contract rate (Supplement I) for paid time not worked (e.g., vacation, holiday, sick days, bereavement, jury duty, meeting time and reporting pay).

For banquet steady employees, the contract rate (Supplement I) to be used for paid time not worked will be an average of a four (4) hour dinner and a three (3) hour lunch function.

#### SECTION 28. REPORTING PAY

- (a) All employees who are instructed to report for work, but are not allowed to work, shall receive one (1) full day's pay, as per scheduled shift, exclusive of gratuities.
- (b) All employees who are instructed to report for work and who start to work, but who are laid off before the full working day is completed, shall receive a full day's pay.
- (c) If an employee requests permission to leave before the completion of his scheduled shift and permission is granted, he will be paid only for the actual hours of time worked.

#### SECTION 30. WORK SCHEDULE

- (a) There shall be posted in a conspicuous place, or places, the employer's designation of its regular workweek, which shall consist of seven (7) consecutive calendar days, and any changes in work schedule.
- (b) Regular employees shall have a fixed starting time, which time shall not be changed by the Employer without giving three (3) days notice to the affected employee except in emergencies.
- (c) Regular employees shall have a fixed weekly schedule of working days, which schedule shall not be changed by the Employer without giving notice to the employee affected at least two (2) days prior to the start of the workweek in which the schedule is being changed. The work schedule for Banquet workers will be posted not less than four (4) days in advance.
- (d) The workday shall consist of eight (8) productive hours and shall exclude meal period, employee dressing and clean-up time.
- (e) Employees will receive an appropriate paid break from their work duties each day. In no event will the break be less than one rest period of 15 minutes, including travel time.

#### SECTION 31. HOURS OF WORK AND OVERTIME RATES

This section defines the normal hours of work and provides the basis for the calculation of overtime. It shall not be construed as a guarantee of hours of work per day or per week.

- (a) Consistent with the efficient operation of the Hotel, all employees shall be entitled wherever possible to two (2) consecutive days off during the regular workweek of seven (7) consecutive calendar days. Where that is not economically feasible, the provisions of Paragraph (b) shall be applicable.
- (b) Time and one-half (1½) shall be paid for time worked in excess of eight (8) hours per day and forty (40) hours per week; time and one-half (1½) shall be paid for time worked by an employee on his or her sixth working day within the regular workweek consisting of seven (7) consecutive calendar days. Double time shall be paid for time worked by an employee on his or her seventh working day within the regular workweek consisting of seven (7) consecutive calendar days. Effective September 1, 2012 and thereafter, double time shall be paid for time worked by an employee only on his or her seventh (7th) consecutive working day regardless of workweek. There shall be no pyramiding of overtime.
- (c) The Employer's regular workweek of seven consecutive calendar days shall not be changed except upon notification to, and with the approval of, the Union.
- (d) The Employer agrees that it will not reschedule an employee's regularly scheduled day or days off except where business conditions make such rescheduling necessary for the efficient operation of the Employer's business. Should the Union claim that changes in the schedule of hours result in any abuses of the rights of employees as set

forth in Sections 30 and 31 of this Agreement, the claim shall be subject to the grievance and arbitration procedures set forth in Sections 45 and 46 of this Agreement.

(e) In the scheduling of work, the Employer shall schedule work in accordance with classification seniority, by first scheduling regular employees in a classification based on classification seniority, followed by part-time employees in the classification in classification seniority order. Part-time employees may be used only to supplement regular employees and not to replace/reduce the number of regular employees in a classification except as set forth in Section 57.B. and the Housekeeping Supplement (Supplement VI).

From:

Maryann Walz

Sent:

Friday, January 25, 2019 5:32 PM

To:

Tom Tunney; Denise Poelsterl

Subject:

Fair Workweek Meeting January 29, 2019 / 10:00 a.m.

Dear Alderman Tunney,

My apologies, I have been out sick and wanted to remind you of the next Fair Workweek meeting on Tuesday, January 29, at 10:00 a .m. in Room 300A.

This meeting will discuss the grocery industry. My colleague Ashley did send a reminder on January 4th.

Please respond if you will be able to attend.

Thank you.

Mary Ann Roti-Walz Legislative Aide to Alderman Patrick J. O'Connor 312.744.3325

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From:

Ashley Van Leer

Sent:

Friday, January 4, 2019 1:39 PM

To:

Tom Tunney

Cc:

Denise Poelsterl; Maryann Walz

Subject:

RE: Next Working Group Meeting for Chicago's Proposed Fair Workweek Ordinance,

O2018-5089

**Attachments:** 

2018.12.18 FWW Attendance [1 of 2].pdf; 2018.12.18 FWW Attendance [2 of 2].pdf;

O'Connor\_Proposed FWW\_Notes from Working Group.docx

Dear Alderman Tunney,

The next working group meeting to discuss Chicago's proposed Fair Workweek ordinance is January 22<sup>nd</sup> at 9:00am in Room 300A. Please let me know if you are available to attend, or if someone will attend in your place. A list of the additional, upcoming meetings is below for your reference.

Attached you will find (1) notes from the previous meetings including keys points by the presenters along with questions and answers discussed during the session, and (2) the attendance sheet from the 12/18 meeting.

Please let me know if you have any questions.

Meeting Date / Time / Location	Торіс		
January 22, 2019 at 9:00-11:00am in Rm 300A	Hotel Industry		
January 29, 2019 at 10:00am-12:00pm in Rm 300A	Grocery Industry		
February 5, 2019 at 10:00am-12:00pm in Rm 300A	Restaurant Industry		

Best regards, Ashley

Ashley N. Van Leer Counsel-Committee on Workforce Development & Audit Alderman Patrick J. O'Connor City Hall, Room 300 121 North LaSalle Street Chicago, IL 60602 312-744-1244

From: Tom Tunney

Sent: Monday, December 17, 2018 4:19 PM

To: Ashley Van Leer <Ashley.VanLeer@cityofchicago.org>; Tom Tunney <Tom.Tunney@cityofchicago.org>

Cc: Denise Poelsterl < Denise. Poelsterl@cityofchicago.org>

Subject: RE: 12/18 Working Group Meeting for Chicago's Proposed Fair Workweek Ordinance, O2018-5089

Hi Ashley,

I did, hope you did as well. Alderman Tunney is planning on attending.

Thank you,

Jessica Papp Director of Community Affairs and Special Events Alderman Tom Tunney, 44<sup>th</sup> Ward 3223 N. Sheffield, Suite A Chicago, IL 60657 (773)525-6034

From: Ashley Van Leer

Sent: Monday, December 17, 2018 4:14 PM

To: Tom Tunney < Tom. Tunney@cityofchicago.org>

Cc: Denise Poelsterl < Denise. Poelsterl@cityofchicago.org >

Subject: RE: 12/18 Working Group Meeting for Chicago's Proposed Fair Workweek Ordinance, O2018-5089

Hello Jessica,

I hope you had a nice weekend. Please confirm if Ald. Tunney will be able to attend tomorrow's meeting.

Best regards, Ashley

Ashley N. Van Leer Counsel-Committee on Workforce Development & Audit Alderman Patrick J. O'Connor City Hall, Room 300 121 North LaSalle Street Chicago, IL 60602 312-744-1244

From: Ashley Van Leer

Sent: Friday, December 14, 2018 4:19 PM

To: Tom Tunney < Tom. Tunney@cityofchicago.org>

Cc: Denise Poelsterl < Denise.Poelsterl@cityofchicago.org>

Subject: RE: 12/18 Working Group Meeting for Chicago's Proposed Fair Workweek Ordinance, O2018-5089

Great. Thank you, Jessica!

Ashley N. Van Leer Counsel-Committee on Workforce Development & Audit Alderman Patrick J. O'Connor City Hall, Room 300 121 North LaSalle Street Chicago, IL 60602 312-744-1244

From: Tom Tunney

Sent: Friday, December 14, 2018 4:18 PM

To: Ashley Van Leer < Ashley. Van Leer@cityofchicago.org > Cc: Denise Poelsterl < Denise. Poelsterl@cityofchicago.org >

Subject: RE: 12/18 Working Group Meeting for Chicago's Proposed Fair Workweek Ordinance, O2018-5089

Hi Ashley,

This is in his calendar; we will follow-up with his attendance Monday.

Thank you and have a nice weekend,

Jessica Papp
Director of Community Affairs and Special Events
Alderman Tom Tunney, 44<sup>th</sup> Ward
3223 N. Sheffield, Suite A
Chicago, IL 60657
(773)525-6034

From: Ashley Van Leer

Sent: Friday, December 14, 2018 3:57 PM

To: Tom Tunney < Tom. Tunney@cityofchicago.org >

Cc: Denise Poelsterl < Denise. Poelsterl@cityofchicago.org>

Subject: FW: 12/18 Working Group Meeting for Chicago's Proposed Fair Workweek Ordinance, O2018-5089

Hello Alderman Tunney,

As a reminder, the next working group meeting is <u>December 18th at 10:00am</u> in Room <u>300A</u>. Please let me know if you are available to attend, or if another Alderman will attend in your place.

Best regards, Ashley

Ashley N. Van Leer Counsel-Committee on Workforce Development & Audit Alderman Patrick J. O'Connor City Hall, Room 300 121 North LaSalle Street Chicago, IL 60602 312-744-1244

From: Ashley Van Leer

Sent: Tuesday, December 11, 2018 1:40 PM

To: Tom Tunney < Tom. Tunney@cityofchicago.org>

Cc: Denise Poelsterl < Denise. Poelsterl@cityofchicago.org>

Subject: RE: 12/18 Working Group Meeting for Chicago's Proposed Fair Workweek Ordinance, 02018-5089

Dear Alderman Tunney,

Thank you for attending the November 20<sup>th</sup> working group meeting. The next working group meeting is December 18<sup>th</sup> at 10:00am in Room 300A. Please let me know if you are available to attend, or if someone will attend in your place.

The presenters for the meeting will focus the discussion on the pros/cons the proposed ordinance will have on the temporary staffing industry and day laborers.

Attached you will find (1) notes from the previous meetings including keys points by the presenters along with questions and answers discussed during the session, (2) attendance sheet from the 11/20 meeting.

Please let me know if you have any questions.

Best regards, Ashley

Ashlev N. Van Leer

Counsel-Committee on Workforce Development & Audit Alderman Patrick J. O'Connor City Hall, Room 300 121 North LaSalle Street Chicago, IL 60602 312-744-1244

From: Ashley Van Leer

Sent: Monday, November 19, 2018 9:20 AM

To: Tom Tunney < Tom. Tunney@cityofchicago.org >

Cc: Denise Poelsterl < Denise.Poelsterl@cityofchicago.org>

Subject: RE: 11/20 Meeting, Working Group for Chicago's Proposed Fair Workweek Ordinance, O2018-5089

Good Morning Alderman Tunney,

As a reminder, the next working group meeting is <u>November 20th at 10:00am</u> in Room <u>300A</u>. I have you marked down as attending, but please let me know if anything changes.

The presenters for tomorrow's meeting are listed below.

10:00am, Proponents

SEIU State Council

SEIU Healthcare

Warehouse Workers United

from Women Employed and

Co-authors, along with

10:45am, Opponents

Illinois Health & Hospital Association

Director, External Affairs Northwestern Memorial Healthcare

VP, State Government Relations UPS

Best regards, Ashley

Ashley N. Van Leer Counsel-Committee on Workforce Development & Audit Alderman Patrick J. O'Connor City Hall, Room 300 121 North LaSalle Street Chicago, IL 60602 312-744-1244 From: Ashley Van Leer

Sent: Monday, November 12, 2018 6:08 PM

To: Tom Tunney < Tom. Tunney@cityofchicago.org>

Cc: Denise Poelsterl < Denise. Poelsterl@cityofchicago.org>

Subject: 11/13 MEETING CANCELLED Re: Working Group for Chicago's Proposed Fair Workweek Ordinance, O2018-5089

Hello Alderman Tunney,

I sincerely apologize for the inconvenience, but tomorrow's FWW working group meeting at 10:00am has to be cancelled. There were some scheduling issues on the side of the expected presenters. The next meeting will still be on the schedule for 11/20 at 10:00am. Presenters for that meeting will be representatives of the healthcare industry.

I will send around more details for the 11/20 meeting, and future meetings, shortly.

Again, we apologize for the inconvenience.

Best regards, Ashley

From: Ashley Van Leer

Sent: Wednesday, November 7, 2018 5:00 PM

**To:** Tom Tunney **Cc:** Denise Poelsterl

Subject: RE: Working Group for Chicago's Proposed Fair Workweek Ordinance, 02018-5089

Dear Alderman Tunney,

Thank you for attending last week's working group meeting. As a reminder, the next working group meeting is November 13<sup>th</sup> at 10:00am in Room 300A. I have you marked down as attending, but please let me know if anything changes.

You will find attached a number of documents requested at last week's meeting.

From the proponents, (Presenter 10/30):

- FWW in Chicago Fact Sheet
- 1 Pager: Executive Summary of the Scheduling Stability study
- Study: Stable Scheduling Increases Productivity and Sales
- Study: Scheduling Stability: The Landscape of Work Schedules and Potential Gains from Fairer Workweeks in Illinois and Chicago

From the opponents, (Presenter 10/30):

- Power Point: Chicago Restrictive Scheduling Proposal
- Additional information on the slides featuring the Gallup poll. Please click here for that poll.

From Alderman O'Connor's Office:

- Attendance sheet from the 10/30 meeting
- Brief synopsis of the talking points from both 'grant (opponent) and (proponent). Please note, this document is just a copy of my and Alderman O'Connor's notes to be used for references and not facts.

Please let me know if you have any questions.

Best regards, Ashley Ashley N. Van Leer Counsel-Committee on Workforce Development & Audit Alderman Patrick J. O'Connor City Hall, Room 300 121 North LaSalle Street Chicago, IL 60602 312-744-1244

From: Ashley Van Leer

Sent: Tuesday, October 23, 2018 3:26 PM

To: Tom Tunney < Tom.Tunney@cityofchicago.org >

Cc: Denise Poelsterl < Denise.Poelsterl@cityofchicago.org>

Subject: RE: First Working Group for Chicago's Fair Workweek Ordinance, O2018-5089

Thank you for confirming, Jessica. You too!

Ashley N. Van Leer Counsel-Committee on Workforce Development & Audit Alderman Patrick J. O'Connor City Hall, Room 300 121 North LaSalle Street Chicago, IL 60602 312-744-1244

From: Tom Tunney

Sent: Tuesday, October 23, 2018 11:01 AM

To: Ashley Van Leer < Ashley. Van Leer@cityofchicago.org >; Tom Tunney < Tom. Tunney@cityofchicago.org >

Cc: Denise Poelsterl < Denise.Poelsterl@cityofchicago.org>

Subject: RE: First Working Group for Chicago's Fair Workweek Ordinance, O2018-5089

Thank you Ashley- they are in his calendar.

Have a good day!

Jessica Papp Assistant to the Alderman Alderman Tom Tunney, 44<sup>th</sup> Ward 3223 N. Sheffield, Suite A Chicago, IL 60657 (773)525-6034

From: Ashley Van Leer

Sent: Monday, October 22, 2018 5:02 PM

To: Tom Tunney < Tom. Tunney@cityofchicago.org>

Cc: Denise Poelsterl < Denise. Poelsterl@cityofchicago.org>

Subject: RE: First Working Group for Chicago's Fair Workweek Ordinance, O2018-5089

Dear Alderman Tunney,

Further to the below email, the meeting room has changed from 201A to 300A.

Best regards, Ashley

Ashley N. Van Leer

Counsel-Committee on Workforce Development & Audit Alderman Patrick J. O'Connor City Hall, Room 300 121 North LaSalle Street Chicago, IL 60602 312-744-1244

From: Ashley Van Leer

Sent: Monday, October 22, 2018 3:07 PM

To: Tom Tunney < Tom. Tunney@cityofchicago.org>

Cc: Denise Poelsterl < Denise. Poelsterl@cityofchicago.org >

Subject: RE: First Working Group for Chicago's Fair Workweek Ordinance, O2018-5089

Dear Alderman Tunney,

Further to your October 4<sup>th</sup> discussion with Alderman O'Connor concerning the Fair Workweek (FWW), the first working group meeting is scheduled for **October 30<sup>th</sup> at 10:00am in Room 201A**. Please let me know if you are able to attend. Also, as discussed, please feel free to forward this information / invite to your caucus members so they may attend the discussion.

A list of the dates currently held for the Fair Workweek working group meetings is listed below. The goal will be to have each meeting for an hour / hour and a half, but the first meeting may take 2 hours to go through introductions and discussions for how to organize the next meetings. For now, we have 3 scheduled meetings. As those progress and we gain an understanding of whether these are productive, we can arrange for further meetings if necessary.

As discussed, Alderman O'Connor's goal for these working group meetings is to understand the impact of the ordinance as a whole by creating a platform for several industries to discuss their hopes and/or concerns with its implementation and the resulting outcomes. Alderman O'Connor believes these meetings will serve as an important educational tool to make sure everyone is well informed of exactly what the scheduling ordinance would change and what it would not.

For the first meeting, with Local 881 United Food and Commercial Workers will kick off the discussion to present their platform, followed by with IRMA to present their case against a scheduling ordinance. After these initial introductions provide a broad overview for each side, the meeting can turn to questions/answers as well as a discussion on the next steps. At that time, we will determine which representatives will speak at the next meeting.

If there is a significant issue that requires one of these meetings to change we will provide as much notice as possible.

Meetings to be held in City Hall, Room 201A Tuesday, October 30th, 10:00am

Tuesday, October 30<sup>th</sup>, 10:00am Tuesday, November 13<sup>th</sup>, 10:00am Tuesday, November 20<sup>th</sup>, 10:00am

Best regards,

Ashley N. Van Leer Counsel-Committee on Workforce Development & Audit Alderman Patrick J. O'Connor City Hall, Room 300 121 North LaSalle Street Chicago, IL 60602 312-744-1244

From: Patrick O'Connor

Sent: Friday, September 07, 2018 5:00 PM

To: Gilbert Villegas < Gilbert.Villegas@cityofchicago.org>; Roderick Sawyer < Roderick.Sawyer@cityofchicago.org>; Scott Waguespack < Scott.Waguespack@cityofchicago.org>; Tom Tunney < Tom.Tunney@cityofchicago.org>; Leslie Hairston@cityofchicago.org>

Cc: Ashley Van Leer <<u>Ashley.VanLeer@cityofchicago.org</u>>; Laurie Block <<u>Laurie.Block@cityofchicago.org</u>> **Subject:** Proposed Working Group for Chicago's Fair Workweek Ordinance, O2018-5089

Dear Colleagues,

After the June introduction of the Fair Workweek ordinance, I was contacted by several industry representatives looking to express either their concerns or support for the proposed implementation. Considering the differences in opinion on how these changes could affect individual industries, I want to coordinate a working group to discuss these potential implications and gather the input from each industry for the best way forward. As such, I have asked the advocates and those in opposition to put together a list of industry representatives to be a part of a working group. I also think it is vitally important to have members of the City Council voice their concerns and opinions in these working group discussions. In particular, I believe representatives of each caucus should be present. So, as Chairman, I want to invite you to be a part of this discussion. The first meeting will be in my office and limited to the caucus Chairmen / Chairwomen to discuss the next steps for the working group.

Please let me know if you are available to meet during any of the below listed date / times. My office will circulate a calendar invite once confirmed.

Tuesday, September 11<sup>th</sup> at 10:00am Thursday, September 13<sup>th</sup> at 11:00am Tuesday, September 18<sup>th</sup> at 9:00am

Sincerely, Pat O'C

Ald. Patrick J. O'Connor (40th)
Chairman - Committee on Workforce Development & Audit
City Hall - Room 300
121 N. LaSalle Street
Chicago, IL 60602
telephone - 312/744-6858
fax - 312/744-8548
email - patrick.oconnor@cityofchicago.org

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Committee: **Workforce Development and Audit** 

Subject:

Name

**FAIR WORK WEEK WORKING GROUP** 

Place/Room:

300A

E-Mail

Meeting Date:

December 18, 2018 10:00 a.m.

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# MEETING SIGN-IN SHEET

Committee:

**Workforce Development and Audit** 

Subject:

Name

FAIR WORK WEEK WORKING GROUP

**Meeting Date:** 

December 18, 2018 11:00 a.m.

Place/Room:

300A



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# CHICAGO'S PROPOSED FAIR WORKWEEK – ORDINANCE 02018-5089

#### ALDERMANIC WORKING GROUP NOTES

October 30, 2018

Meeting 1

City Hall, Room 300A

#### Introduction by Alderman O'Connor

- Objective of the small number of Aldermen, the caucus chair or other representatives, because did want to hold multiple
  briefings where the discussions could get out of hand. This way, a smaller number of Aldermen could participate in the
  meetings and then disperse the information to the caucus members.
- At each meeting the proponents and opponents will have the opportunity to give their point of view so the Council can
  gain an understanding of how each industry feels about the proposed FWW ordinance and how it would affect their
  workforce.
- Once these working group discussions finish, the Council will hopefully have enough information to make a decision on where the body stands on the proposed ordinance.
- Ald. O'Connor stressed that the meeting will not be debate style and instead information style. Each side will have 1-2 presenters.

## Proponents Presentation - with Local 881 UFCW

- Introduction into why Local 881 UFCW is "leading" the proposed FWW discussion.
  - o Based on the unions almost 40 years of experience dealing with industry changes and the progression towards value in scheduling notices and reporting requirements.
  - o 1.8 Million Chicago jobs and the proposed ordinance would affect approximately 250,000 workers
  - O UFCW represents 25,000 workers. Of those workers, 60% or more of the members are part-time workers and have more than one job.
- Statement that there is a lot of part time union members that need representation to find stability in their industry so those members/employees are able to support their families on a regular basis.
- Belief that this effects of this ordinance will lower the poverty rate and bring stability to a large portion of the workforce.

#### Aldermanic Questions for Proponents

- Alderman Sawyer
  - Question related to the studies the proponents reference and brought copies of (Stable Scheduling Increases Productivity and Sales and Scheduling Stability: The Landscape of Work Schedules and Potential Gains from Fairer Workweeks in Illinois and Chicago).
    - How would those who are using an app or scheduling software currently be affected by the passage / implementation of the FWW ordinance, or would they be affected?
      - Yes, those businesses / individuals would be affected by the implementation of the ordinance, but those types of technology could be used as tools or supplements to the ordinance provisions.
  - Question related to the New York FWW statute and whether the proposed Chicago ordinance is similar to the New York language.
    - The proposed Chicago ordinance is not just limited to fast food like New York and instead focuses on the size of the employer so it encompasses all industries and why it would be considered such a landmark ordinance, if passed.

#### • Alderwoman Hairston

- O Question related to the Gap study referenced in presentation finding that the study was a limited study that perhaps should not be applied so broadly because the income level reflected by those employees in the study is not a true representation of the African American population nor does the study truly reflect the diversity of Chicago's population based on where Gap stores are located and the employees who work at them.
  - wanted to point out that the study focused on the employees so the employees could be traveling from any neighborhood.

## Opponents Presentation – with IRMA

- Introduction to let everyone know that while she is VP and GC for IRMA, the presentation is on behalf of all industries opposing the proposed ordinance, just with a heavier focus of her materials on the retail and restaurant industries.
- Began by explaining why the proposed ordinance is considered a restrictive scheduling ordinance for many industries, particularly those who have unpredictable occurrences and hours (ex: sporting events, ER's, etc.) therefore dictating the need for these industries to have flexibility in their workforce.
- Power Point: Chicago Restrictive Scheduling Proposal (27 Slides) Highlights of Discussion
  - Unintended consequences of Scheduling Ordinances (Slide 16)
    - Employee: reduced flexibility; lost hours; stressful environment; difficulty in determining future availability
    - Employer: competitive disadvantage; unchanged rate of retention; increased cost; less time running business, more time filling out paperwork
  - Chicago Proposal (Slide 22)
    - Who it applies to
      - Any employee making less than \$50K/year
      - Excludes employees covered by CBAs and government agencies
    - Advanced schedule posting
      - Posted 14 days in advance
      - All changes to schedule must be in the form preferred by the employee i.e. if employee wants schedule electronically must provide it in any manner proscribed by employee
    - GFE
      - GFE (in writing) of estimated median number of hours/week; whether there will be on-call shifts; subset of days/times/shifts the employee will and won't work
    - Additional hours & Job posting
      - Must be offered to employees of that location, then to other employees, then to temp/seasonal, then can hire (all within a 3 day window)
    - Penalty pay
      - Calling another employee to work as a result of changes initiated by employee will trigger penalty pay
      - Half of regular rate of pay for subtraction of hours less than 24 hours notice or cancel of shift/on-call
    - Rest period
      - 11 hours or time and a half (only voluntary)
    - Other
      - Domestic Violence: employee can request private schedule be submitted in any form and employer must comply
      - Request can be oral or written; employer can require written request and employee has 4 weeks to comply but employer must comply immediately
      - Employer cannot request more than one written request in the span of a year

- Employee has right to decline
- Records of offers for hours must be kept for 5 years

#### Aldermanic Questions for Opponents

- Alderman O'Connor
  - Questioned what the AG office's basis was for 2016 investigations in on-call scheduling referenced in slides 10 and 11.
    - Answer: Fair Labor Standards Act
- Alderman Tunnev
  - o Questioned whether anyone had data available to show the number of actual scheduling complaints made by employees in Illinois.
    - No formal answer. There is a general hotline for "labor-related" complaints, but it should be looked into to see if of those "labor-related" complaints if they can break it down further to the number of specific scheduling-related complaints because Employers need to know if employees are even complaining about their current schedules and if they want the types of scheduling requirements proposed in the ordinance.
    - to look for the numbers of scheduling complaints with the AG's office.

#### Conclusion - Alderman O'Connor on next steps

- The goal is to continue to have the meetings pro/con presentation style. There can be one person as a constant for each side (perhaps by the state of the state o
- Alderman O'Connor's hope is that in the end the information will make it back to the caucus members so everyone can have a larger discussion of where they stand on the proposed ordinance after learning a bit more of how each side perceives the benefits / detriments and how each industry will be effected.

November 20, 2018

Meeting 2

City Hall, Room 300A

#### Introduction by Alderman O'Connor with Aldermen Arena, Villegas, and Tunney

## Opponent Presentation - Transportation: with UPS

- In Chicago, UPS has two main locations employing mainly organized workers: Teamsters 705, 710. Specifically, employing 2700 people at S. Jefferson; 300 employees at O'Hare.
  - Current Schedules: Majority of the workforce is unionized, teamsters so UPS has a long standing standardized working rules/schedules with their employees already in place, which took many years of bargaining to ensure that the transportation industry employees having "fair" working schedules and healthcare benefits.
  - o Due to these union contracts already in place, UPS pays the largest percentages in the transportation industry.
  - o 90% of UPS workforce has guaranteed 40 hours per week once the schedule is posted.
  - UPS Concerns: Competitors

- Concerned with how the ordinance would apply to competitors. Specifically, UPS believes the ordinance would create a competitive disadvantage in favor of the small package delivery industry since the small package industry focuses on the flexibility due to the rise in e-commerce deliveries and transport needs.
  - Examples
    - o USPS, small package delivery focus business model to which the ordinance would not apply to.
      - UPS has generally only unionized or privatized sector workforce vs. independent contractor models of competitors
- Overall, UPS believes the ordinance is too restrictive and cumbersome. In effect, it would actually take away from the current flexibility UPS offers its workforce.

#### Aldermanic Questions for Opponent UPS

#### Alderman Arena

- o Question related to the CBA's and wondered whether, based on the language in the ordinance, UPS would actually have a waiver option in the ordinance based on the current / future CBA's with its workforce
- could not speak to the Chicago ordinance, but did confirm in other cities where there is current fair workweek legislation (New York and Seattle) UPS is exempted from certain requirements based on the CBA exception.

## Opponent Presentation - Healthcare:

#### with Northwestern Memorial Healthcare

- Speaking on behalf of the hospital community
  - O Particular concern for the hospital community is the constantly fluctuating patient flow at every locale resulting in different staffing impacts so flexibility with schedules is key. Hospitals are trying to meet the patient demand at any given time so the "one size fits all" approach of the ordinance does not sit squarely with the hospital community's workforce.
  - O Specific application to Northwestern: the ordinance really only applies to 5% of the healthcare employees (clinicians: physicians, pharmacists, etc.) who can make their own hours and a large part of them are part-time employees. Otherwise, the workforce is covered by current CBA's.
  - o This industry's work flow stems mainly from emergencies, weather conditions (flu season) so it is constantly fluctuating.

#### Aldermanic Questions for Opponent Northwestern Memorial Healthcare

#### Alderman O'Connor

- o Would most Chicago hospitals fall into the same categories, i.e. smaller %'s so clinicians falling the applicable group (i.e. part time, on call, ones with floating schedules)
  - Scott: Depends on what the individual contract covers
  - Advocates: 8% of Chicago's market is organized labor hospital workers, which works out to be around 160,000 employees, more falling into public hospitals than privately run.

#### Alderman Tunney

- o How many employees who are in the "float pool" are ready, willing and able to pick up more hours?
  - Answer: no one was sure of the numbers
  - Ex: Chicago Mercy Hospital tragedy, what happens when the ER's are closed? Would the employees who cannot go in to work be compensated for their time in a situation like Mercy?
    - Law would need to opine on the exceptions to the ordinance

## Proponent Presentation - Introduction by

#### with Women Employed

Advocate introduction into why the ordinance is needed, how predictability pay would impact the workforce

#### Proponent Presentation - Healthcare:

with SEIU Healthcare

- SEIU Healthcare represents roughly 90,000 workers and in Chicago about 30,000 workers.
  - o 8% of the Chicago healthcare workforce is unionized, which is less than 18,000 workers.
- SEIU Healthcare is in particular support of the 2 weeks notice requirement, opportunity to decline and predictability pay requirements in the ordinance.
  - o SEIU feels that there is more pressure on low-wage workers because there is no scheduling security, which results in lower wages and no money for proper healthcare.
- According to SEIU, of hospital service workers in Illinois, 35% have less than 1 week notice of a change in schedule or even work schedule requiring employees to be perpetually "on call". Often times, employees are sent home due to lack of patients on the floor so then these employees are sent home with either no pay or forced to use their PTO.

## Proponent Presentation - Healthcare:

with SEIU Healthcare

- Stress that SEIU's healthcare interest in the ordinance is to assist the low wage employees and how these employees are the ones that feel the brunt of the hospitals "flexible" schedules.
- SEIU wants to set a standard for the industry with Chicago proposed FWW ordinance.

#### Aldermanic Questions for Opponent Northwestern Memorial Healthcare

- Alderman Tunney
  - What about the smaller not for profit hospitals? Is the only way for these hospitals to become profitable is to merge large, profitable ones (ex: Advocate, Presence)?
    - Advocates: In terms of staffing, there are ways to fun those smaller hospitals, but those funding ideas are currently being denied. But, want to point out that by supporting and implementing the FWW ordinance would not have a large adverse effect on these smaller, already-struggling hospitals. Specifically, predictability pay will not shut these smaller hospitals.
- Alderman O'Connor
  - Currently sees the closing of the smaller hospitals in the 40<sup>th</sup>, ex: Swedish. Yes, healthcare is a thriving, multibillion dollar industry, but on the local level that is not something a lot of Aldermen in Chicago are actually seeing so have to consider the impact of the ordinance on these smaller, struggling hospitals.

## <u>Proponent Presentation - Transportation:</u>

with Warehouse Workers United

- 66% of the warehouse staff is through temp agencies and mostly on call type schedules where there is a need to supply for seasonal retail demands (ex: Amazon).
- However, institutions / employers should be able to plan for seasonal influxes.

December 18, 2018

Meeting 4

City Hall, Room 300A

Introduction by Alderman O'Connor with Alderman Tunney

#### Proponent Presentation -

#### with Warehouse Workers United

- Temp worker goal: direct hire vs. temporary hours/wages
- Railroad convergence in Chicago creates an increase in warehouse jobs (6pprox.. 760K warehouse worker jobs) with the rise of new developments, warehouses are being built all over the City and surrounding suburbs. Warehouses are taking the space that were traditionally reserved for retail space as e-commerce booms.
- Estimates that 63% of the industry workforce are temp workers (based on own research no corroborating #'s provided)
- "Perma-temping" (trend for post-recession economy) a practice where workers can habitually work as a temp worker vs. a traditional employee / direct hire
  - o These temp employees are paid lower wages than direct hires
  - No workman comp benefits
  - o Ex: Walmart, amazon, home depot (to name a few major employers who practice this trend)
- Concern that there will be an exemption carved out in the ordinance for staffing agencies, which would just continue to increase the use this workforce and not increase the number of direct hires as they are promised, undermining the quality of jobs for these workers.

## Proponent Presentation - (worked at different temp agencies, currently with a personalized mall company)

- Main complaint for the temp worker is the schedule of early hours that are often requested at the last minute and on top of it getting paid b/c of the temp worker status. This contributes to the general lower worker morale on top of the difficult scheduling and coordinating of his families schedules.
- Jason confirmed he gets paid hours with no benefits and is paid by the staffing agency.

#### Aldermanic Questions for Advocate

- Alderman Tunney
  - What is the wage / hour comparison for temp / direct hires?
    - 16/hr for direct hires and 12.25/12.50/hr for temp workers
  - What, if any, is the transition into a full-time, direct hire? Understand that the temp industry is growing in the warehousing/manufacturing industries and want to understand if there is opportunity for temp workers to make the move to full time.
    - current employer like the temp workforce bb/c the production value increases while they are paying less for the labor, "cost efficient work"
- Alderman O'Connor
  - What happens if you, as a temporary worker, gets hurt? Who do you make the workers comp claim to?
    - the worker is generally let go immediately. Making a claim, the general recommendation among workers is to make the claim to both the temp agency and the place of employment where the accident occurred.
  - What happens if you show up at the job location and the employer says they no longer need you that day?
    - depends on the company
    - There is a state law, Day and Temporary Labor Services Act, that mandates the employer is supposed to pay at least 4 hours if the workers arrives at the location (not just the agency), BUT the issue is whether this is actually getting enforced, particularly where there may be arguments that the worker only arrived at the agency and not the place of employment
  - Example Scenario: Employer who owns Lays Potato Chips, is it possible to give your employees 2 weeks notice
    of schedule changes? How does the agency contract with the client company is it consistent enough to be able
    to give that type of notice?
    - Alderman O'Connor is trying to figure out how an employer would implemental the ordinance requirements in this industry dynamic.
    - Ex: are there temp agencies with client companies that keep certain temp workers on contract for years?
    - Ex: is there an anti-poaching provision in the temp agency / client company contract that prohibits the client company from hiring the temp worker full time?

- How much time do you have available to look for other, full-time employment?
  - even with the temp work schedule, there is still a "trial" period with that client / company so there is not a lot of options for taking time to look elsewhere if the temp work is stead.
  - (temp worker): "mandatory 60" = 40 hour work week is really 60 (or more) because one you are on the job and asked to stay longer you have to. If not, as a temp worker, you are then blacklisted from the temp work at the location and even other employer locations

# Opponent Presentation - Owner of Clear Staff Agency (a day laborer company)

- Clear Staffing Agency specializes in the light industrial staffing workforce, not the heavy labor. Company is based in Chicago & suburbs with approximately 1000 workers.
- Could not provide the exact numbers for the transition of workers from temp to direct hires, but says it does happen within the industry.
- Concern with FWW: how the company would comply with the ordinance requirements given the last minute schedule changes and flexibility needed in the industry. Concerned with the legal effects of a last minute scheduling request. In light of these concerns, proposed that the ordinance focus on retailers and exempt temp staffing agencies (following the Oregon legislation carve out for temp agencies).

## Opponent Presentation - Chief Human Resources Officer, LaSalle Network

- LaSalle Network is Chicago loop / suburb based
- previously worked as a temp herself, which she felt was a positive experience and allowed for experience in multiple industries when she was unsure of her career path and allowed for a flexible schedule during school.
- Concern with FWW: the negative impacts on the careers of care takers, parents, etc. that need flexible schedules.

## Opponent Presentation - Banner Personnel

- Banner Personnel works with the City of Chicago, is certified MBE City employer.
- Works with small to large companies, such as McD's.
- Banner Personnel does offer their temporary employees benefits inclusive of 401K's, healthcare and paid sick leave.
- Concern with FWW: the ordinance has the potential to hurt the workforce instead of help the target employee base who need flexible work schedules. Another large concern is the difficulty in actually implementing the ordinance requirements. For example:
  - o 1. Offering work to current employees before new employees would be very difficult.
  - 2. Posting a schedule 14 days in advance. The concern is that there is no place to post this for all of the employees, so need further guidance on how to properly notify employees.

# <u>Opponent Presentation – Representative – Closing Remarks</u>

- Focus on the temporary workforce and fact that many do not want the ordinance implemented because they want to keep their flexible work schedules. For instance, holiday hours. During the holidays there is a lot of unexpected workforce required and if implemented, this ordinance would prevent a temp agency from answering client/business needs.
- Agree that the practice of bate-n-switch scheduling shop stop and the Day and Temporary Labor Services Act should be complied with.
- Video: West Side Justice Center focus on the negative impact the FWW implementation would have on the ex-offender community.
- Discuss exemptions: ex: City departments and sister agencies, primarily with a focus on CPS. Paul opined that CPS could not run under the requirements of the ordinance, much like a temp staffing agency.

• Conversion Information: confirms that there is transition between temp workers to direct hires. While technically the temp agency is losing "inventory" if a temp employee becomes a direct hire, that agency is still gaining good word of mouth that they can provide quality employment.

#### Aldermanic Questions /Comments

- Alderman O'Connor
  - o In response to stating that the Board of Ed is actually not the same as a temp staffing agency, Ald. O'Connor made a distinction stating that the Board of Ed is actually not the same as a temp staffing agency because the pool is not the same. Substitute teachers are paid by the BOE, not an external company who is paying taxes, benefits, etc.
  - Asked the Opponents their opinion on the 2 types of temp workers: those that are truly temporary and those that are career temp workers.
    - Opponents refute the idea that there are "permanent" temp workers
    - Opponents strongly argue that there are workers comp claims available for workers injured on the job
    - Opponents strongly argue that they are heavily regulated by Federal and State laws, such as the Day and Temporary Labor Services Act, so the types of loop holes previously discussed by the Proponents do not actually exist.
- Alderman Tunney
  - Expressed his concerns with the ordinance (in general) and specific concern with carving out exemptions for certain industries/employees.
  - Question: what is the percentage the temp agencies take from a temp employee's salary?
    - Paul: 28-30% take.

From:

Patrick O'Connor

Sent:

Wednesday, September 12, 2018 2:06 PM

To:

Ashley Van Leer

Subject:

Fw: Fw: Proposed Working Group for Chicago's Fair Workweek Ordinance, O2018-5089

Ald. Patrick J. O'Connor (40th) Chairman - Committee on Workforce Development & Audit City Hall - Room 300 121 N. LaSalle Street Chicago, IL 60602 telephone - 312/744-6858 fax - 312/744-8548 email - patrick.oconnor@cityofchicago.org

From: 6 Ward Scheduler < scheduler@6ward.com> Sent: Wednesday, September 12, 2018 11:23 AM

To: Patrick O'Connor

Subject: Re: Fw: Proposed Working Group for Chicago's Fair Workweek Ordinance, O2018-5089

Alderman Sawyer can attend on Tuesday, September 18th at 9:00 a.m.

Thank you!

## Candice Briggs, Scheduler

The Honorable Roderick T. Sawyer (Alderman, 6 Ward) 700 E. 79th Street ~ Chicago IL 60619 P: (773) 635-0006 ext.12 / F: (773) 891-5679

E: Scheduler@6ward.com

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On Tue, Sep 11, 2018 at 3:13 PM, Roderick Sawyer < Roderick.Sawyer@cityofchicago.org > wrote:

The Honorable Roderick T. Sawyer Alderman, 6 Ward

700 E. 79th Street Chicago, IL 60619 (773) 635-0006 www.6ward.com

From: Patrick O'Connor

Sent: Friday, September 7, 2018 4:59 PM

To: Gilbert Villegas; Roderick Sawyer; Scott Waguespack; Tom Tunney; Leslie Hairston

Cc: Ashley Van Leer; Laurie Block

Subject: Proposed Working Group for Chicago's Fair Workweek Ordinance, O2018-5089

Dear Colleagues,

After the June introduction of the Fair Workweek ordinance, I was contacted by several industry representatives looking to express either their concerns or support for the proposed implementation. Considering the differences in opinion on how these changes could affect individual industries, I want to coordinate a working group to discuss these potential implications and gather the input from each industry for the best way forward. As such, I have asked the advocates and those in opposition to put together a list of industry representatives to be a part of a working group. I also think it is vitally important to have members of the City Council voice their concerns and opinions in these working group discussions. In particular, I believe representatives of each caucus should be present. So, as Chairman, I want to invite you to be a part of this discussion. The first meeting will be in my office and limited to the caucus Chairmen / Chairwomen to discuss the next steps for the working group.

Please let me know if you are available to meet during any of the below listed date / times. My office will circulate a calendar invite once confirmed.

Tuesday, September 11th at 10:00am Thursday, September 13th at 11:00am Tuesday, September 18th at 9:00am

Sincerely, Pat O'C

Ald. Patrick J. O'Connor (40th) Chairman - Committee on Workforce Development & Audit City Hall - Room 300 121 N. LaSalle Street Chicago, IL 60602 telephone - 312/744-6858 fax - 312/744-8548 email - patrick.oconnor@cityofchicago.org

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From:

Koutsky, Zach <ZachKoutsky@local881ufcw.org>

Sent:

Tuesday, June 26, 2018 4:14 PM

Subject:

Chicago Fair Workweek Substitute Ordinance

#### Good afternoon!

There will be a substituent ordinance introduced tomorrow at Council that is a result of many productive conversations with Aldermen, workers, and business interests concerning the Chicago Fair Workweek Ordinance.

I wanted to give you a heads up on the following changes:

- o Applies only to employers of 50 or more employees
- Excludes construction and railway workers
- o Does not apply to government workers (aka "sister agencies"), except for City of Chicago employees
- Allows victims of, or family members of victims of, domestic or sexual violence not to have their schedules posted publicly
- Clarified the predictability pay if an employer cuts hours less than 14 days but at least 24 hours after scheduling the hours, versus if done with less than 24 hours before the shift change
- Added an exception to predictability pay for a shift change if the employer and employee agree on the change in writing, ie if the shift change is "mutually agreed upon".

There is a bunch of other clean-up language in there as well, but above are the major components to the sub. I will be at Council early with handouts if you have any questions or concerns, along with the two studies that were done within the last few months concerning this issue.

Aldermen, for those of you not signed on as co-sponsors yet, please consider doing so. This is Local 881 UFCW's top priority in Council this year, and will benefit over 400,000 workers across Chicago who deal with the chaos that erratic schedules force onto them every week. To those already signed on, thank you for your continued support and advocacy.

Also, as discussed with many of you, the Federal Reserve released their snapshot of the nation's economy for 2017 and for the first time, mentioned the detrimental impact erratic schedules have on workers.

## Scheduling and Benefits

Job schedules and notice of shifts can also affect the economic well-being derived from employment. Predictable part-time schedules may even support greater labor force engagement, since the predictability would allow workers to seek additional employment and supplement their income. Three-fourths of workers normally work the same hours each day, 9 percent work schedules that vary at their own request, and 16 percent have schedules that vary by their employers' needs. Many of these workers with irregular schedules would prefer a job with stable pay, even if it paid them less overall (see <a href="mailto:box 2">box 2</a>).

The prevalence of irregular schedules set by employers differs across industries and education levels of the workers. One in 5 workers with a high school degree or less has this variability, compared to 1 in 10 workers with a bachelor's degree or more. Similarly, within the retail, wholesale, food services, and entertainment industries, about one-third of workers have employer-set irregular schedules--approximately twice the rate observed for workers as a whole.<sup>21</sup>

Among workers whose employer varies their schedule, just over half say that they usually are told the hours that they will work three or fewer days in advance, with 36 percent reporting that their employer usually tells

them their hours one day or less in advance, including on-call scheduling. This compares to 15 percent who are given at least three weeks of advance notice (figure 8).

Less-educated workers with irregular schedules also receive less advance notice about their work schedules. Sixty-one percent of irregular-schedule workers with no education beyond high school receive their schedule three days in advance or less. This compares to 44 percent of those with a bachelor's degree who are given only this level of advance notice.

Employee benefits are an additional component of employment conditions. Over three-fourths of workers indicate that their employer offers paid vacation time and health insurance, making those two benefits the most commonly offered (table 11).<sup>22</sup> Retirement benefits and paid sick leave are each offered to just over two-thirds of employees while maternity or paternity leave is offered to over half of workers.<sup>23</sup>

Thank you for your consideration of this important piece of legislation. I look forward to talking to many of you tomorrow and hope we can earn your support.

In Solidarity,

#### **Zach Koutsky**

Legislative & Political Director
Local 881 United Food and Commercial Workers
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Des Plaines, IL 60018-3705
ZachKoutsky@local881ufcw.org

847-294-5064 (office)

Local 881 UFCW represents 34,000 members employed in retail food and drug stores throughout Illinois and Northwest Indiana, as well as a professional division comprised of health and nursing home workers, barbers and cosmetologists, and workers in other retail and service industries. Among the companies under contract with Local 881 are Jewel Food Stores, Osco Drug, Mariano's Fresh Market, CVS Pharmacy, Kroger, Schnucks, Dierbergs, and many smaller chains and independent stores, as well as nursing homes and other business establishments. Local 881 is among the largest affiliates of the United Food and Commercial Workers International Union, which represents 1.3 million members in the United States, Canada and Puerto Rico.