

Allegheny County Council

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Meeting Minutes

Thursday, October 15, 2020

4:00 PM

Conference Room I

Committee on Health & Human Services

*Cindy Kirk, Chair; Tom Baker, Liv Bennett, Tom Duerr, Bob Macey, Anita Prizio and
Paul Zavarella, Members*

I. Call to Order

The meeting was called to order at 4:01.

Invited Guests: To Be Determined

Mr. Montarti was present from the Allegheny Institute.

Ms. Benson was present from ROC United.

Ms. Bova was present from PRLA.

Mr. Barker and Mr. Varhola were present from the Office of County Council.

II. Roll Call

Members Present: 2 - Bob Macey and Anita Prizio

Members Absent: 1 - Cindy Kirk

Members Phone: 4 - Tom Baker, Olivia Bennett, Tom Duerr and Paul Zavarella

Members 5 - Patrick Catena, Nick Futules, Bethany Hallam, Paul Klein and John Palmiere
Non-Members:

III. Approval of Minutes

IV. Agenda Items

Discussion Topic - Paid Sick Leave

Mr. Macey noted that Chairwoman Kirk was unavailable to attend and asked him to preside in her stead. Mr. Macey noted that the meeting was for informational purposes only, and that the intent was to have brief presentations followed by questions and answers from the three invited guests as a means of informing Council.

Mr. Duerr requested permission to briefly discuss the concept of altering the effective date of the ordinance, pursuant to a draft amendment that he had circulated previously.

The first presentation was made by Mr. Montarti, who noted that the Institute had looked at the City of Pittsburgh's paid sick leave ordinance when it had been discussed and that the substance of the Institute's position is that the timing is particularly bad for creating a paid sick leave ordinance, as employment is substantially down from the previous year and the impact would be disproportionately borne by smaller businesses. Mr. Montarti noted that the County ordinance is very similar to the City's ordinance, which the City enacted and the Pennsylvania Supreme Court had upheld the ordinance as a valid disease prevention regulation in the summer of 2019. Mr. Montarti indicated that he believes that the 15 employee threshold may in practice cause small employers to continue employing 14 or less individuals in order to cut costs. Mr. Montarti suggested that the cost benefit analysis for business owners may mitigate towards paying the fine for violating the ordinance rather than complying, and that the ordinance may ultimately incentivize businesses to relocate outside of the County. Mr. Montarti summarized the City's implementation regulations, and questioned whether the County ordinance would be in effect in the City, and what the cost of implementing and enforcing the ordinance would

be.

Mr. Macey thanked Mr. Montarti for his input, and indicated that he is cognizant of both sides of the issue, noting that the business environment clearly is difficult at the moment, but that he also understands the importance of being able to pay the bills while not spreading illness.

The second presentation was made by Ms. Benson, who described her background as a former restaurant employee, and discussed her experience in caring for a seriously ill family member, which ultimately resulted in her having to leave two jobs in order to provide that care. Ms. Benson noted that paid sick leave is vital to those who must care for family members, which is a growing population as the baby boomer generation ages, and noted that in her opinion, the economic damage of having large numbers of individuals facing dire economic consequences through illness far outweighs the cost of providing paid sick leave.

Mr. Macey expressed empathy for Ms. Benson, and suggested that the ordinance under consideration by Council may not be something that would fully remedy the full measure of the issues that she had discussed.

The third presentation was made by Ms. Bova, who noted that PRLA's member businesses are still facing difficult situations as a result of significant restrictions placed on public gatherings in Allegheny County, and there is no obvious certainty that the difficult conditions will abate in the foreseeable future. Ms. Bova noted that 96% of restaurants have reported lower income, even as operational costs increase, and 68% of PA restaurants indicate that they will not remain in business for six months if current conditions remain unchanged, and that almost a third of the 25,000 restaurants in the Commonwealth will potentially close permanently. Ms. Bova suggested that there is merit to having the conversation regarding paid sick leave, but that the current conditions would render adding additional burdens profoundly problematic for the hospitality industry.

Mr. Duerr noted that his thought was to extend the effective date of the ordinance for a full calendar year, because while he believes that paid sick leave is a concept that should be enacted, he also recognizes that the current conditions are difficult. Mr. Montarti indicated that he would tend to say that the preferred course would be to render paid sick leave entirely discretionary, so that businesses could opt to provide it when they are able to do so. Ms. Bova suggested that the COVID pandemic may not be predictable enough to allow her to definitively opine about a one year extension, but that she would have concerns based on the six month forecasts of which she is aware.

Mr. Klein suggested that his understanding is that pre-COVID, the restaurant industry was doing fairly well in the region, and Ms. Bova agreed with that assessment, noting that the hospitality industry was growing and providing significant contributions to the economy pre-COVID.

In response to a question from Mr. Klein, Ms. Bova noted that the businesses in Pittsburgh were complying with the Pittsburgh ordinance pre-COVID, while the ones outside of the City were attempting to balance the merits of paid sick leave against an average 5% profit margin.

Mr. Klein indicated that this suggests to him that, even under best case conditions, the industry would still struggle to comply with a paid sick leave requirement, and that the industry may just be badly situated in terms of offering paid sick leave to its employees.

Ms. Bova indicated that market conditions vary, and that it is difficult to predict what may or may not be possible.

In response to questions from Ms. Hallam regarding the cost of presenteeism and increased rates of workplace injuries among ill employees, Mr. Montarti noted that the Institute did not evaluate the comparative costs of presenteeism and absenteeism in the local context, nor has the Institute looked at the cost of increased injury rates within Allegheny County or the City of Pittsburgh.

Mr. Futules suggested that the ordinance is flawed, insofar as it contains no exemptions for extremely small employers, unlike other statutes like healthcare mandates which apply only to employers with over 80 employees as he recalls. Mr. Futules also noted that the rate of attrition among restaurants is always high, and that at least some restaurants are still in some measure recovering from the recession of 2009, and that recovering from the consequences of the COVID pandemic may take an extended period of time.

Ms. Prizio noted that she had owned a small, non-union machine shop, and that its paid sick leave policy was actually more expansive than the ordinance would require. Ms. Prizio suggested that sick employees also endanger customers, which should also be taken into account, and that the maximum amount of sick time that could be accrued in a year is three days for small employers' workers, and five days per year for large employees' workers, and that she does not believe that this would be particularly burdensome.

Mr. Palmiere expressed appreciation for the debate, and noted that it has given him a lot to think about.

Mr. Macey and Mr. Palmiere discussed how he is handling the pandemic in his business, with Mr. Palmiere noting that he is following the guidelines as they are evolving, and that he has no employees at present so a paid sick leave requirement would have no applicability to him, but that the pandemic has had a significant negative impact on his customer base.

Mr. Futules expressed a belief that a sick leave requirement might be better done at the state level rather than at the county level, for the sake of uniformity. Ms. Hallam suggested that the County does have the authority to do, and that it should not in her opinion abdicate that authority in the hopes that the Commonwealth will take action. Mr. Duerr expressed agreement with that notion, and indicated that his feeling is that regardless of the outcome, it is within the Council's purview and responsibility to make a decision on the issue. Mr. Klein and President Catena expressed agreement.

Ms. Hallam and Mr. Macey discussed how future meetings may be conducted.

V. Adjournment

The meeting was adjourned at 5:06.