

# Sick Leave Ordinance: The Yumm! Experience

C. Edward Gerdes
Vice President and
General Counsel





## Active in These Groups

- International Franchise Association
- Chamber of Commerce
- Oregon Restaurant Association
- Willamette Valley Food & Farm Coalition
- GreenLane Sustainable Business Network
- Willamette Valley Sustainable Foods Alliance
- Portland Business Alliance
- Lane Transit District Budget Committee



#### **Business Structure**

- Franchisor = Beau Delicious! International, LLC
- Café Yumm! restaurants, mftr, warehouse
- Affiliated entities: Eugene (4) & Portland (1)
- Non-affiliated Franchisees (8): independently owned
- Franchisees in Portland (1) & Seattle (1)
- Team Members in Eugene: 100+



# Public Benefit Company

- BDI Articles of Organization state:
- "... the Company commits to creating a general public benefit."
- Established by 2013 legislature.
- Café Yumm! was one of first to register.



# **Triple Bottom Line**



Ideal #5. Steadfastly nurture and protect the beating heart of the Triple Bottom Line of social, environmental, and economic considerations.

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OSB Founding Partner in Sustainability
Bold Steps Toward Sustainability
Certified RE:think Business
Most Environmentally Friendly
Chamber of Commerce Envt'l Values









# Team Member Support

- Before Affordable Care Act 35+ hrs Health, Dental, Life Insurance
- One meal per shift all
- Retirement Plan all w/\$5,000 wages
- Anniversary Bonus possible for all
- Annual Bonus possible for all
- Holiday full-time
- **Vacation** 35+ hrs
- Sick Leave Portland 1/1/14 all



# Employee Cost: Min. Wage

40 hrs wk times 52 wks times \$9.10= \$18,928

Mandated benefits

= \$ 2,410

Discretionary benefits

**= \$ 5,786** 

Total employer cost at minimum wage

= \$ 27,124

With paid time off, actual hrly wage

= \$13.78



# Benefits of Sick Leave Policy

- Earlier call-ins giving manager more time to react
- Lowers Team Member life stress
- Perception that lower stress hastens recovery
- Team Members appreciate benefit
- Greater sense of caring, pride, part of Team
- Fulfills Café Yumm! Mission Statement
- Positive community perception



#### Cost of Sick Leave Benefit

Financial Admin: \$125 yr/each

100 Team Members =

\$12,500

Duplicate pay - 40hrs x \$9.10 = \$364 each

100 Team Members =

\$36,400

Policy Creation =

\$6,000

Other

- Lost productivity
- BOLI complaint

Private lawsuit

**Unknown** 



### Ordinance Considerations Generally

- San Francisco average employee used 3 days per year. Institute for Women's Policy Research 2011
- Connecticut 47% of employers offset mandatory sick leave by: Employment Policies Institute 2013
  - -increasing prices
  - -reducing other benefits/lowering wages
  - -reducing hours
- 90% of all Oregon Businesses have under 20 employees. US Bank Survey May 2014



# Ordinance Considerations Specifically

- 1. Consistency of ordinance between cities
- 2. Accrual 1:40 not 1:30 ratio
- 3. Eligibility Employed for 6 months not 90 days
- 4. Ensure shift-trading is allowed
- 5. Exemptions
  - Collective Bargaining Agreements
  - Home-based employees
  - Volunteers
  - Interns



# Ordinance Considerations Specifically

- 6. Retaliatory Personnel Action . . . i.e., "adverse employment action against an Employee" define to exclude bonuses.
- 7. Suspected Sick Time Abuse is too vague.
- 8. Do not allow <u>private rights of action</u>. BOLI enforcement is sufficient.



## Café Yumm! Portland – LEED Gold Certified

