

Portland businesses cheer voters' rejection of \$15 minimum wage

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Portland voters rejected a proposal Tuesday to dramatically increase the minimum wage in the city.

The referendum to raise the wage to \$15 an hour, double the statewide minimum of \$7.50, was defeated by nearly 58 percent to 42 percent.

If voters had backed the initiative, Portland would have joined cities such as Seattle, San Francisco and Los Angeles in raising the minimum to \$15.

Scott Rousseau, owner of Play It Again Sports in Portland, fought back tears Tuesday night as he expressed his joy over the vote results. Rousseau had campaigned against the increase, saying it would have put him out of business or forced him to cut staff.

"Right now I'm feeling a huge sense of relief for every small business owner in Portland, and everyone who works for me," he said. "I think it's great news for the future of our city."

Portland's low-wage workers will still get a raise, however: The City Council voted in September to raise the minimum wage to \$10.10 an hour effective Jan. 1.

Despite the defeat Tuesday, Portland's pay initiatives may increase pressure to raise the minimum wage elsewhere in the state. In fact, the Maine People's Alliance is circulating petitions to put a gradual increase to \$12 an hour on the state ballot next November.

The proposed ordinance before voters Tuesday would have raised the minimum wage to \$15 an hour in steps. Large businesses – those with more than 500 employees nationwide – would have seen the full increase kick in by July 2017, while the phase-in period for smaller businesses would have been slower, rising to \$15 an hour by July 2019. After that, the minimum wage would have risen annually by the rate of inflation.

RESULTS PLEASE BUSINESS GROUP

Opponents of the increase, primarily small businesses, organized quickly after the Portland Green Independent Committee submitted signatures in July to put the referendum before voters.

A political action committee called "Too Far, Too Fast" was set up and raised more than \$120,000 to oppose the referendum. Boosted by a \$50,000 donation from the Portland Regional Chamber of Commerce, the group organized news conferences featuring business owners who said the higher wages would force them to cut staff sharply or close down altogether.

Chamber CEO Chris Hall said his business organization scored a triple win in Tuesday's voting, with the defeats of the minimum wage measure and the separate scenic-view protections that might have dampened development in Portland, and the mayoral election of Ethan Strimling, the chamber's choice.

The chamber had argued that all three of those outcomes would spur economic growth. Now, Hall said, it is up to local business leaders to make good on that promise.

"I'm very proud of Portland voters – I really am," he said. "Now it's our obligation to build on that foundation they've given us."

GREEN INDEPENDENTS NOT GIVING UP

"Too Far, Too Fast" ran television ads in October, and a week ago spent \$15,000 to air radio ads during the last few days of the campaign. Many of the opponents of the \$15 an hour wage said they supported the city's new \$10.10 minimum, suggesting that voters could oppose the \$15-an-hour alternative while still feeling as though something was being done to boost low-income wages.

Supporters of the proposal raised and spent far less.

On Oct. 19, the Greens finally topped the \$1,500 threshold that triggers election spending reports.

The committee's finance report said it had raised more than \$5,000 and had spent \$1,611 through Oct. 19, for campaign cards backing the party's slate of candidates and the referendum question.

"We were outspent 100-to-1," said Tom MacMillan, who had championed the wage proposal while also running for mayor of Portland. "Usually, big money wins."

Mako Bates, spokesman for supporters of the \$15 minimum wage, watched as early results came in at Portland City Hall.

"Sure, that's discouraging," he said when results from the first precinct reporting went against the referendum. "I still expect a positive result. We'll see, I guess."

Although disappointed later, MacMillan said the results were heartening because they indicated there's support for raising the minimum wage, an initiative he expects the Greens will continue to pursue statewide.

TIPPED WORKER MINIMUM STAYS AT \$3.75

A major point of contention in the campaign was over the "tipped wage" minimum in the plan before voters Tuesday.

The city's \$10.10 minimum wage left the tipped minimum untouched at \$3.75 an hour. Portland restaurants will have to pay servers that minimum and cover any shortfall in tips to make sure servers earn \$10.10 an hour.

Under Tuesday's referendum, that hourly minimum for tipped workers would have risen to \$11.25, with the employer obligated to pay more to get the minimum to \$15 an hour after tips.

Restaurants had complained the increase was too much for them to swallow, and some had said they would raise prices and adopt a no-tip policy to offset the impact.

Staff Writers J. Craig Anderson and Tom Bell contributed to this report.