



City of Culver City

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Staff Report

File #: 21-954, **Version:** 1

Item #: C-12.

CC - Adoption of an Ordinance Establishing Premium Hazard Pay for On-Site Grocery and Drug Retail Workers

Meeting Date: May 10, 2021

Contact Person/Dept: Shelly Wolfberg/City Manager's Office
Phone Number: (310) 253-6000

Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☐ No ☒

Public Hearing: ☐ **Action Item:** ☒ **Attachments:** ☒

Commission Action Required: Yes ☐ No ☒ **Date:**

Public Notification: (E-Mail) Culver City Chamber of Commerce, Downtown Business Association, Culver City Businesses with Business Tax Certificates, and Meetings and Agendas - City Council (05/05/2021).

Department Approval: John M. Nachbar (05/05/2021)

RECOMMENDATION

Staff recommends the City Council adopt an Ordinance establishing premium hazard pay for on-site grocery and drug retail workers (Attachment 1)

BACKGROUND/DISCUSSION

Proposed Premium Hazard Pay Ordinance

At the April 26, 2021 City Council Meeting, City Council voted 3-2 to introduce an Ordinance establishing premium hazard pay for on-site grocery and drug retail workers.

The Ordinance contains the following provisions:

- Premium Hazard Pay Amount: \$5.00/hour;
- Affected Businesses:
 - Grocery stores with over 300 employees nationwide, and more than ten employees on-site in the City, that primarily sell food or household goods;

- Drug Retail stores with more than 300 employees nationwide and more than ten employees on-site in the City, that sell a variety of prescription and nonprescription medicines and miscellaneous items;
- A retail store with more than 300 employees nationwide, and more than ten employees on site in the City, where the retail store has at least one site in the City over 85,000 square feet that dedicates 10 percent of the sales floor to grocery or drug retail.
- Eligible Employees - All non-managerial (i.e., non-exempt) employees who work at least two hours in a particular week within the geographical boundaries of the City;
- Employees may not retaliate against any employee for seeking the compensation provided for in the ordinance, or for seeking to enforce their rights under the ordinance;
- Provides a private right of action for any employee aggrieved by a violation of the ordinance;
- Ordinance Sunset Date - 120 days.

The Ordinance is presented for City Council's consideration for adoption (Attachment 1).

Litigation regarding similar hazard pay Ordinances

As mentioned in the April 12, 2021 discussion item staff report on hazard pay ordinances, the California Grocers Association has filed lawsuits against other cities, including Long Beach, Montebello, West Hollywood, Oakland, Daly City and San Jose, all who have adopted similar premium hazard pay ordinances. The City Attorney's office and City staff will be monitoring relevant legal cases as they progress through the courts.

FISCAL ANALYSIS

There is no fiscal impact relative to adopting the premium hazard pay for on-site grocery and drug retail workers ordinance. However, if the City's ordinance is challenged through legal action, expenses could be incurred, and costs are unknown at this time.

ATTACHMENTS

1. 2021-05-10__ATT__Proposed Ordinance Premium Hazard Pay.

MOTION

That the City Council:

1. Adopt an Ordinance Establishing Premium Hazard Pay for On-Site Grocery and Drug Retail Workers; or
2. Provide alternate direction to the City Manager as deemed appropriate.