



City of Culver City

Mike Balkman
Council Chambers
9770 Culver Blvd.
Culver City, CA 90232
(310) 253-5851

Staff Report

File #: 23-425, **Version:** 1

Item #: A-2.

CC - ACTION ITEM: (1) Introduction of an Ordinance Establishing a \$25.00 Per Hour Minimum Wage for Healthcare Workers at Covered Healthcare Facilities; (2) Direction Regarding Enforcement of the Ordinance; (3) Direction on the Implementation Date of the Ordinance; and (4) Other Direction to the City Manager as Deemed Appropriate.

Meeting Date: December 5, 2022

Contact Person/Dept: Shelly Wolfberg/City Manager's Office
Lisa Vidra/City Attorney's Office

Phone Number: (310) 253-6000
(310) 253-5660

Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☐ No ☒

Attachments: Yes ☒ No ☐

Commission Action Required: Yes ☐ No ☒

Public Notification: (E-Mail) Michael Klepin, Southern California Hospital; Maky Peters, SEIU - United Healthcare Workers West; and Meetings and Agendas - City Council (11/30/2022).

Department Approval: John M. Nachbar (11/30/2022); Heather Baker (11/29/2022)

RECOMMENDATION

Staff recommends the City Council (1) consider introduction of an Ordinance establishing a \$25.00 per hour minimum wage for healthcare workers at covered healthcare facilities; (2) provide direction regarding enforcement of the Ordinance; (3) set an implementation date for the Ordinance; and (4) direct the City Manager as deemed appropriate.

BACKGROUND

On May 23, 2022, a proponent representing the Service Employees International Union- United Healthcare Workers (SEIU-UHW) submitted an initiative petition to the City Clerk's Office containing voter signatures in support of a proposed ordinance regarding a minimum wage of \$25.00 per hour for employees working at healthcare facilities. On June 16, 2022, the City Clerk provided a letter to the proponent summarizing the insufficient number of valid signatures on the initiative petition.

At the August 8, 2022 City Council Meeting, the City Council voted 3-2 to move forward with an ordinance to establish a minimum wage of \$25.00 per hour for healthcare workers employed at covered healthcare facilities in Culver City. At the November 14, 2022 City Council Meeting, the City Council achieved majority consensus to bring forward the introduction of an Ordinance at the earliest opportunity, whether on another special meeting date or added to the agenda for the December 5, 2022 City Council Special Meeting.

Status of Other Cities' Healthcare Minimum Wage Measures

Several cities, including Los Angeles, Downey, Duarte, Inglewood, and Long Beach, have determined whether a similar healthcare minimum wage ordinance qualified for each of their municipal elections or be adopted by the City Council.

City of Downey - On September 27, 2022, the City Council voted to submit Ordinance No. 22-1485 (Setting a Minimum Wage of \$25 Per Hour for Qualifying Healthcare Workers Working in the City of Downey) to Downey voters at the next regular municipal election (November 5, 2024).

City of Duarte - At the November 8, 2022 General Municipal Election, the City of Duarte had the following measure on the ballot: "Measure J - An Ordinance Establishing a Healthcare Workers Minimum Wage Ordinance in the City of Duarte. Shall an ordinance establishing a minimum wage of at least \$25 per hour for defined healthcare workers in the City of Duarte; requiring an annual healthcare workers minimum wage increase beginning January 2024; requiring enforcement at the City's expense; establishing judicial remedies for violations including penalties up to \$120 per healthcare worker for each day a violation occurs, attorneys' fees, and treble damages be adopted?" Ballot measure results as of November 22, 2022: YES 37.23%; NO 62.77%

- *City of Inglewood*

At the November 8, 2022 General Municipal Election, the City of Inglewood had the following measure on the ballot: "Measure HC - An Ordinance to Establish Minimum Wage for Certain Employees of Privately Owned Covered Healthcare Facilities. Shall the ordinance to establish a \$25 per hour minimum wage, subject to annual increase, for certain employees employed to work at or by a privately owned covered healthcare facility located within the City of Inglewood, and provide for enforcement by the City, a Healthcare Worker or their representative, or another person acting on behalf of the public be approved?" Ballot measure results as of November 22, 2022: YES 53.54%; NO 46.46%

- *City of Long Beach*

On September 21, 2022, a referendum petition was filed with the City of Long Beach. Pursuant to state law, upon submittal of a referendum petition to the City, the Healthcare Worker Minimum Wage Ordinance is now automatically suspended and will not go into effect pending review. Once appropriate steps have been taken to verify the referendum petition, the City Council will decide at a future date to either submit the ordinance to the Long Beach

voters, or to repeal the ordinance. (Source: City of Long Beach Website)

- *City of Los Angeles*

On September 30, 2022, the Los Angeles City Council voted to submit a ballot measure to the qualified voters of the City of Los Angeles for a referendary vote at the City's Primary Nominating Election to be held on March 5, 2024.

DISCUSSION

Proposed Healthcare Workers Minimum Wage Ordinance

The purpose of the proposed Ordinance (Attachment 1) is to establish a minimum wage of \$25.00 per hour within Culver City for healthcare workers at covered healthcare facilities, as defined in the Ordinance. The proposed minimum wage increase would apply to a range of employees at covered healthcare facilities in Culver City, including clinicians, nurses, certified nursing assistants, aides, technicians, maintenance workers, janitorial or housekeeping staff, groundskeepers, guards, food service workers, laundry workers, pharmacists, nonmanagerial administrative workers and business office clerical workers, but does not include managers or supervisors. The minimum wage rate would be adjusted annually for increases in the cost of living. The Ordinance would prohibit an employer from funding the minimum wage increases through layoffs or reductions in benefits or hours.

Among other reasons, hospitals, health systems, and clinics are facing workforce shortages and staffing retention issues. Due to rising housing costs, healthcare workers may not be able to live near their place of employment, and they experience long commutes to Culver City. According to BAE Economics, the City's consultant for its rent control program, Culver City rental rates currently average \$2,960 per month. Further, the median sales price of a single-family home in Culver City for 2021-2022 was \$1,800,000, and the median sales price for a condominium or townhome was \$700,000. These issues involving the high cost of housing in proximity to their workplace increase the stress on employees and lead to retention challenges.

Enforcement of the Ordinance

The required level of enforcement of the Ordinance is uncertain at this time. Due to City staff's limited resources to provide in-house enforcement, including but not limited to education and activities, audits, and investigations, issuing citations, and hearings to handle appeals, the Ordinance provides that the City may seek to enter into an agreement with the County of Los Angeles Department of Consumer and Business Affairs (DCBA) for enforcement assistance. The DCBA currently contracts with the City of Santa Monica for enforcement of Santa Monica's broader Minimum Wage Ordinance and charges the City of Santa Monica the rate of \$146.05 per hour. The County does not file civil actions or initiate prosecutions, so those functions would need to be handled by the City Attorney's Office.

The proposed Ordinance also allows for a private right of action; this provision would allow healthcare workers, or persons acting on their behalf or in the interest of the general public, to seek compliance of the Ordinance directly through the courts by filing a civil action.

Implementation Date

If introduced, the Ordinance would be brought back to City Council on December 12, 2022 for adoption. If adopted, the Ordinance would go into effect 30 days later, per the City's Charter. Staff recommends that the City Council set an implementation date in the Ordinance to allow covered healthcare facilities the time to update their payroll systems to reflect the change in wage where applicable, and also allow time for staff to negotiate a contract with the DCBA, and bring approval of the agreement back to Council, if Council directs staff to pursue such an agreement with DCBA.

FISCAL ANALYSIS

There is no fiscal impact relative to introducing the Healthcare Worker Minimum Wage Ordinance for the on-site healthcare workers at covered healthcare facilities. If the City Council directs staff to enter into an agreement with DCBA for enforcement, staff would return to the City Council with a request to contract for these services and the required budget request to fund the enforcement. There would be an ongoing, annual cost for such contracted services. If a civil action or prosecution is necessary to enforce the Ordinance, there could be costs associated with hiring outside legal counsel, due to limited in-house resources in the City Attorney's Office. Additionally, there could be costs associated with defending any litigation that may be filed against the City if the Ordinance is challenged, as was the case with the "hero pay" ordinance.

ATTACHMENT

1. 2022-12-05_ATT_Ordinance Minimum Wage for Healthcare Workers at Covered Healthcare Facilities

MOTIONS

That the City Council:

1. Introduce an Ordinance Establishing a \$25.00 Per Hour Minimum Wage for Healthcare Workers at Covered Healthcare Facilities; and
2. Provide direction to the City Manager regarding the enforcement of the Ordinance;
3. Set an implementation date for the Ordinance; and
4. Provide alternate direction to the City Manager as deemed appropriate.