

SILICON VALLEY'S AIRPORT



COVID-19 Related Impacts to Employees

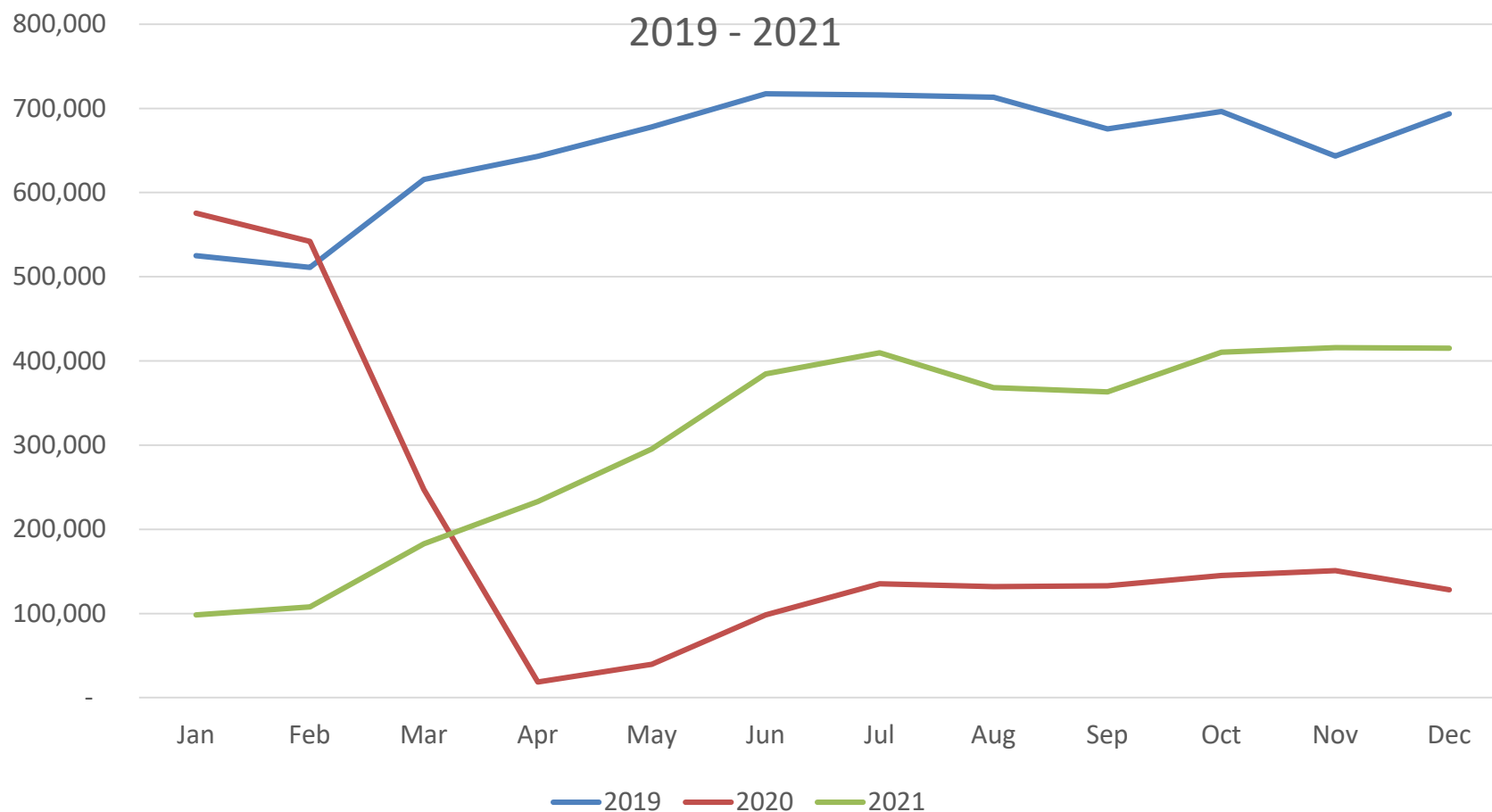
John Aitken, A.A.E.
Director of Aviation

January 24, 2022
Item d(2)

Passenger Traffic



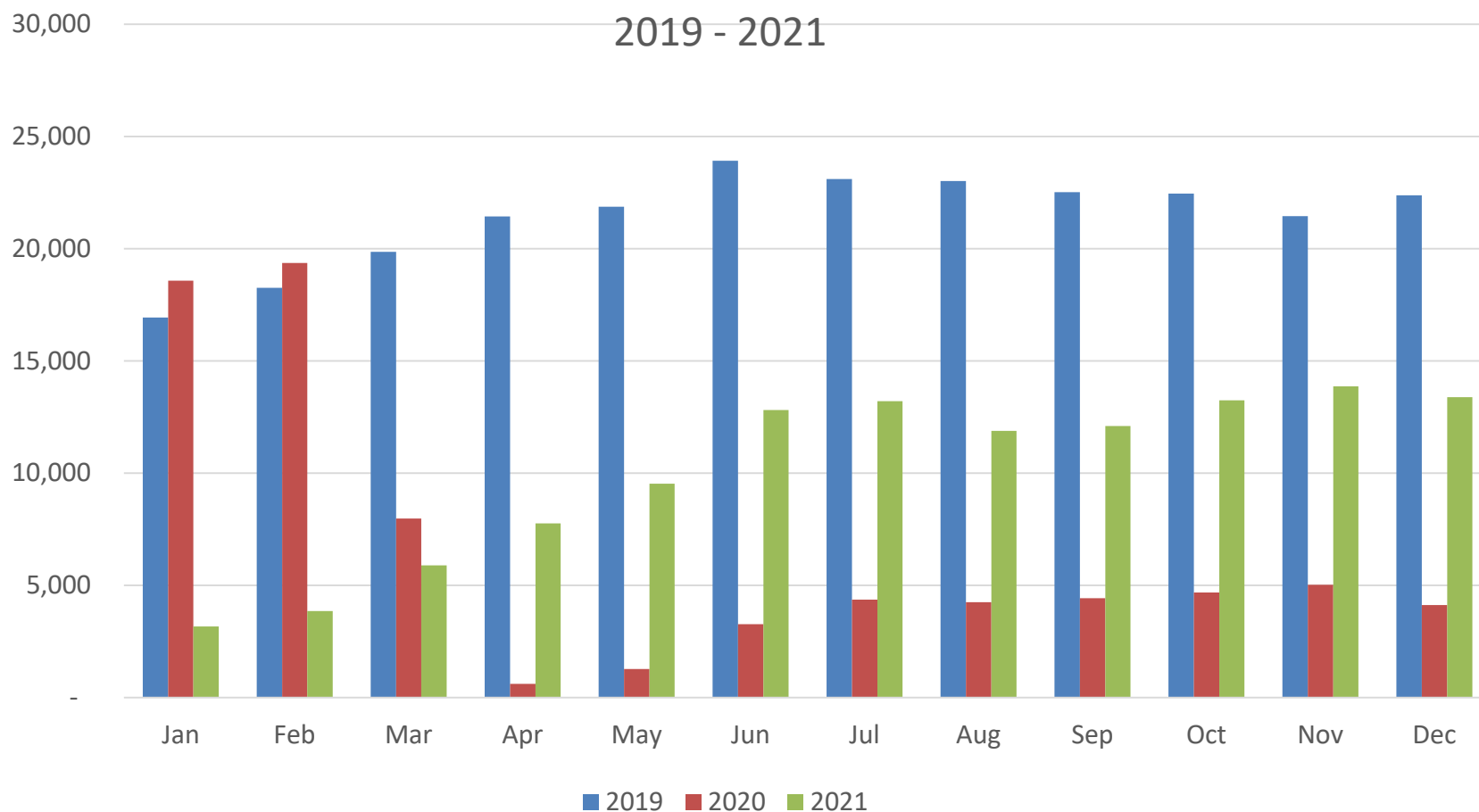
Total Enplanements by Month
2019 - 2021



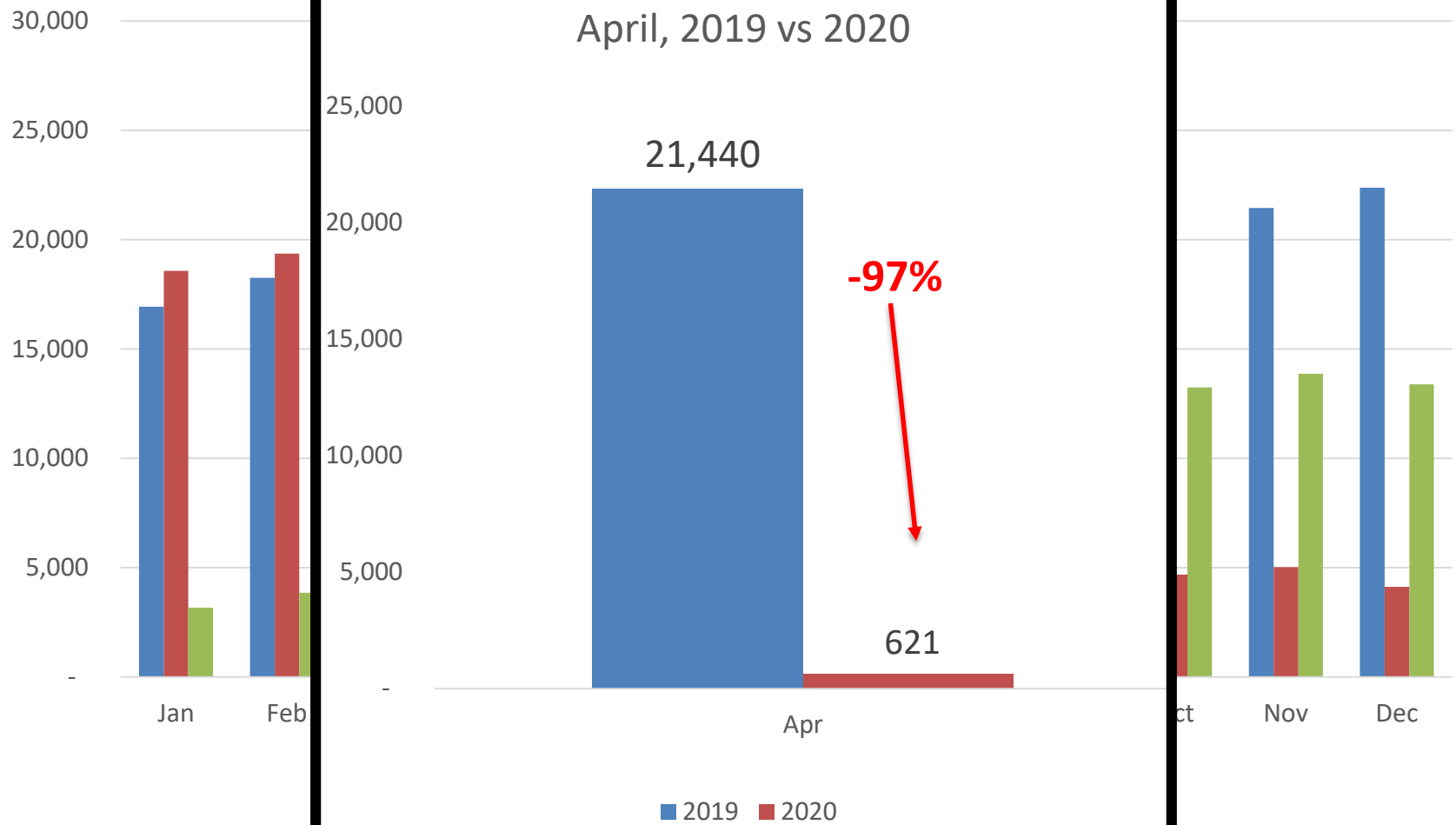
Average Daily Enplanements



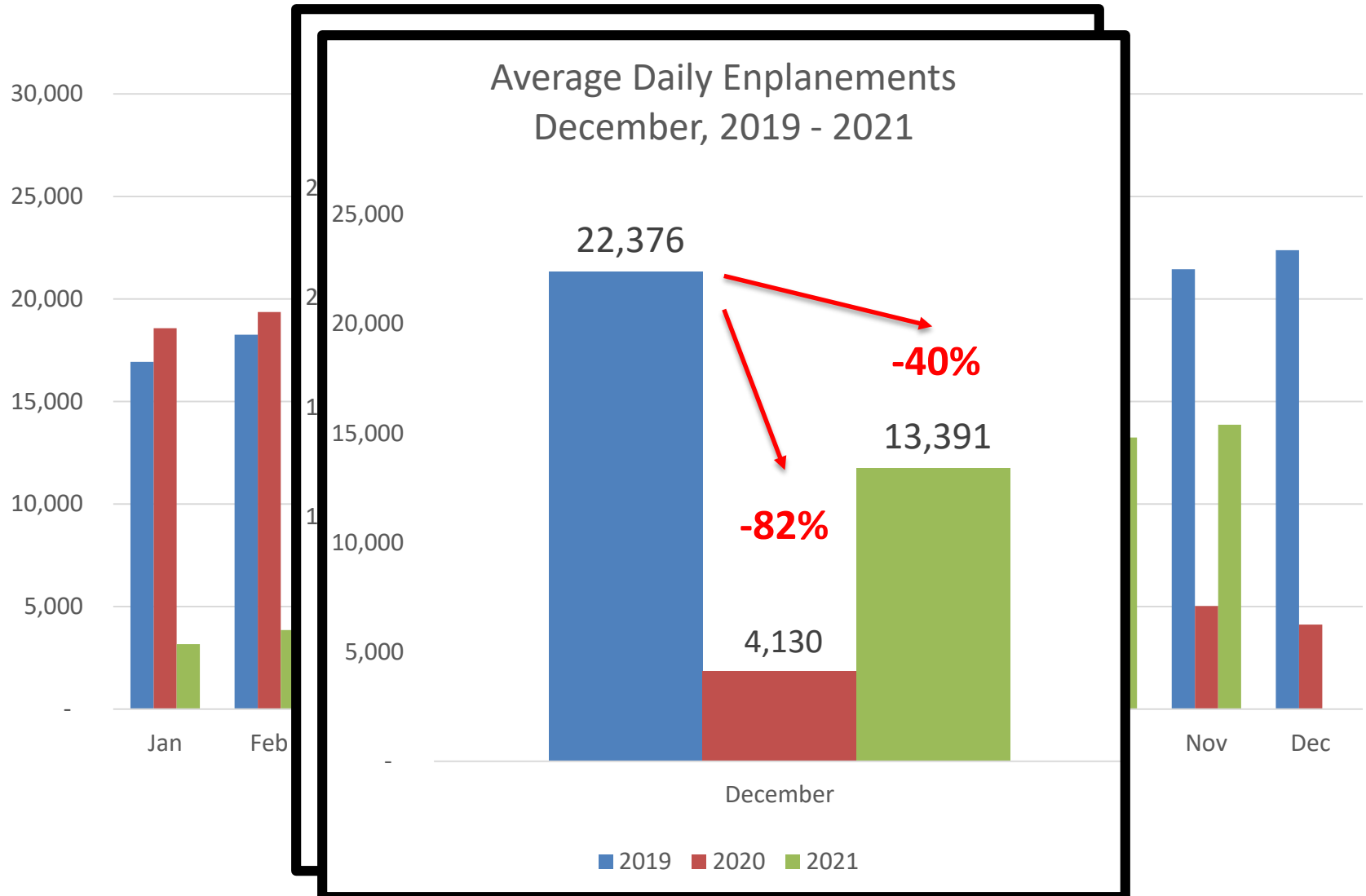
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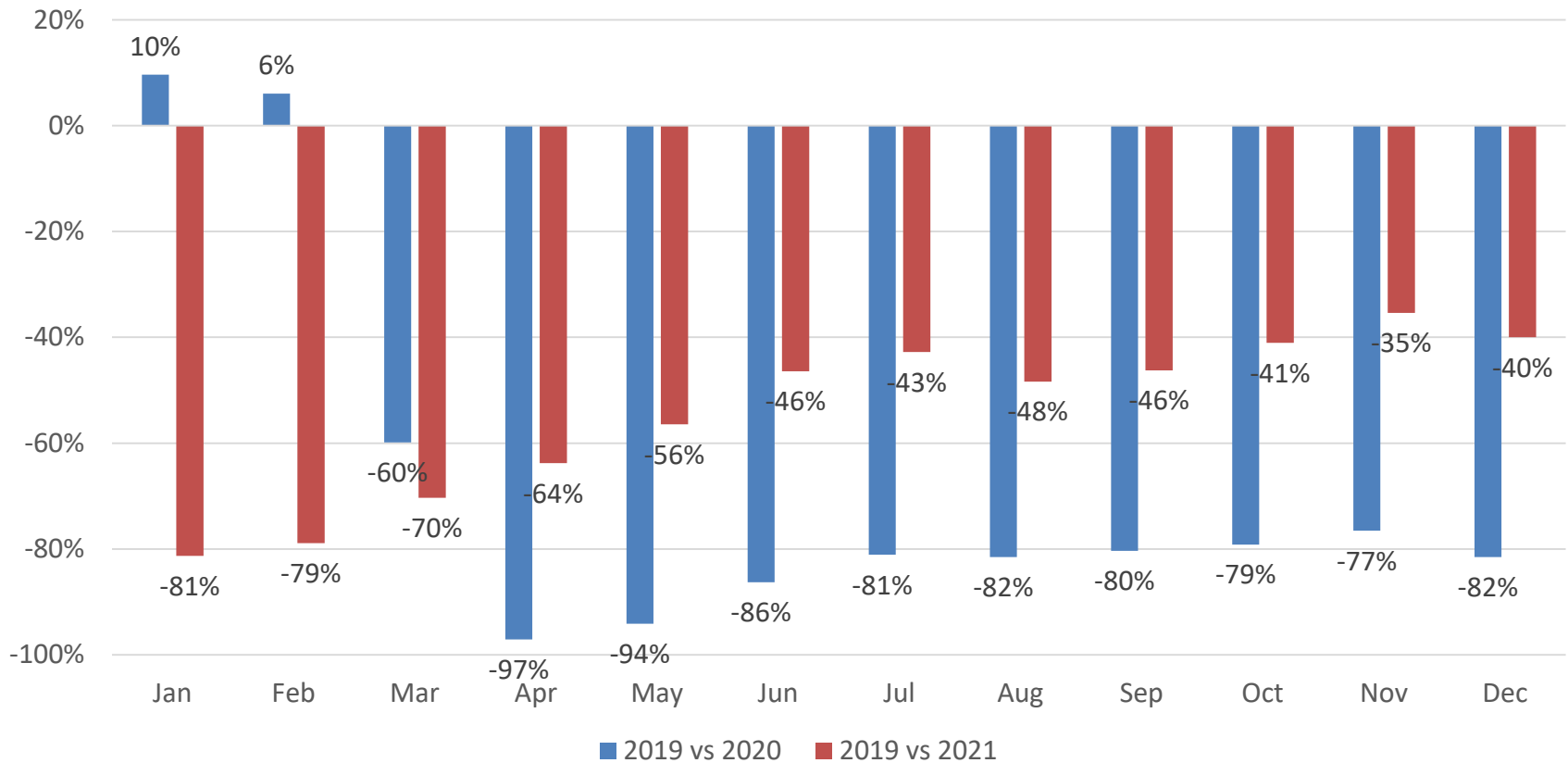
Average Daily Enplanements



Enplanements remain below 2019



Enplanements Compared to 2019



Establishments Impacted*



- Food and Beverage
- Retail
- Ground Handlers
- Rental Cars
- Airport Lounges
- Airlines
- Ground Transportation
- Federal (TSA and CBP)

* Select List

Actions taken



- Many employees furloughed/laid off
- Concessionaires
 - Temporarily closed many establishments
 - Modified hours of operations (chasing flight gates)
 - Modified menus (limited items)
 - Maintained a seniority list for rehiring purposes
 - Continued to pay health insurance for 3 or more months

Concessionaires Recovery



- By March 2021
 - Offered to rehire everyone on the rehire list
 - Contacted people on the rehire list multiple times:
 - By phone and certified mail
 - Positions were held for 30 days
 - Offered incentives to return:
 - Immediate health care (no waiting period)
 - COVID-19 bonuses
 - Food vouchers for free meals

Challenges



- Concessionaires (especially F&B) continue to have problems finding enough employees (need to hire over 100 more in 2022)
- Some employees:
 - Are not ready to return to work
 - Moved out of the area
 - Found other jobs
 - Continue to have family care issues
 - Remain concerned about the pandemic
- Unemployment Rate in Santa Clara = 3.2% (Nov 2021)

Food and Beverage



- Significant numbers of employees remain unvaccinated
(from November/December, before Omicron)
- Staffing shortages cause F&B establishments:
 - To Remain closed
 - Have shorter hours
 - Have modified/limited menus

SILICON VALLEY'S AIRPORT



Airport Living Wage Ordinance (ALWO)

Airport Living Wage Ordinance (ALWO)



- Requires that covered employees earn the following minimum compensation rates:
 - \$17.30/hr, health benefits offered*
 - \$18.44/hr, health benefits not offered

* To qualify for the lower rate, the employer must either (a) offer the covered employee an employer-sponsored health insurance plan for which the employer pays at least 50% of the cost, or (b) pay at least 50% of the cost of the covered employee's health plan.

Covered Employer



- Covered Employers (those employers that are covered by the ALWO) mean any person, corporation, partnership, limited liability company, joint venture, sole proprietorship, association, trust or other entity conducting commercial activity at the Airport
- Employers that are party to a collective bargaining agreement are, for the most part, exempt from the Airport Living Wage Program

- Potential businesses subject to ALWO:
 - food and beverage concessionaires
 - retail concessionaires
 - parking lot managers
 - janitorial, custodial and facility maintenance services hired/employed by a third party
 - ground transportation management services
 - security services
 - wheelchair escorts
 - curbside passenger check-in and baggage check services (sky caps)
 - general aviation maintenance
 - baggage and cargo handling
 - aircraft cleaning services
 - aircraft tow-in/push back serves
 - water and lavatory services
 - aircraft and vehicle fueling services

By the numbers



- 71 firms at airport
- At least 1,871 workers*
 - At least 800 workers* are under some alternative wage agreement, including collective bargaining agreements or prevailing wage agreements. These individuals are not covered by the ALWO compensation components.

* Organizations with a collective bargaining agreement are not required to provide a listing of employees, therefore the total number of people under a collective bargaining agreement is unknown and, in all likelihood, more than the number provided above

- Annual Review
 - Each January all businesses conducting commercial activity at the Airport must submit documentation to confirm their compliance with the ALWO, including:
 - Employee compensation reports
 - Subcontractor listings
 - Compliance with training standards
 - Through this review process and a biennial audit process, Airport staff is able to confirm compliance
 - During the last review process, all firms were found to be meeting their ALWO obligations

ALWO Compensation Comparison

Jurisdiction	Compensation Requirements	
	2021	2022
Federal Government	\$7.25/hr Minimum Wage	\$7.25/hr Minimum Wage
State of California	\$13.00/hr for firms w/ 25 or less \$14.00/hr for firms w/ 26 or more	\$14.00/hr w/ 25 or less \$15.00/hr w/ 26 or more
City of San José	\$15.45/hr	\$16.20/hr
Sacramento Airport	Follows the State of California	
Oakland Airport	\$15.30/hr w/ health benefits \$17.56/hr without health benefits	Updates on July 1
San José Airport Living Wage	\$17.30/hr w/ health benefits \$18.55/hr without health benefits	Updates on July 1
San Francisco Airport	\$19.05/hr	Updates on July 1
San José City Living Wage Policy	\$24.07/hr w/ health benefits \$25.31/hr without health benefits <i>City service contracts in 18 covered categories</i>	Updates on July 1

Contact Info



- Any employee with ALWO questions, complaints, or concerns can contact:

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