



Memorandum

**TO: HONORABLE MAYOR AND
CITY COUNCIL**

FROM: Vice Mayor Chappie
Jones

**SUBJECT: HAZARD PAY FOR RETAIL
FOOD WORKERS**

DATE: February 2, 2021

APPROVED:

DATE: 2/02/21

RECOMMENDATIONS

Should Council approve direction to draft a proposed ordinance:

1. Direct City Attorney to provide legal analysis in closed session.
2. Direct City Attorney to evaluate the City's and County's proposals to determine if the County's ordinance would preempt the City's proposed ordinance and if either ordinance would preempt existing collective bargaining agreements.
3. Direct City Administration to provide high-level response or guidance on the ordinance's potential impacts based on available research and analysis including:
 - a. Impacts to other cities who have adopted a similar ordinance.
 - b. Increased cost to customers.
 - c. Business employment reductions and eliminations.
 - d. Modification of retailer inventory mix to avoid being included in the proposed ordinance.
4. Direct City Administration to explore additional ways the City can support and help front-line workers by requiring safer working conditions, including:
 - a. Improve frequency and requirements of workplace inspections.
 - b. Provide re-usable N-99 masks and stronger protection against COVID-19.
 - c. Provide frequent testing and timely notification to employees when a fellow worker tests positive.
 - d. Ensure workers are aware of and are able to take advantage of the City's sick leave policy to which they are legally entitled to.
5. Include in a proposed ordinance an exemption for small business franchisees.

BACKGROUND

I commend Council Member Sergio Jimenez for his leadership and proposal for a hazard pay ordinance for retail food workers in face of high risks. I recognize that our retail workers,

especially our grocery store employees that have frequent contact with members of the public, are five times more likely to test positive for COVID-19. I strongly believe we need to do more to protect our front-line workers and ensure their safety. I also believe that we need more information on the potential implications of adopting a hazard pay ordinance for the duration of the State's Regional Stay at Home Order related to the COVID-19 pandemic. For example, how will this affect the cost of food for all members of the public, especially when unemployment has increased from 2.6% to 13.1% and food insecurity has doubled since the pandemic changed our world. How will this affect the small and ethnic grocer around the corner from the larger food retail establishment? Will they also need to increase pay for their employees just to compete? Will retailers with a small percentage of their overall sales that are targeted in the ordinance change their product mix to avoid the additional cost? Will retailers eliminate positions or reduce hours to offset the price increases? Will the benefit of hazard pay be offset by the loss of jobs and hours?

Very few people will argue that grocery store employees are essential to our community and that they are bravely putting themselves in harm's way to make sure we have all of the necessities to maintain ourselves through this crisis. Even though pay is important, our primary focus should be on creating the safest work environment possible. Reducing the hazards should be paramount to any discussion on hazard pay. There are numerous unanswered questions on the impacts of hazard pay and hazard reduction that still need to be addressed before we can make a thoughtful decision on whether to implement a hazard pay ordinance. I look forward to engaging my colleagues in that discussion and getting additional information from the City Attorney and staff.