



STAFF REPORT

To the Honorable Mayor and City Council
From the City Manager

DATE: March 8, 2021

SUBJECT

City Council Referral: Future consideration of hazard pay for grocery workers within the City

RECOMMENDATION

Discuss whether to direct staff to develop an urgency ordinance for City Council consideration at a future meeting based on an ordinance adopted by the City of South San Francisco requiring hazard pay and other benefits for grocery workers.

STRATEGIC PLAN GUIDING PRINCIPLE

Equity

BACKGROUND

On March 19, 2020, the California State Public Health Officer designated grocery and drug store workers essential workers to ensure the “continuity of functions to public health and safety, as well as economic and national security,” and these workers have continued to report to work since the onset of the pandemic, despite the high risk of exposure to Covid-19. It is reported one in five grocery retail workers tests positive for Covid-19, just under half are able to consistently social distance while at work, and three out of four cases of Covid-19 are asymptomatic.

At the beginning of the pandemic, many grocery store companies increased compensation for their workers in the form of “hazard/appreciation pay” which is no longer being offered at most companies. There are a number of unanswered questions related to this topic and getting a high-level analysis from the City Attorney and staff based on available information and research would inform the discussion further.

ANALYSIS

In recognition of the increased risk grocery workers face in the workplace during this period, an urgency ordinance requiring employers to increase their hourly pay by \$5.00/hour should compensate them for the risks associated with this essential work. On top of hazard pay, the ordinance should include retroactive payment for the time spent without hazard pay, paid leave for Covid-19 vaccination, and credit for employer-initiated hazard pay. The ordinance should stay in effect for 120 days. The covered employer to which this should apply to should be a drug store or grocery store with 300 employees nationwide. Drug store in this case is defined as a retail or wholesale store that is located within the geographic limits of the City, and that sells primarily a general range of drugs, pharmaceuticals, cosmetics and related products, including food products, which may be fresh or packaged. Grocery store should be defined as a retail or wholesale store that is located within the geographic limits of the City, and that sells primarily household foodstuffs for offsite consumption, including the sale of fresh produce, meats, poultry, fish, deli products, dairy products, canned foods, dry foods, beverages, baked foods, or prepared foods; or a retail or wholesale store that is over 85,000 square feet and with 10% of its sales floor area dedicated to sale of non-taxable foodstuffs including, but not limited to, the sale of fresh produce, meats, poultry, fish, deli products, dairy products, canned foods, dry foods, beverages, baked foods and/ or prepared foods.

These provisions when passed should not be waived and any retaliatory action taken (including but not limited to termination, demotion, suspension, harassment, discrimination, reduction in pay) for employees exercising their rights under this ordinance should be prohibited.

United Food and Commercial Workers (UFCW) Local 5 and Local 648, two unions that represent grocery workers in San Francisco and the Bay Area, report that over 700 grocery workers in their ranks have tested positive with COVID-19, and members of their union have been hospitalized or lost their life to the coronavirus. Given the level of risk associated with the surge in COVID cases currently in San Mateo County, and the fact that the county continues to be above a yellow-tier status, hazard pay would be beneficial to workers as soon as possible.

We value and celebrate a strong commitment to diversity, inclusion, safety, equality, and dignity for all individuals in Redwood City. The passage of such an ordinance would enhance the safety and dignity of our workers.

FISCAL IMPACT

Preparation of the referral has been accommodated within existing financial resources. No analysis has been completed on hazard pay to date so the fiscal impact is unknown. Preparation of an ordinance would require staff resources to conduct legal and policy analysis and to support Council deliberations. Staff would also review ordinances passed in other jurisdictions including South San Francisco.

ENVIRONMENTAL REVIEW

This activity is not a project under California Environmental Quality Act (CEQA) as defined in CEQA Guidelines, section 15378, because it has no potential for resulting in either a direct or reasonably foreseeable indirect physical change in the environment.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

ALTERNATIVES

The City Council can decline to direct staff to develop an urgency ordinance for future City Council consideration, or direct staff to include different elements than suggested here.

ATTACHMENTS

Attachment A – Urgency Ordinance - City of South San Francisco
Attachment B – Brookings Institute study on hazard pay mandates

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