



CITY COUNCIL AGENDA REPORT

MEETING DATE: March 16, 2021

ITEM NUMBER: NB-4

SUBJECT: FRONTLINE GROCERY WORKERS HAZARD PAY

DATE: MARCH 10, 2021

FROM: LORI ANN FARRELL HARRISON, CITY MANAGER

PRESENTATION BY: LORI ANN FARRELL HARRISON, CITY MANAGER

FOR FURTHER INFORMATION CONTACT: LORI ANN FARRELL HARRISON,
CITY MANAGER (714) 754-5328

RECOMMENDATION:

Consider adoption of urgency ordinance requiring local grocery stores and retail drug stores to provide hazard pay to their frontline employees for 120 day period during the COVID-19 pandemic.

BACKGROUND AND ANALYSIS:

At its meeting on March 2, 2021, City Council directed the City Attorney to prepare an urgency ordinance requiring local grocers to provide frontline grocery workers hazard pay at a rate of \$4 per hour over their existing hourly pay, to sunset in 120 days, and requested staff provide additional information on the number of affected stores and workers.

Since March 2020, the COVID-19 pandemic has impacted the entire nation and the world. As of this writing, there have been over 524,000 total deaths due to COVID-19 in the country, including 4,313 in Orange County and 116 in Costa Mesa. On December 6, 2020, Governor Newsom issued a second statewide stay-at-home order due to the rise in positive COVID-19 cases and low to no availability of ICU hospital beds. The order strictly limited capacity and, in some cases, the closure of a number of businesses including gyms, salons, barbershops, recreational facilities, restaurants, and bars. However, due to the essential nature of grocery stores and retail drug stores, they have remained open during the entire duration of the pandemic. As such, grocery and pharmacy workers are not able to telecommute or work from home, as have workers in other industries.

The global health pandemic has highlighted the importance of many workers and industries as essential, including frontline grocery store workers, even during the statewide stay-at-home order. Grocery and pharmacy workers nationwide have faced new hazards due to the coronavirus pandemic in jobs not previously considered particularly dangerous.

Frontline grocery and retail drug store workers play a critical role in providing food, supplies, and medicine to the public, especially during disasters. Grocery workers are often in close contact with members of the public who may be COVID positive yet asymptomatic and are often in closer contact than six feet, thereby placing them at higher risk for contracting the disease.

In response to the shifting emergency circumstances during the early stages of the pandemic, a number of grocery and retail drug companies initially provided extra COVID-19 related compensation to their employees. The extra compensation, commonly known as “Hero Pay,” was a temporary wage increase or a one-time bonus for essential workers.

When the impacts of the pandemic temporarily subsided in June 2020, many retail companies ended the temporary wage increase. Despite the ongoing nature of the pandemic, the “Hero Pay” once provided to frontline grocery and pharmacy workers has ended for the most part. To date, there appears to be no additional effort from grocery or retail drug store employers to reinstate the extra compensation.

As a result, several cities have adopted urgency ordinances to allow for a \$4 or \$5 hourly increase in pay for grocery and retail drug store workers. The cities of Long Beach, Irvine, Berkeley, Coachella, Oakland, West Hollywood, Santa Monica, and the County of Los Angeles, have approved urgency ordinances requiring local grocers to add Hazard Pay to hourly wages provided to grocery workers, some of which have included retail drug store workers.

The California Grocers Association has opposed these urgency ordinances and has filed legal action against the cities of Long Beach and West Hollywood, to name a few. Moreover, in Long Beach, two grocery stores were recently slated for closure by the Kroger Company, which cited the City’s ordinance as the cause for the closures, although it is unclear whether that is the sole or primary reason for closing these stores.

Arguments in support of this action include the need to address the disparity in working conditions and wages for grocery workers and retail drug store workers considered essential during the pandemic in comparison to other essential workers. Grocery and pharmacy workers generally receive lower wages than many other professions deemed essential during the pandemic such as doctors. Another argument in support of this measure is that there is a need to incentivize experienced grocery and retail drug workers to remain employed in order to provide continuity of services to the public during the disaster.

ALTERNATIVES CONSIDERED:

The City Council may revise the terms of the draft urgency ordinance or receive and file the report.

FISCAL REVIEW:

There is no fiscal impact to the General Fund in adopting an urgency ordinance.

LEGAL REVIEW:

The City Attorney's Office has prepared this report and the urgency ordinance. Urgency ordinances must be adopted by a four-fifths vote of the City Council, or six of seven Council Members.

CONCLUSION:

Staff recommends that City Council consider adoption of urgency ordinance requiring local grocery stores and retail drug stores to provide hazard pay to their frontline employees for 120 day period during the COVID-19 pandemic.

LORI ANN FARRELL HARRISON
City Manager

CAROL MOLINA
Finance Director

KIMBERLY HALL BARLOW
City Attorney

ATTACHMENTS: 1. [Draft Urgency Ordinance](#)