

# Frontline Grocery Worker “Hero/Hazard Payment” Program



CITY *of* CALABASAS

**City Council Meeting**

**May 26, 2021**

# Background

- City Attorney provided a brief report on the matter of “Hero Pay” at the April 14th City Council meeting.
- City Council directed staff to return with a recommendation for guidelines for a one time “Hero Payment”, funded with American Rescue Plan Act (ARPA) stimulus funds, for frontline grocery workers.
- Seeking approval for general program guidelines and a program appropriation amount.



# Program Definitions

- Retail Grocery Store
- Frontline Grocery Worker



# Retail Grocery Store

Any retail establishment located in the City of Calabasas that:

- A. Employs at least 15 employees; **and**
- B. Devotes seventy percent (70%) or more of its sales floor area to retailing a general range of food products, which may be fresh or packaged; **or**
- C. Receives seventy percent (70%) or more revenue from retailing a general range of food products; **or**
- D. Is more than 85,000 square feet and devotes 10% or more of its sales floor area to the sale of food products or merchandise that is non-taxable pursuant to Section 6359 of the Revenue and Taxation Code.

**Stores Meeting the above Definition:** Albertsons, Ralphs, Gelsons, Trader Joe's, Erewhon Market, and Rite Aid.



# Frontline Grocery Worker

An individual who:

- A. Is employed by a retail grocery store within the City of Calabasas at the time final Program guidelines and requirements are approved; **and**
- B. Is not classified as salaried or exempt management by the covered employer.

**Estimated Number of Workers Meeting Definition: 450**



# Recommended Distribution Options

- Option 1 – Equal Distribution
- Option 2 – Length of Employment
- Option 3 – Hours Worked
- ~~➤ Option 4 – Reimbursement or Restricted Funds Use~~



# Option 1 – Equal Distribution

- Distribute the Program appropriation amount equally amongst all eligible frontline grocery workers.
- Length of employment and hours worked will not be taken into account.

## Notes:

- 1) Least complex and time consuming option for both City staff and grocery stores – gets pay to eligible employees quicker
- 2) Treats workers equitably.
- 3) Similar to most Hero Pay ordinances, including LA City, LA County, and Malibu, who do not take length of employment or time classification status into account
- 4) Resembles the one time “Thank You” pay bonuses offered by grocery stores during pandemic



# Option 2 – Length of Employment

Distribute the Program appropriation amount based on length of employment, according to the chart below:

Length of Employment	Percent of Full Hero Payment
10-12 Months	100%
7-9 Months	75%
4-6 Months	50%
0-3 Months	25%

Notes:

- 1) Provides additional hazard consideration to employees who may have endured greater health risks due to a **longer duration of time employed.**





# Option 3 – Hours Worked

Distribute the Program appropriation amount based on average weekly hours worked, according to the chart below:

Average Weekly Hours Worked	Percent of Full Hero Payment
31-40	100%
21-30	75%
11-20	50%
0-10	25%

Notes:

- 1) Provides additional hazard consideration to employees who may have endured greater health risks due to **working a higher number of shift hours.**



# Option 4 - Reimbursement or Restricted Funds Use

- No longer permissible according to recently released U.S. Department of Treasury Interim Final Rule



# Funding

- The City is expected to receive \$4.4 million in American Rescue Plan Act (ARPA) funds, with approximately half of the total amount received on or before June 1, 2021
- Staff is seeking direction on what amount of ARPA funds shall be appropriated to the Hero Payment Program.



# Requested Action

- 1. Approve the Hero Payment Program eligibility, definitions, and requirements.**
- 2. Approve a distribution option and appropriation amount for the Hero Payment Program.**





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**Thank You**

