

ECONOMIC DEVELOPMENT COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to amending the Living Wage Ordinance (LWO) to update living wage rates and benefits policies in connection with the Los Angeles World Airports.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. PRESENT and ADOPT the accompanying ORDINANCE dated November 1, 2017 amending Chapter 1, Article 11 of Division 10 of the Los Angeles Administrative Code (LAAC) to: maintain the wages for airport workers in a manner aligned with the local minimum wage; align the cost of health benefit for covered airport workers to the Consumer Price Index; ensure that airport workers covered under a collective bargaining agreement that supersedes this Ordinance are paid a living wage, to provide certain airport employees with release time to attend emergency response training; include additional exemptions for employees with qualifying health plans; and other technical changes.
2. REQUEST the City Attorney to report in regard to exempting the airlines from the mandatory health care provisions of the Living Wage Ordinance due to their collective bargaining agreements.

Fiscal Impact Statement: The Chief Legislative Analyst reports that there is no General Fund impact.

Community Impact Statement: None submitted.

Summary:

On September 19, 2017, your Committee considered August 16, 2017 and September 14, 2017 City Attorney reports and Ordinances dated August 16, 2017 and September 14, 2017 relative to amending the LWO and Service Worker Retention Ordinance to update living wage rates and benefits policies in connection with LAWA. Also, there was a September 18, 2017 CLA report that was received subsequent to the release of the Committee agenda. On June 30, 2017, Council requested the City Attorney to prepare and present ordinances to amend the LWO and SWRO to include:

- a. Revising the LWO Airport Living Wage to increase the wage rate at equal annual increments until such rates are an amount two dollars above the City of Los Angeles minimum wage on July 1, 2021.
- b. Effective July 1, 2018, match the annual health increases for airport living wage to the percentage increase of the US. Bureau of Labor Statistics Consumer Price Index for All Urban Consumers: Medical care services.
- c. Amending LAAC Section 10.37.12 to add that when any collective bargaining agreement (CBA) expires or is open for negotiation of compensation terms, the CBA may only expressly supersede the requirements of the LWO for airport Contractors when an employee is paid a wage not less than the applicable living wage rate, and for airline caterers when an employee is paid a total compensation package not less than

the living wage rate with health benefits.

- d. Establishing, as part of the Compensated Time Off requirements of the LWO, an Employee paid release time policy for Certified Service Provider Program (CSPP) Contractors, as defined by the Board of Airport Commissioners (BOAC), to provide emergency response training for 16 hours on an annual basis with provision to:
  - i. Requiring all CSPP Contractor Employees to be certified by December 31, 2018 and continually thereafter on an annual basis and require.
  - ii. Requiring that new employees be trained within 120 days of hiring.
- e. Amending the LWO, LAAC Section 10.37.15 (e), to include an additional exemption from health benefits for Employees with health benefit coverage through Medicare or the US Department of Veteran's Affairs.
- f. Amending the SWRO, LAAC Section 10.36.1, to include Public Lease or License in the definition of a Service Contract.

After consideration and having provided an opportunity for public comment, the Committee moved to continue this matter pending receipt of a revised Ordinance for the LWO reflecting various requested changes by the Committee.

Subsequently, on November 28, 2018, your Committee further considered the previously listed reports and Ordinance as well as a November 1, 2017 City Attorney report and revised LWO Ordinance dated November 1, 2017. According to the City Attorney, at the October 24, 2017 Committee meeting, the Committee requested the City Attorney to draft a revised Ordinance to amend the Living Wage to better reflect the intent of the original Council Motion. The revised Ordinance amends the LWO to make corrections to the wage rates, include additional items in studies commissioned by the City Administrative Officer and the CLA, and make an additional technical correction. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



**MEMBER VOTE**

PRICE: YES

BUSCAINO: YES

HUIZAR: YES

ARL

11/28/17

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**