

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to amending the Living Wage Ordinance (LWO) and Service Worker Retention Ordinance to update living wage rates and benefits policies.

Recommendations for Council action, as initiated by Motion (Martinez - Wesson - Bonin - Cedillo - Harris-Dawson):

1. REQUEST the City Attorney, with the assistance of the Bureau of Contract Administration, the Chief Legislative Analyst (CLA) and the Los Angeles World Airports (LAWA) to prepare and present an Ordinance updating living wage rates and benefits policies in the City of Los Angeles by making the following amendments to the City of Los Angeles LWO and the Service Contract Worker Retention Ordinance:
 - a. Revise 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. Amend Los Angeles Administrative Code (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. Establish, 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. Require all CSPP Contractor Employees to be certified by December 31, 2018 and continually thereafter on an annual basis and require.
 - ii. Require that new employees be trained within 120 days of hiring.
 - e. Amend 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. Amend the Service Contract Worker Retention Ordinance, LAAC Section 10.36.1, to include Public Lease or License in the definition of a Service Contract.
2. REQUEST that BOAC adopt changes in the LAWA implementation of the Service Contractor Retention Program so it is aligned with California Labor Code 1060-65 for

CSPP Contractor Employees in order to provide consistency in monitoring and enforcement.

3. INSTRUCT the CLA to report in regard to the impact of this Motion.

Fiscal Impact Statement: Neither the City Administrative Officer nor the CLA has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On June 27, 2017, your Committee considered a Motion (Martinez - Wesson - Bonin - Cedillo - Harris-Dawson) relative to amending the LWO and Service Worker Retention Ordinance to update living wage rates and benefits policies. According to the Motion, since the introduction and passage of the City of Los Angeles' Minimum Wage Ordinance in 2015, City Council has been working on changes to the LWO in order to align all wage policies and bring uniformity based on the minimum wage base rate.

As part of this realignment, changes need to be made to the LWO's Airport Living Wage in order to ensure that this policy maintains a living wage for airport contract employees. As part of the realignment, technical changes to the Ordinance have been identified by the BCA that will provide better consistency with respect to monitoring and enforcement. These changes will ensure there is no ambiguity or interpretation issues between the City, its contractors, and their employees.

Finally, as part of these changes, the need for emergency response training for airport contractor employees under the CSP is necessary to provide that employees of airport contractors are well versed in the policies and procedures during an emergency on airport property. During any public safety emergency or natural disaster, all employees, including contractor employees, should understand and know their role in order to best help and protect the public during these situations.

After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Motion as detailed above. Additionally, the Committee moved to further recommend instructing the CLA to report back in regard to the Motion. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
CEDILLO:	ABSENT
HARRIS-DAWSON:	YES
KREKORIAN:	YES

O'FARRELL: YES

ARL
6/27/17

-NOT OFFICIAL UNTIL COUNCIL ACTS-
