

Concerns and considerations regarding proposed Grocery Store “Hazard Pay” Ordinance

- **The ordinance is likely to spur higher COVID surcharges** that will pass costs directly to all residents and visitors, resulting in higher prices for food and essential goods.
- **The ordinance affects only a limited portion of workers** who have been interacting with the public over the past year, without any benefit to others, apart from potentially raising *their* prices, thus harming other essential workers in the process.
- The increased hourly compensation received by these covered workers **might jeopardize the current benefits they receive** to maintain a household in Napa, e.g., housing support, free or reduce lunch fees for school children, and other government-sponsored programs that rely on income-qualification.
- The ordinance will benefit only documented workers already receiving benefits such as federal stimulus checks and enhanced unemployment benefits during any recent layoffs. **Undocumented workers, and unclassified workers such as home care and housekeeping staff, have borne a greater share of the pandemic’s effect but necessarily will gain nothing** from this type of program.
- **The city will almost certainly be sued** by the California Grocers Association, which is in active litigation with other cities such as Oakland and will just add Napa to the suit(s).
- **This entire process lacks transparency**, with limited opportunity or time for public outreach or for businesses and residents to provide input. The potential for **unintended consequences and negative outcomes** has not been thoughtfully or thoroughly analyzed. The urgency to adopt this ordinance has **not been adequately explained or justified**.
- **The ordinance definitions will be difficult to interpret.** Gas stations, gift shops, tasting rooms, and many other types of businesses are engaged in some of the activities identified in the ordinance definition. This has been a struggle for businesses facing other cities’ ordinances who do not know whether they are covered or not.
- **The ordinance ignores the economic impact of broad state and Cal-OSHA regulations enacted over the past six months** creating strict COVID safety protocols, COVID-prevention-plan requirements, and penalties for non-compliance. These have been recognized and adopted immediately in the grocery industry.
- **Grocery stores have had even better protection than many other types of workers** due to the readily adaptable nature of their work, such as plexiglass barriers, contactless payment, decisions not to use hard cash/coins and reusable grocery bags, and off-hours

stocking. These conditions are far superior to many other types of workplaces, calling into question why these employees receive a benefit over others.

- **The ordinance gives no benefit to employers who already provide benefits such as healthcare.** An employer who already chose to pay more by providing medical coverage, for example, will have its costs raised \$5 an hour even though it already provided better compensation than other employers. Some employers may also be driven to drop benefits in order to offset the cost, making it possible that more workers will become uninsured during the pandemic.
- **The ordinance does not exempt employers with current collectively bargained union-negotiated wages.** While the ordinance allows a bargained waiver, this cannot likely happen in the short period of the ordinance. Moreover, it ignores that such workers already have bargaining representatives focused on the pandemic.
- **Grocery workers already have a presumption of work relatedness if they contract COVID** during times they are working and, if it is not proven that COVID was contracted while off duty, they will automatically receive full medical care, care for any lasting effects, and disability pay.