



# CITY COUNCIL STAFF REPORT



September 19, 2023

## ITEM TITLE

Labor Relations: Consideration of Establishing Traffic Control Worker Minimum Wage

**Report Number:** 23-0264

**Location:** No specific geographic location

**Department:** City Manager

**Environmental Notice:** This activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act (“CEQA”) State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

## Recommended Action

Place an ordinance on first reading adding Chapter 2.73 “Traffic Control Worker Minimum Wage” to Title 2 of the Chula Vista Municipal Code **(First Reading)**.

## SUMMARY

On May 9, 2023, the City Council Labor Relations Ad Hoc Subcommittee issued a report on findings and recommendations to the City Council. A referral was made to the City Manager for consideration, implementation, negotiation, and a report back to the City Council within 90 days on the recommendations of the Ad Hoc Subcommittee. That report was provided to the City Council on August 8, 2023.

At the August meeting, City Council directed staff to return with implementing ordinances relating to contractor transparency, project labor agreements, and minimum wages for traffic control workers in the public right-of-way. A responsive report was provided on September 12, 2023. Modifications proposed for the traffic control worker minimum wage ordinance that evening exceeded what could be approved without additional noticing and staff was directed to return with a revised ordinance for City Council consideration on September 19, 2023. This item is responsive to that direction.

## ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with CEQA and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines

because it will not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

## **BOARD/COMMISSION/COMMITTEE RECOMMENDATION**

Not applicable.

## **DISCUSSION**

On March 28, 2023, the City Council approved the establishment of a Labor Relations Ad Hoc Subcommittee comprised of Deputy Mayor Jose Preciado and Councilmember Andrea Cardenas (the “Labor Relations Subcommittee”). The Labor Relations Subcommittee held a series of meetings with various stakeholders to discuss issues relating to safety conditions and enhancements for traffic control workers, the potential need for a contractor transparency ordinance, and the process to adopt a citywide project labor agreement (“PLA”). On May 9, 2023, the Labor Relations Subcommittee issued a report and recommended that the City Council refer the following to the City Manager’s Office:

1. Draft a municipal code amendment to address safety conditions and enhancements impacting traffic control workers.
2. Develop a labor transparency ordinance to be consistent with similar policies across the County of San Diego, and identify City needs for ordinance enforcement.
3. Formally engage in the process to develop a citywide Project Labor Agreement with input from the San Diego Building and Construction Trades Council.

The City Council supported the recommended referral at its May 9, 2023 meeting and directed the City Manager to return with a report on implementation within 90 days.

Staff returned with that report on August 8, 2023. At the August meeting, staff provided an overview of work to date, potential policy considerations, and draft language ([view staff report here](#)). The City Council then directed staff to return with the following items on September 12, 2023:

1. A municipal code amendment requiring PLAs for projects that a) have a construction cost at time of contract award of \$1,000,000 or more and are constructed on City-owned property; or b) are housing projects receiving \$5,000,000 or more in funding from the City.
2. A municipal code amendment addressing labor transparency.
3. A municipal code amendment addressing safety conditions and enhancements by establishing a traffic control worker minimum wage.
4. A municipal code amendment establishing a minimum wage for healthcare workers.

Following the August meeting, staff continued to engage with stakeholders, including, but not limited to the following:

- Building Industry Association
- The City’s Development Oversight Committee
- Laborers’ International Union of North America (“LiUNA”) Local 89 San Diego
- Southwest Mountain States Regional Council of Carpenters Local 619 San Diego
- Communication Workers of America District 9

- Utility Providers (SDG&E, Cox Communications, AT&T, Verizon, Wyyerd, Sweetwater Authority, Otay Water District)
- Service Employees International Union – United Healthcare Workers West (SEIU-UHW)

At the September 12 City Council meeting, staff presented a report addressing the following items ([view staff report here](#)):

1. an ordinance amending Chapter 2.59 and adding Chapter 2.71 “Project Labor Agreements” of Title 2 of the Chula Vista Municipal Code (Ordinance A);
2. a resolution adopting a Policy relating to Project Labor Agreements on City Capital Improvement Projects (Resolution B);
3. an ordinance adding Chapter 2.72 “Construction Contractor and Subcontractor Reporting” to Title 2 of the Chula Vista Municipal Code (Ordinance C);
4. an ordinance adding Chapter 2.73 “Traffic Control Worker Minimum Wage” to Title 2 of the Chula Vista Municipal Code (Ordinance D); and
5. an ordinance adding Chapter 2.74 “Healthcare Worker Minimum Wage” to Title 2 of the Chula Vista Municipal Code (Ordinance E).

After receiving extensive public testimony, the City Council placed Ordinances A and C on first reading and approved Resolution B. Staff was directed to return with a modified version of the traffic control worker minimum wage ordinance (Ordinance D, the “Traffic Control Worker Minimum Wage Ordinance”) on September 19, 2023, incorporating edits proposed by stakeholders at the September 12<sup>th</sup> meeting. This item is responsive to that direction. Attachment 1 shows a comparison of the current draft of CVMC Chapter 2.73 “Traffic Control Worker Minimum Wage” and the September 12<sup>th</sup> version.

### **Traffic Control Worker Minimum Wage Ordinance**

The draft ordinance establishes a traffic control worker minimum wage tied to prevailing wage, similar to ordinances recently adopted in the County and City of San Diego. The ordinance was tailored to match the style and structure of the Chula Vista Municipal Code (“CVMC”) and for consistency with the proposed healthcare worker minimum wage ordinance that is also under City Council consideration. (e.g., inclusion of provisions addressing retaliation and civil causes of action).

If adopted, the ordinance would apply to all traffic control work done pursuant to a City issued permit that includes a traffic control plan, with limited exceptions (see Sections 2.73.040(A) through (D)). The City Manager would be authorized to enforce the ordinance pursuant to CVMC Chapter 1.14 and civil causes of action would also be authorized.

Should the City Council place this ordinance on first reading tonight, a second reading is expected to occur on October 3, 2023, resulting in an effective date of November 2, 2023 (30 days after final passage).

### **DECISION-MAKER CONFLICT**

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov’t Code § 87100, et seq.).

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

### **CURRENT-YEAR FISCAL IMPACT**

Staff is currently developing an implementation plan for this ordinance, including identifying associated funding requirements.

The implementation plan will be presented to the City Council in the near term, including funding recommendations. Current-year fiscal impacts of administering and enforcing the Traffic Control Worker Minimum Wage Ordinance will be presented with that item.

### **ONGOING FISCAL IMPACT**

Staff is currently developing an implementation plan for this ordinance, including identifying associated funding requirements.

The implementation plan will be presented to the City Council in the near term, including funding recommendations. Ongoing fiscal impacts of administering and enforcing the Traffic Control Worker Minimum Wage Ordinance will be presented with that item.

### **ATTACHMENTS**

1. Redline strikeout of CVMC Chapter 2.73 “Traffic Control Worker Minimum Wage”, compared with September 12th version

*Staff Contact: Tiffany Allen, Assistant City Manager*