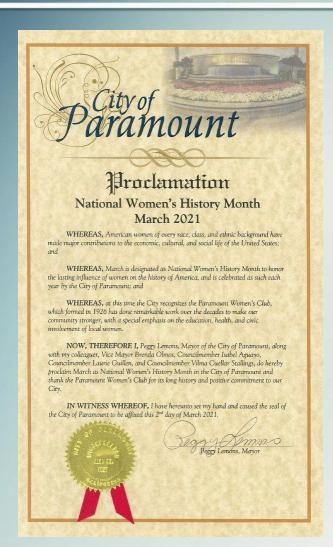


# March 2, 2021





March 2, 2021

**Proclamation** 

National Women's History Month





March 2, 2021

### **Proclamation**

American Red Cross Awareness Month



### March 2, 2021





ITEM NO. 2



March 2, 2021









March 2, 2021

### **Certificate of Recognition**

Paramount Unified School District
Nutrition Services





### March 2, 2021





### March 2, 2021





March 2, 2021

City Council Public Comment Updates

March 2, 2021

**Public Comments** 

March 2, 2021

Consent Calendar





### HEALTH ORDER RESTRICTIONS

- March 2020 Local and State Health Order Emergencies Declared
- COVID-19 Stay At Home Orders (California and LA County)
  - Social Distancing Requirements
  - Ban on Indoor Dining
  - Emphasis on take out, delivery
  - Outdoor dining not feasible for many restaurants



### FOOD DELIVERY SERVICE CHALLENGES

- Contract
- Fees and Commissions paid by restaurants
  - Ranging from 10% to 30% of the purchase price per order
  - "Other Fees" (i.e. credit card processing, better placement on the apps)

# **IMPACTS ON RESTAURANTS**

 10 local restaurant owners were surveyed, all would support a local cap on food delivery service platform fees.

• Fees eat into revenue margins, making operating net neutral, or even a loss









## OTHER CALIFORNIA AGENCIES

### **Southern California:**

- Alhambra
- Pasadena
- Hawaiian Gardens
- West Hollywood
- San Marino
- Glendale
- Santa Monica

- Burbank
- Culver City
- Los Angeles
- La Mesa
- San Diego
- County of Los Angeles



## KEY PROVISIONS

Modeled on other Cities' similar Ordinances

- 1. Fee Prohibitions
- 2. Effective Date and Timeframe
- 3. Enforcement

## **Excessive Fees Prohibited**

Ordinance 1149 Prohibits the following in Paramount:

- Charging a restaurant <u>any combination of fees,</u> commissions, or costs that totals more than 20% of the purchase price of each online order.
- Charging a restaurant a <u>delivery fee</u> that totals more than 15% of the purchase price of each online order.
- Charging a restaurant a delivery fee for an online order that does not involve the delivery of food.

# Fee Prohibitions (Cont'd)

Ordinance 1149 Prohibits the following in Paramount:

- Charging a restaurant any fee, commission, or cost other than as permitted in those mentioned above.
- Reducing the compensation, including any tip or gratuity, paid to any worker as a result of the prohibitions aforementioned.







## EFFECTIVE DATE AND TIMEFRAME

- The urgency ordinance may be adopted by a 4/5 vote of the City Council pursuant to State law.
- If adopted, the ordinance will become effective immediately.
- Expire after the Los Angeles County's Emergency
   Declaration is terminated, accompanied with a report
   from the City Manager.







### **ENFORCEMENT**

- Food delivery services are provided as part of a contract between two businesses: the restaurant and the delivery service company.
- The enforcement is a civil matter between parties.
- Restaurant may file a civil action in court to seek damages or injunctive relief to stop the violation from continuing to occur.
- 45 Days to correct

### RISK ASSESSMENT

 Does the proposed ordinance negate the contract between the restaurant and the third-party food delivery service?

The proposed ordinance may be viewed as negating any existing contracting between the parties, and may have the effect of unilaterally modifying an existing contract between two parties.

### RISK ASSESSMENT CONT.

Does the ordinance also apply to the customer using the thirdparty food delivery service?

The purposes of enforcement, only the restaurant or delivery worker can bring an action.

### RISK ASSESSMENT CONT.

• If a restaurant files a lawsuit against a food delivery service provider for violating the fee caps in our ordinance, what is the City's exposure or role in the potential lawsuit?

It is advised that if the City Council adopts any such ordinance, it does so as only a temporary urgency measure until such time either the State or County lifts all restrictions to indoor dining.



# RECOMMENDATION

It is recommended that the City Council read by title only, waive further reading, introduce, and adopt Urgency Ordinance No. 1149 by 4/5 vote to take effect March 2, 2021.









# Background

- Previous increase in 2020:
  - Residential: 4%
  - Commercial: 8.8%
  - Increased tipping fees
  - Added costs for processing recyclables
  - CPI increase





## 2021 Rate Increase Recommendation

- 2.5% Residential accounts
- 6.85% Commercial accounts
- Rates would go into effect April 1, 2021





### Residential Accounts

- Residential Accounts: 2.5% increase (\$0.48)
  - Current Rate: \$19.74/per month
  - Recommended Rate: \$20.22/per month



Residential Rates as of 3/2/2021		
City	Hauler	Monthly Rate
Lomita	CalMet	\$25.93
Whittier	Athens and Republic	\$24.62
Santa Fe Springs	CR&R, Serv-Wel and Republic	\$23.35
Downey	CalMet	\$23.17
Lynwood	Waste Resources Inc.	\$22.44
Pico Rivera	NASA Services	\$22.50
Lakewood	EDCO	\$22.70
Artesia	CR&R	\$22.71
Bellflower	CR&R	\$20.37
Cerritos	CalMet	\$20.42
Paramount (recommended)	CalMet	\$20.22
Paramount (current)	CalMet	\$19.74
Norwalk	Athens	\$18.90
Huntington Park	CR&R	\$15.58





### Commercial Accounts

### 3-Yard Bin 1x/week Pick-up

Most common customer: \$9.89 increase/mo.

Old Rate \$145.25/month

New Rate \$155.14/month



Commercial Rates as of 3/2/2021 - 3 CY 1x a Week		
City	Hauler	Monthly Rate
Santa Fe Springs	CR&R, Serv-Wel and Republic	\$270.12
Huntington Park	CR&R	\$202.47
Norwalk	Athens	\$197.65
Lynwood	Waste Resources Inc.	\$197.58
Whittier	Athens and Republic	\$177.14
Artesia	CR&R	\$167.10
Pico Rivera	NASA Services	\$158.79
Paramount (recommended)	CalMet	\$155.14
Downey	CalMet	\$153.41
Cerritos	CalMet	\$151.95
Paramount (current)	CalMet	\$145.25
Lomita	CalMet	\$144.89
Bellflower	CR&R	\$140.33
Lakewood	EDCO	\$135.10





## Recommendation

It is recommended that the City Council read by title only and adopt Resolution No. 21:006 approving the modification of charges for the collection, removal, and disposal of garbage, rubbish, and other refuse matter within the City of Paramount.







March 2, 2021

Comments/Committee Reports

March 2, 2021

Adjournment

March 2, 2021

Successor Agency for the Paramount Redevelopment Agency

March 2, 2021

Adjournment