



# Council Agenda Report

To: Mayor Riggins and the Honorable Members of the City Council

Prepared by: Kellan Martz, Assistant City Attorney

Reviewed by: Trevor Rusin, Interim City Attorney

Approved by: Joseph D. Toney, Acting City Manager

Date prepared: April 30, 2025 Meeting date: May 21, 2025

Subject: Amendment to Minimum Wage Ordinance – Forgoing the 2025 CPI-W Adjustment and Introduction of Corresponding Ordinance

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**RECOMMENDED ACTION:** 1) After the City Attorney reads the title, introduce on first reading Ordinance No. 525, amending Section 5.36.040 of the Malibu Municipal Code to forgo the CPI-W-based minimum wage increase scheduled for July 1, 2025, and clarify that the 2026 increase shall reflect only the CPI-W for calendar year 2025, with no retroactive or cumulative increase applied; and 2) Direct staff to schedule second reading of the ordinance for the May 27, 2025 Regular City Council meeting.

**FISCAL IMPACT:** There is no direct fiscal impact to the City associated with this ordinance.

**STRATEGIC PRIORITY:** This item was not included in the Adopted FY 2024-25 Strategic Priority Project List, but this has been prioritized due to the declared emergency.

**DISCUSSION:** On April 14, 2025, the City Council discussed a range of business assistance options in response to the Palisades Fire and related disruptions. Among the topics considered was whether to implement or forgo the minimum wage adjustment scheduled for July 1, 2025.

At that meeting, Council directed staff to prepare an ordinance amending Section 5.36.040 of the Malibu Municipal Code to forgo the 2025 adjustment, while continuing the annual CPI-W adjustment schedule beginning in 2026, based on the CPI-W for calendar year 2025.

The City's current minimum wage ordinance, adopted in 2016, provides for annual wage adjustments each July 1 based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Los Angeles metropolitan area.

To support economic recovery and business stability following recent disaster-related impacts, the proposed ordinance amendment would suspend the CPI-W adjustment for July 1, 2025. The next scheduled adjustment, on July 1, 2026, would be based solely on the CPI-W for calendar year 2025, with no cumulative catch-up calculation. This change only applies to the City's minimum wage ordinance and does not affect State or Federal laws related to the minimum wage.

This change reflects prior Council direction and provides relief to local businesses that have been severely impacted by the fire and the closure of PCH. It does not prevent employers from paying a higher wage if they are able to, but rather removes the mandated increase in minimum wage that would otherwise be required by the City's ordinance. The City's minimum wage still exceeds that required by State and Federal law.

ATTACHMENTS:

- A. Draft Ordinance
- B. MMC 5.36 Minimum Wage

ORDINANCE NO. 525

AN ORDINANCE OF THE CITY OF MALIBU AMENDING SECTION 5.36.040 OF THE MALIBU MUNICIPAL CODE (“MINIMUM WAGE ADJUSTMENTS”); FORGOING THE ANNUAL CPI-W INCREASE SCHEDULED FOR JULY 1, 2025; AND FINDING THE ACTION EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

The City Council of the City of Malibu does hereby ordain as follows:

SECTION 1. Findings.

- A. The City of Malibu adopted Ordinance No. 404 in 2016, establishing a local minimum wage and providing for annual adjustments based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Los Angeles metropolitan area.
- B. Section 5.36.040 of the Malibu Municipal Code provides that, beginning July 1, 2022, the minimum wage shall increase annually based on the CPI-W, with adjustments published in advance each year.
- C. The City Council finds it necessary to forgo the CPI-W-based adjustment to the minimum wage scheduled for July 1, 2025. The subsequent adjustment, effective July 1, 2026, shall reflect only the CPI-W for calendar year 2025, with no retroactive or cumulative increase applied.

SECTION 2. Amendment to Malibu Municipal Code Section 5.36.040.

Malibu Municipal Code Section 5.36.040(A)(3) is hereby amended to add the following sentence at the end of the section:

“Notwithstanding the above, no CPI-W adjustment shall take effect on July 1, 2025. The adjustment taking effect on July 1, 2026, shall reflect only the CPI-W for calendar year 2025, with no retroactive or cumulative increase applied.”

SECTION 3. Severability.

If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 4. Environmental Review.

The City Council finds that adoption of this Ordinance is not a project subject to the California Environmental Quality Act (“CEQA”) because it can be seen with certainty that it will not have a significant adverse effect on the environment. (CEQA Guideline 15061(b)(3)).

SECTION 5. Effective Date.

This Ordinance shall take effect thirty (30) days after its passage and adoption, pursuant to California Government Code Section 36937.

SECTION 6. Certification.

The City Clerk shall certify the passage and adoption of this Ordinance and shall cause the same to be published or posted in the manner required by law.

PASSED, APPROVED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Marianne Riggins, Mayor

ATTEST:

\_\_\_\_\_  
KELSEY PETTIJOHN, City Clerk

(seal)

City of Malibu, CA  
Thursday, May 1, 2025

## Title 5. Business Licenses and Regulations

### Chapter 5.36. MINIMUM WAGE

#### § 5.36.010. Short title.

The ordinance codified in this chapter shall be known as the "Malibu Minimum Wage Ordinance."  
(Ord. 404 § 1, 2016)

#### § 5.36.020. Purpose.

The purpose of this chapter is to set a local minimum wage, avoid wage discrepancies between Malibu and its neighboring jurisdictions, keep Malibu competitive in the job market, help ensure that workers in Malibu are paid adequate living wages that keep pace with the rising cost of living, and prevent workers from leaving the city for higher paying jobs, which will also help reduce traffic trips.  
(Ord. 404 § 1, 2016)

#### § 5.36.030. Definitions.

"Employee" means any individual who:

1. In a particular week performs at least two hours of work within the city for an employer; and
2. Qualifies as an employee entitled to payment of a minimum wage from any employer under the California minimum wage law, as provided under Section 1197 of the California **Labor Code** and wage orders published by the California Industrial Welfare Commission.

"Employer" means any person, as defined in Section 18 of the California **Labor Code**, including a corporate officer or executive, who directly or indirectly or through an agent or any other person, including through the services of a temporary service or staffing agency or similar entity, employs or exercises control over the wages, hours, or working conditions of any employee.  
(Ord. 404 § 1, 2016)

#### § 5.36.040. Minimum wage.

- A. For each hour worked within the city, an employer shall pay its employee no less than the hourly rates set forth below:
  1. Employers with 26 or more employees shall pay employees a wage of no less than the following hourly rates:
    - a. On July 1, 2016, the hourly wage shall be \$10.50;
    - b. On July 1, 2017, the hourly wage shall be \$12;
    - c. On July 1, 2018, the hourly wage shall be \$13.25;

- d. On July 1, 2019, the hourly wage shall be \$14.25;
  - e. On July 1, 2020, the hourly wage shall be \$15.
2. Employers with 25 or fewer employees shall pay employees a wage of no less than the following hourly rates:
- a. On July 1, 2017, the hourly wage shall be \$10.50;
  - b. On July 1, 2018, the hourly wage shall be \$12;
  - c. On July 1, 2019, the hourly wage shall be \$13.25;
  - d. On July 1, 2020, the hourly wage shall be \$14.25;
  - e. On July 1, 2021, the hourly wage shall be \$15.
3. Beginning on July 1, 2022, the minimum wage shall increase annually based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the Los Angeles metropolitan area (Los Angeles-Riverside-Orange County, CA), which is published by the Bureau of Labor Statistics. Beginning in 2022, and continuing each year thereafter, on January 1st the city manager shall determine the adjusted rates which shall take effect on July 1st of that year and publish a bulletin announcing the adjusted rates.
- B. For purposes of this section, the number of employees employed by an employer shall be determined by the average number of employees employed during the previous calendar year.  
(Ord. 404 § 1, 2016)

### § 5.36.050. Retaliatory action prohibited.

No employer shall discharge, reduce in compensation, or otherwise discriminate against any employee for opposing any practice proscribed by this chapter, for participating in proceedings related to this chapter, for seeking to enforce his or her rights provided under this chapter by any lawful means, or for otherwise asserting rights under this chapter.  
(Ord. 404 § 1, 2016)

### § 5.36.060. No waiver of rights.

Any purported waiver by an employee of any or all of the provisions of this chapter shall be deemed contrary to public policy and shall be void and unenforceable.  
(Ord. 404 § 1, 2016)

### § 5.36.070. Conflict with other laws and savings clause.

- A. Nothing in this chapter shall be interpreted or applied so as to create any power or duty in conflict with any state or federal law.
- B. This chapter provides for payment of a local minimum wage and shall not be construed to preempt or otherwise limit or affect the applicability of any other law, regulation, requirement, policy, or standard that provides for payment of higher or supplemental wages or benefits, or that extends other protections.  
(Ord. 404 §1, 2016)

### § 5.36.080. Implementation.

The city manager or designee, shall be responsible for administration of this chapter which may include public education and outreach, promulgating guidelines and rules consistent with the provisions of this chapter, and enforcing this chapter consistent with Chapter **1.16** of the Malibu Municipal Code. Guidelines and rules promulgated by the city manager, or designee, pursuant to the authority provided under this chapter shall have the force and effect of law and may be relied upon by employers, employees, and other parties to determine their rights and responsibilities under this chapter.  
(Ord. 404 § 1, 2016)

### § 5.36.090. Coexistence with other available relief.

The provisions of this chapter shall not be construed as limiting any employee's right to obtain relief to which he or she may be entitled at law or in equity.  
(Ord. 404 § 1, 2016)

### § 5.36.100. Exemptions.

The following persons and entities are exempt from the city of Malibu Minimum Wage Ordinance:

- A. Any person not subject to, or exempt from, the state minimum wage, as provided under Section 1197 of the California **Labor Code** and wage orders published by the California Industrial Welfare Commission; and
- B. Public entities, including state, federal, and county, including school districts, but not including the city.

(Ord. 404 § 1, 2016)