

**BEN BARTLETT**

VICE MAYOR

CONSENT CALENDAR

July 11th, 2023

To: Honorable Mayor and Members of the City Council

From: Vice Mayor Ben Bartlett (Author), Mayor Jesse Arreguin, Councilmember Kate Harrison, and Councilmember Rashmi Kesarwani (Co-Sponsor)

Subject: Resolution for unionized employees of REI

RECOMMENDATION

Adopt a Resolution of Support for the unionized employees of Recreational Equipment, Inc. (REI) in Berkeley, California that instructs REI to live up to its values, by ceasing to withhold the 2022 "Summit Pay", and bargain in good faith.

CURRENT SITUATION

Workers at REI Berkeley are one of eight unionized REIs across the country. (Out of 179 REI stores in total). The REI company has chosen to fight its workers' unionization efforts around the country, including in Berkeley.

UFCW5 has six open unfair labor practice complaints ("ULPs") filed against the Berkeley REI. Since the workers voted to unionize, REI has unilaterally changed their COVID pay policy, revoked the annual bonus that workers receive ("Summit Pay"), and retaliated against pro-union workers.

The 2022 Summit Pay remains the most important issue to the workers. Meanwhile, REI and the union's bargaining committee have not met since March. REI recently canceled the June bargaining dates and has not responded to any rescheduling requests.

The REI Berkeley workers continue to advocate for their 2022 Summit Pay and are gathering community support to amplify their voices.

BACKGROUND

On August 25th, 2022, employees at Recreational Equipment, Inc. (REI) in Berkeley voted to unionize with the United Food and Commercial Workers (UFCW) Local 5. They were the second REI location to unionize.

Summit Pay is REI's annual bonus program for employees. It is determined by a formula that combines store performance with company-wide performance to determine a percentage multiplier that, once applied to an employee's earnings for the preceding year, becomes a lump sum bonus distributed each March.

In 2022, REI was unprofitable. As a result, the original formula for Summit Pay calculated a \$0 payout. On August 30, REI announced a revised 2022 formula for Summit Pay to still provide its employees with some payout in March 2023. REI's attorneys emailed the union on the same day alerting employees to the change in formula, to which the response was that there was no problem with the new formula's application to Berkeley.

In February 2023, REI changed course and rescinded the 2022 Summit Pay for the Berkeley workers. The employees ran an internal petition, generating signatures from more than 70% of the staff and presented the document at bargaining in March.

When this was not enough, the workers created a member-facing petition to demonstrate support from the community. They gathered more than 1,500 signatures. A community event was hosted on May 27th with local faith, labor, and non-profit leaders to stand with the REI workers in demanding their 2022 Summit Pay.

March is the last time that REI and the union sat down to negotiate. REI has not responded to emails requesting new meeting dates, after canceling both May and June's in-person sessions.

In addition to withholding Summit Pay, REI has also engaged in retaliation against the Berkeley workers and other employees across the country. On January 30th, REI fired nine workers in Berkeley, many of whom were heavily involved in the organizing effort. Since then, workers have been fired in Durham, Raleigh, St. Louis, and Eugene as retaliation for workers' unionization efforts.

REI is an industry leader in sustainability, and prides itself as an inclusive workplace with high starting wages. REI should listen to its employees, and bargain with them in good faith.

The REI workers of Berkeley ask the City Council for support by passing a resolution imploring REI to provide workers with their 2022 Summit Pay, cease making unilateral changes, and bargain with the union.

CONSULTATION/OUTREACH OVERVIEW AND RESULTS

On the issue of 2022 Summit Pay, the Berkeley REI workers have::

- Filed an Unfair Labor Practice Complaint
- Gathered a worker petition in the store with more than 70% support
- Generated an REI member petition with more than 1,500 signatures
- Held a community support event on May 27th

RATIONALE FOR RECOMMENDATION

The city of Berkeley believes in labor rights. REI is withholding 2022 Summit Pay from its two unionized stores and sidestepping its obligation to bargain with its employees. The Berkeley store was the second to open in the Coop and has been a part of this community since 1975. The Council can embody its values by helping hold REI accountable to its own.

CONTACT PERSON

Vice Mayor Ben Bartlett
James Chang

bbartlett@cityofberkeley.info
jchang@cityofberkeley.info

ATTACHMENT

1. Resolution

RESOLUTION NO. ##,###-N.S.

WHEREAS, the workers at REI Berkeley are one of eight unionized REIs across the country (out of 179 REI stores in total) and the REI company has chosen to fight its workers' unionization efforts around the country, including in Berkeley; and

WHEREAS, the 2022 Summit Pay (Summit Pay is REI's annual bonus program for employees determined by a formula that combines store performance with company-wide performance to determine a percentage multiplier that, once applied to an employee's earnings for the preceding year, becomes a lump sum bonus distributed each March) remains the most important issue to the workers. Meanwhile, REI and the union's bargaining committee have not met since March. REI recently canceled the June bargaining dates and has not responded to any rescheduling requests; and

WHEREAS, UFCW5 has six open unfair labor practice complaints ("ULPs") filed against the Berkeley REI. Since the workers voted to unionize, REI has unilaterally changed their COVID pay policy, revoked the annual bonus that workers receive ("Summit Pay"), and retaliated against pro-union workers; and

WHEREAS, REI is an industry leader in sustainability, prides itself as an inclusive workplace with high starting wages. REI should listen to its employees, and bargain with them in good faith; and

WHEREAS, The city of Berkeley believes in labor rights and REI is withholding 2022 Summit Pay from its two unionized stores and sidestepping its obligation to bargain with its employees; and

THEREFORE BE IT RESOLVED, that I, Vice Mayor Bartlett, reaffirm the City of Berkeley's commitment to supporting workers and implore REI to provide workers with their 2022 Summit Pay, cease making unilateral changes, and bargain with the union.

