



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 25-550

Meeting Date: 11/4/2025

TITLE:

CONSIDERATION OF AN ORDINANCE TO REQUIRE STAFFING AT SELF-SERVICE CHECKOUT STATIONS

DEPARTMENT: CITY MANAGER'S OFFICE

PRESENTED BY: JAY BARKMAN, GOVERNMENT AFFAIRS MANAGER

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RECOMMENDATION:

Staff recommends the City Council receive presentation and provide direction to staff on further consideration of an ordinance.

BACKGROUND:

At the March 18, 2025, City Council Meeting, during public comment, a few speakers raised concerns about the theft and inadequate staffing levels involving self-checkout operations at grocery stores. Mayor Stephens and Mayor Pro Tem Chavez requested the City Manager agendaize an item for City Council consideration, directing staff to provide research for potential development of an ordinance establishing staffing and operational standards for self-checkout operations at grocery retail stores. As part of the research and review, Mayor Stephens and Mayor Pro Tem Chavez requested that staff analyze the City of Long Beach's proposed ordinance related to the matter.

On August 12, 2025, the Long Beach City Council adopted an ordinance (Attachment 1) mandating staffing requirements and operational standards for self-checkout stations in grocery retail stores and retail drug establishments to proactively address retail theft and advance the preservation of public safety and welfare.

ANALYSIS:

In accordance with City Council Policy 300-6, proposals that are likely to involve a substantial commitment of staff time must be brought forward to the City Council for authorization. If a majority of the City Council supports the adoption of an ordinance mandating staffing and operational standards in grocery retail stores and retail drug establishments, staff will further explore operational standards in grocery stores, including the review of proposed and adopted regulations from other jurisdictions in the state and assess implementation and enforcement procedures, and prepare a draft ordinance for City Council consideration.

At the direction of the City Council, staff conducted a preliminary analysis of the City of Long Beach's ordinance and its implementation and enforcement procedures. Additionally, staff conducted a brief analysis of the impacts on supermarkets/grocery stores and retail pharmacies with self-checkout stations in the City, should the City Council elect to model an ordinance similar to the City of Long Beach's ordinance.

Long Beach Ordinance

The June 17, 2025, City of Long Beach City Council letter states that councilmembers initiated the ordinance after hearing from workers "who shared jarring personal experiences about the chronic understaffing over self-checkout stands" and cited frequent thefts, harassment, violence, and intimidation. According to the Long Beach Police Department the city experienced a 16% increase in petty theft crimes from 2023 to 2024.

The City of Long Beach established an interdepartmental team to research options and discuss with the California Grocers Association, who declined to meet. The interdepartmental team developed the ordinance requiring that for every three self-checkout stations provided, at least one employee must be assigned that *"shall have no other work responsibilities that would interfere with their ability to maintain direct visual inspection"* (ratio 1:3). The ordinance requires self-checkout stations be limited and advertised to allow no more than fifteen items.

Two categories of business are subject to the ordinance:

- **Drug Retail Establishment**: A retail store that sells a variety of prescription and nonprescription medicines and miscellaneous items, including drugs, pharmaceuticals, sundries, fresh produce, meats, poultry, fish, deli products, dairy products, canned foods, dry foods, beverages, prepared foods, and other merchandise.
- **Food Retail Establishment**: A retail store that is either: (1) over fifteen thousand (15,000) square feet in size and sells primarily household foodstuff for offsite including fresh produce, meats, poultry, fish, deli products, dairy products, canned foods, dry foods, beverages, baked foods and/or prepared foods (other household supplies or products are secondary to the primary purpose of food sales); or (2) over eighty-five thousand (85,000) square feet and with ten percent (10%) of their sales floor area dedicated to the sale of non-taxable merchandise including the sale of fresh produce, meats, poultry, fish, deli products, dairy products, canned foods, dry foods, beverages, baked foods and/or prepared foods.

Enforcement of the Long Beach ordinance is provided through a "private right of action" filed by customers or employees with penalties of \$100 for each violation and increasing an additional \$100 for each day the violation is not resolved. Civil penalties are limited to \$1,000 per employee per day, however a store may face claims from multiple employees starting at \$100 and growing to \$1,000 per employee. Customers may also file a claim, but the ordinance is unclear on the limit to penalties customers may receive. Both employees and customers may also be awarded attorney's fees and costs. The ordinance also prohibits stores from any retaliatory action against employees that file claims.

Impacts to Costa Mesa

A review of the City of Costa Mesa business license data identified a total of 40 “supermarket, grocery/retail stores” and five (5) retail pharmacies. The Long Beach ordinance only applies to food retail stores over 15,000 square feet therefore Costa Mesa staff focused on the 16 food retail stores in Costa Mesa over that threshold.

An in-person survey of these stores found that:

- CVS drug stores in Costa Mesa comply with staffing to station ratio, however, employees were not dedicated to monitoring self-checkout stations.
- Food retail stores with self-checkout stations exceed the 1:3 ratio and do not comply.

Drug Stores			
Store	Street	Self-Checkout Stations	Employees
CVS	2710 Harbor Blvd.	2	1
CVS	E 17 th Street	2	1
CVS	Baker St.	2	1
CVS	Newport Blvd.	0	
Walgreens	1726 Superior Ave.	0	N/A

Food Retail			
Store	Street	Self-Checkout Stations	Employees
Northgate	2300 Harbor Blvd.	9	1
Vons	2701 Harbor Blvd.	8	1
Ralphs	380 E. 17 th St.	5	1
Smart & Final	707 W 19 th St.	5	1
Vons	E 17 th Street	4	1
Sprouts	3030 Harbor Blvd.	4	1
Stater Brothers	1175 Baker	0	N/A
Stater Brothers	2180 Newport Blvd.	0	N/A
Sprouts	225 E. 17 th Street	0	N/A
Trader Joes	640 W 17 th Street	0	N/A
Mothers Market	1890 Newport Blvd.	0	N/A
Tokyo Central	2975 Harbor Blvd.	0	N/A
Wild Fork	495 E. 17 th St.	0	N/A
Mitsuwa	665 Paularino Ave.	0	N/A

*Note: Two separate areas with only one (6 machines) open at time of visit.

As shown above, modeling the City of Long Beach ordinance in Costa Mesa will result in **all** retail food stores with self-checkout stations becoming noncompliant with the 1:3 staffing ratio. Media reports suggest that grocery stores in Long Beach closed self-checkout stations to avoid penalties, and the Long Beach Chamber of Commerce has stated there is confusion around the square-footage thresholds in the ordinance.

Drug retail establishments, such as CVS stores in Costa Mesa, will need to ensure their employees are not assigned “other work duties.”

Lastly, in a review of retail theft data provided by the Costa Mesa Police Department for food retail stores listed in the above chart, there has been a decline in incidents of fraud, robbery, and theft from 2023 to 2025. Drug stores have experienced a decline in fraud incidents, but there has been a slight increase in thefts from 2023 to 2025 (Attachment 2).

ALTERNATIVES:

The City Council may choose to:

1. Receive and file the staff report.
2. Direct staff to further explore staffing and operational standards for grocery and pharmacy stores with self-checkout stations, work with the City Attorney’s Office on a draft ordinance to be presented for City Council consideration at a later date.

FISCAL REVIEW:

A full fiscal impact analysis can be conducted if City Council wishes to further explore the self-service checkout station ordinance.

LEGAL REVIEW:

The City Attorney’s Office has reviewed this report and approves it as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goal:

- Strengthen the public’s safety and improve the quality of life.

CONCLUSION:

Staff analyzed the City of Long Beach’s ordinance, mandating staffing requirements and operational standards for self-checkout stations in grocery retail stores and retail drug establishments. The analysis revealed that modeling the City of Long Beach ordinance in Costa Mesa will result in **all** existing retail food stores with self-checkout stations being out of compliance with the 1:3 staffing ratio. Drug retail stores in Costa Mesa such as CVS will need to ensure their employees are not assigned “other work duties.”

Further, media reports on grocery stores in Long Beach describe self-checkout stations closed to avoid penalties, and the Long Beach Chamber of Commerce has stated there is confusion around the square-footage thresholds in the ordinance.

Staff recommends the City Council receive the presentation and provide direction on further consideration of an ordinance establishing staffing and operational standards for self-checkout operations in supermarkets/grocery stores and pharmacy retail establishments.