



Memo

Date: September 29, 2021
To: Honorable Mayor Armitage; City Council
From: Erin LaPere, City Manager
Re: Resolution 2021-148 – ARPA Funding: Essential Worker Pay

The Council has discussed opportunities for the eligible uses of ARPA Funding. One such allowable use is for essential worker premium pay to recognize the work performed by essential workers throughout the pandemic. Treasury has outlined the rules and definitions surrounding eligible uses. They note that recipients may use this funding to provide premium pay to essential workers who must be physically present at their jobs including, among others: Staff at nursing homes, hospitals, and home-care settings; Workers at farms, food production facilities, grocery stores, and restaurants; Janitors and sanitation workers; Public health and safety staff; Truck drivers, transit staff, and warehouse workers; Childcare workers, educators, and school staff; and Social service and human services staff. Of those sectors, certain city employees would be considered public health and safety staff. It is the Administration's opinion that DPW, Police, and Fire employees would qualify for such premium pay as public health and safety sector essential workers under the Treasury Interim Final Rule.

It should be noted that the Treasury's Interim Final Rule emphasizes the need for recipients to prioritize premium pay for lower income workers. There is a stipulation that premium pay that would increase a worker's total pay above 150% of the greater of the state or county average annual wage requires specific justification for how it responds to the needs of these workers, among other rules limiting the amounts that can be paid per hour and in total.

The city has four unions covering the employees listed above. Additionally, the US Treasury has not issued a Final Rule so any essential worker premium pay would be subject to approval by the unions and in compliance with the Interim Final Rule and the Final Rule, once issued.

Attached is a resolution directing Administration to begin discussions with the unions for essential worker premium pay for Council's consideration. Upon successful negotiations, a separate resolution will be presented to the Council for review and approval. At this time, I am not certain whether our Volunteer firefighters would be considered eligible for this premium pay. If not, Council may consider whether an additional stipend may be appropriate to address their work on the front lines during this pandemic.

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