



Memo

Date: October 29, 2021
To: Honorable Mayor Armitage; City Council
From: Erin LaPere, City Manager
Re: Resolution 2021-152 – 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. There are nine employees in the Police Department and Department of Public Works that will exceed the base threshold. However, I am recommending that Council include those essential workers in the premium pay. These employees were all required to report to work in-person, including performance of work that put the employees at higher risk for exposure to COVID-19. These employees provided critical services to the health, safety, and well-being of the residents of Charlotte by maintaining the police force and the water and wastewater treatment operations of the community, and generally providing that essential city services remain functioning during the height of the pandemic.

The city has four unions covering the employees listed above. Administration has reached out to all the bargaining units and received final agreement with three (IAFF and both POLC), and tentative agreement one (SEIU) units in regards to the amounts to be paid and employees covered. Additionally, the City Labor Attorney has concluded that the Volunteer Firefighters would be eligible employees and they are also included in this premium pay distribution.

Attached is a resolution authorizing distribution pursuant to the US Treasury Rules for expenditures under the American Rescue Plan Act.