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Title: CONSIDER ADOPTING RESOLUTION NO. 21-101 TO RESCIND RESOLUTION NO. 21-088, WHICH ESTABLISHED HERO PAY FOR ESSENTIAL WORKERS IN THE CITY OF CARSON (CITY COUNCIL)

Sponsors:

Indexes:

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Attachments: 1. Resolution No. 21-101, 2. Resolution No. 21-088

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, August 03, 2021

Consent

SUBJECT:

CONSIDER ADOPTING RESOLUTION NO. 21-101 TO RESCIND RESOLUTION NO. 21-088, WHICH ESTABLISHED HERO PAY FOR ESSENTIAL WORKERS IN THE CITY OF CARSON (CITY COUNCIL)

I. SUMMARY

At the beginning of the pandemic, many retail companies provided extra COVID-19 related compensation to their workers. This bonus, commonly known as “Hero Pay,” was often implemented as a temporary hourly wage increase or a one-off bonus for essential workers. Several cities have passed “Hero Pay” ordinances. Most of these ordinances apply to large grocery or retail stores that employ more than 300 people nationally and have more than 10 employees in the city. Although all of the ordinances apply to grocery store workers, some are broader and apply to pharmacies, agricultural laborers, and other retail workers. The temporary Hero Pay mostly provided for pay during the surge in COVID-19 cases, as most ordinances were applicable from February to July 2021.

On July 6, 2021, the City Council considered establishing a similar Hero Pay program in the City of Carson whereby large grocery stores and other establishments selling groceries and retail pharmacies with more than 300 employees nationally and 10 or more

employees at a site in Carson could voluntarily provide for Hero Pay for their non-management essential workers in the amount of \$4 per hour, in addition to an employee's base pay. Such Hero Pay would be applicable retroactively during the surge of COVID-19 cases in the City of Carson, which occurred between December 1, 2020 and March 1, 2021. After a full discussion, the City Council unanimously adopted Resolution No. 21-088 establishing the Hero Pay program.

Two weeks after Resolution No. 21-088 was adopted, the City Council further considered the policy implications of the Hero Pay program, which could result in the closure of the City's grocery stores and limit the ability of the labor unions within the City to negotiate with their employers. Ultimately, the City Council determined that Resolution No. 21-088's negative externalities would outweigh the benefit of providing voluntary Hero Pay for the City's employers. On July 20, 2021, the City Council unanimously voted to rescind Resolution No. 21-088 and directed staff to draft a resolution on the rescission.

II. RECOMMENDATION

WAIVE further reading adopt Resolution No. 21-101 ENTITLED "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, RESCINDING RESOLUTION NO. 21-088, WHICH PROVIDED FOR HERO PAY FOR ESSENTIAL WORKERS IN THE CITY OF CARSON"

III. ALTERNATIVES

TAKE no action and allow the Resolution to remain in place.

TAKE another action deemed appropriate by the City Council and consistent with applicable laws.

IV. BACKGROUND

On March 4, 2020, California Governor Gavin Newsom proclaimed a state of emergency in response to new cases of COVID-19, directing state agencies to use all resources necessary to prepare for and respond to the outbreak. The City of Carson also declared a local state of emergency related to the COVID-19 pandemic on March 17, 2020.

On March 19, 2020, California Governor Gavin Newsom issued a "Stay Home - Stay Healthy" proclamation closing all non-essential workplaces, requiring people to stay home except to participate in essential activities or to provide essential business services, and banning all gatherings for social, spiritual, and recreational purposes. In addition to healthcare, public health and emergency services, the "Stay Home - Stay Healthy" proclamation identified grocery stores as essential business sectors critical to protecting the health and well-being of all Californians and designated their workers as essential critical infrastructure workers.

Due to essential businesses remaining open during the stay at home orders and throughout the pandemic, approximately 20 cities in California have adopted hero pay ordinances requiring certain large retail establishments to provide hero pay to their non-

management essential employees. Such hero pay ranged between \$3 to \$5 per hour in addition to an employee's base pay and has been applicable for a limited time ranging from February through July 2021.

On July 6, 2021, the City followed suit and passed Resolution No. 21-088, establishing a Hero Pay Program that allowed large retail establishments, such as grocery stores, retail stores that devote at least 10% of their floor area to groceries, and retail pharmacies, to **voluntarily** provide Hero Pay to their non-management essential workers. Large retail establishments include those employers who employ more 300 or more employees nationally and who have 10 or more employees at a site in the City of Carson. The Hero Pay provided for an additional \$4 per hour of pay, in addition to the employee's base pay, for those essential workers that worked during the surge in the City of Carson, which occurred during the period between December 1, 2020 and March 1, 2021.

On July 20, 2021, the City Council reconsidered the Hero Pay program, due to the potential for local businesses, and some of the City's grocery stores, to shut down, and due to labor unions potentially being limited in their bargaining power as a result, despite the Hero Pay program being voluntary. Considering the potential adverse effects of the Hero Pay Program on the essential workers and unions within the City of Carson, the City Council determined that Resolution No. 21-088's negative externalities may outweigh the benefit of providing voluntary Hero Pay for the City's employers. Accordingly, this resolution is being brought forward as a result of the City Council's unanimous vote to rescind Resolution No. 21-088 due to its potential adverse effects.

V. FISCAL IMPACT

There is no fiscal impact associated with this item.

VI. EXHIBITS

1. Resolution No. 21-101 (pgs. 4 - 6)
2. Resolution No. 21-088 (pgs. 7 - 12)

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