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**Report to Mayor and City Council**

Tuesday, May 05, 2015

Discussion

**SUBJECT:**

**CONSIDERATION OF HAZARD PAY FOR ESSENTIAL CITY EMPLOYEES DURING THE COVID-19 DECLARED EMERGENCY**

**I. SUMMARY**

As we all know, these are extraordinary times. Well thought out decisions are being made by our City leaders that reflect their heightened concern for the health and welfare of our employees and the community.

The U.S. Department of Labor defines hazard pay as “additional pay for performing hazardous duty or work involving physical hardship.” Typically, members of the military who perform more dangerous duties like parachute jumpers, may receive extra pay as well as those who work in construction and mining industries or in war zones because of how dangerous their work can be. It’s not a legally mandated bonus - whether or not someone receives hazard pay, regardless of their industry, is ultimately up to the employer.

There are currently no federal regulations that would secure hazard pay or any additional compensation for the essential workers during COVID-19. Typically, hazard pay is given at a particular percentage of hourly pay or at a flat rate. The Code of Federal Regulation provides helpful examples of hazard pay under specific circumstances, including “known exposure to serious disease for which adequate protection cannot be provided”. The

federal government is currently discussing hazard pay for those in life-threatening positions (i.e., doctors, medical providers, nurses, fire fighters, grocery store workers, etc.).

## II. RECOMMENDATION

DISCUSS and PROVIDE DIRECTION.

## III. ALTERNATIVES

TAKE another action that the City Council deems appropriate.

## IV. BACKGROUND

As a result of the City's declaration of a local emergency in response to the coronavirus pandemic on March 17, 2020 in Resolution No. 20-053, the City made the decision to close all City facilities to the public, including the Community Center and parks. This decision was reinforced by Governor Newsom's Executive Order N-33-20, issued on March 19, 2020, which requires "all individuals living in the State of California to stay home or at their place or residence except as needed to maintain continuity of operations of the federal critical infrastructure sectors," as outlined by the federal Department of Homeland Security's Cyber and Infrastructure Security Agency (CISA) in its March 19, 2020 Memorandum.

As a result, it was necessary that the City adhere to the federal and State governments' mandate to identify essential services critical to the City's governmental operations in support of the federal infrastructure sectors while reducing its other non-critical operations, as outlined in the CISA Memo dated March 19, 2020. Each of our City employees is a valuable member of our team, and **all** the services performed are important City functions that contribute to the smooth and efficient operation of the City's services. However, to the extent that employee services were not immediately essential to maintain public safety, critical infrastructure, or internal functioning of the City, employees were required not to report to work or do any work at home, in order to reduce and slow the community spread of COVID-19, as mandated by the Governor's Executive Order. Even for those services that are essential, the City is continuing to manage with fewer employees, so that lives can be saved from this pandemic.

While the Federal government has not introduced legislation on hazard pay, some states are considering hazard pay for certain essential employees. Citing concerns about the disparity between low wages and the newly expanded \$600 in federal unemployment benefits, the following states -

*California* - San Francisco essential front-line workers 8 hours of PTO for each 40 hours of work; up to 80 hours additional floating holiday. Alameda County offers 1 hour of admin. leave for each hour worked to essential employees for a 3 week period.

*West Virginia* - Kanawha County provided additional \$4/hr. (\$320/pay period) to deputy

sheriffs, prosecuting attorneys, emergency managers, custodians, maintenance workers, circuit clerks, county clerks, sheriff's tax, effective March 15, 2020 for 30 days due to financial restraints.

*Alabama* - Birmingham provided 5% increase to base pay to 1,976 employees in Finance, Fire, Mayor's Office, Municipal Court, Planning Engineering & Permits, Police & Corrections and Public Works for one month, effective April 7, 2020, at a cost of \$500k.

*Georgia* - Atlanta providing \$500/month for essential public safety, sanitation and other front line employees through June, 2020. Augusta provided 14,000 eligible fire department law enforcement, EMA, 911, sanitation and primary frontline employees an additional \$5/hour, April 6 to April 30, 2020.

*Maine* - temporarily extended hazard pay, \$3-\$5/hr. to over 800 workers in state mental health and correctional facilities as of March 29, 2020.

*Maryland* - providing an additional \$3.13/hour (\$250/bi-weekly) for 15,000 Eligible employees that work 24/7 @ Dept. of Health, Juvenile Services, Public Safety & Correctional Services, police officers, firefighters; and \$2/hr. extra for Those working in designated quarantined areas through May 5, 2020 at a cost of \$3.7M/pay period.

*South Carolina* - Charleston County providing \$100 to salaried; \$250/week to hourly employees. Summerville providing \$300/week to non-exempt employee at a cost of \$82k/week.

For most municipalities, hazard pay comes at a considerable cost, citing that hazard pay is doable during an event like a hurricane, but it's hard to sustain during the pandemic with no definitive end in sight.

Retail industries that are providing hazard pay include the following -

*Costco* - \$2/hour increase, March 2 - April 5, 2020 in U.S. & Puerto Rico

*Target* - \$2/hour increase through May 2, 2020.

*Walmart* - \$300 bonus for full time; \$150 for part-time employees

*PepsiCo* - \$100/week bonus for one month for full-time employees; hiring 6k new front-line FTEs; reimbursed \$100/day child care assistance; 12 week pay for employees at closed facilities

*Tractor Supply Co.* - \$2/hour, March 16 - April 25; \$1k Store Mgr. bonus; \$500 bonus front-line leaders and support employees

*CVS* - \$500 bonus pharmacists, store managers/employees

*Kroger* - \$300 bonus full-time; \$150 for part-time employees

*Wegmans* - \$2/hr, March - April, 2020

*J.M. Smucker* - \$1,500 front-line employees; 12 week pay employees at closed facilities

*Amazon* - \$2/hour through April, 2020

*Bank of America* - \$200/paycheck for essential employees at bank branches

*Amazon* - \$2.00/hour increase through April 2020

*Kroger* - \$2.00/hour increase during the emergency; \$300 bonus for full-time employees;

\$150 for part-time employees  
*Chipotle* - 10% hourly increase

Locally, the Carson Sheriff Department has several pre-determined positions that receive hazard pay such bomb squad, terrorism / recovery dive teams, undercover / utility specialist, but no one is receiving hazard pay specific to COVID-19. The Sheriff Department has confirmed that staff will see an 8% reduction in pay due to the COVID-19 financial shortfall. The Carson Fire Department has confirmed that no hazard pay has been granted for fire.

We have been checking with other cities in the Region and to the best of our knowledge non are providing hazard pay to essential employees. The cities that confirmed this include - Downey, El Segundo, Glendora, Hermosa Beach, Inglewood, La Palma, Lawndale, Lomita, Long Beach, Los Angeles County, Los Angeles Superior Court, Manhattan Beach, Monrovia, Palos Verdes Estates, Pico Rivera, Rancho Palos Verdes, Redondo, Redondo Beach, Rolling Hills, Santa Barbara, Santa Fe Springs, Signal Hill, South Gate, Torrance, and Tustin.

Local bargaining union unit members not receiving hazard pay include Local Union 311, Local Union IBEW Local 11 and SEUI Local 721.

## **V. FISCAL IMPACT**

Hazard pay was not included in the FY19/20 budget. Any funds allocated for Hazard pay would require an appropriation.

## **VI. EXHIBITS**

Prepared by: Faye Moseley, Director of Human Resources & Risk Management