



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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File #: 14-0314, Version: 1

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### **REPORT TO COUNCIL**

#### **SUBJECT**

Adopt a Resolution to Amend the Salary Table of the City's Salary Resolution to Follow Future Changes to the California Minimum Wage

#### **BACKGROUND**

This report presents for Council consideration a resolution to amend the Salary Table of the City's Salary Resolution based on the change to the California minimum wage effective July 1, 2014 and January 1, 2016.

#### **EXISTING POLICY**

Council Policy 7.3.1 - Goal 7.3D: Maintain a quality workforce, consistent with state and federal laws, City Charter, and adopted policies in order to assure that City services are provided in an effective, efficient, and high quality manner.

Council Policy 7.3.1 - Policy 7.3D.1: Maintain a recruitment and selection process that ensures a highly competent workforce.

#### **ENVIRONMENTAL REVIEW**

N/A

#### **DISCUSSION**

The California minimum wage will increase from \$8.00 per hour to \$9.00 per hour on July 1, 2014. Additionally, the California minimum wage will increase from \$9.00 per hour to \$10.00 per hour on January 1, 2016. Although not required to do so as a Charter City, the City of Sunnyvale has a practice of following the California minimum wage by adjusting the Salary Table accordingly for classifications where the bottom of the salary range is below the California minimum wage. Following the California minimum wage is an appropriate action to take since most other employers within the City must comply with the new California minimum wage rates. Further, doing so will help the City remain competitive by attracting and retaining employees in the affected job classifications.

The adjustment to the Salary Table in order to follow the California Minimum Wage would only impact the City's Casual classifications. "Casual" is the terminology the City uses for temporary employees it hires directly.

For the July 1, 2014 California minimum wage increase, only 12 of the City's Casual classifications currently have a salary range where the bottom of the range is below \$9.00 per hour. There are currently 16 Casual employees in these 12 classifications being paid an hourly wage below \$9.00 per hour.

For the January 1, 2016 California minimum wage increase, 14 of the City's Casual classifications

currently have a salary range where the bottom of the range is below \$10.00 per hour. There are currently 79 Casual employees in these 14 classifications being paid an hourly wage below \$10.00 per hour.

It should be noted that the Intern series is the only classification series to be impacted by both proposed increases by causing pay overlap amongst the classification pay levels as a result of the abovementioned California minimum wage increases. Consequently, the Intern series will be restructured accordingly with the elimination of Intern 1 effective July 1, 2014 and the elimination of Intern 2 effective January 1, 2016, as the associated pay ranges will be below California minimum wage. Concurrent with the elimination of the Intern 2 classification, the remaining Intern 3 and Intern 4 classifications will be retitled as Intern 1 and Intern 2 respectively.

### **FISCAL IMPACT**

For FY 2014/15, increasing the wages for the 16 casual employees will cost the City approximately \$6,000 additional per year. Because the casual classifications are temporary and short-term by definition, the impact in 2016 will depend on the number of employees that must be adjusted at that time. Since the majority of the casual positions are budgeted at or above the 2016 minimum wage, the increases in actual salary rates can be absorbed within the affected budgets.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

### **ALTERNATIVES**

1. Adopt Resolution to amend the Salary Table of the City's Salary Resolution effective the pay period that contains July 1, 2014 and the pay period that contains January 1, 2016 to follow future changes to the California minimum wage.
2. Do not approve the recommendations contained in this report and look at an alternative resolution to bring back to the City Council.

### **STAFF RECOMMENDATION**

Alternative 1: Adopt Resolution to amend the Salary Table of the City's Salary Resolution effective the pay period that contains July 1, 2014 and the pay period that contains January 1, 2016 to follow future changes to the California minimum wage.

Prepared by: Doug Baker, Human Resources Manager

Reviewed by: Teri Silva, Director, Department of Human Resources

Approved by: Robert A. Walker, Interim City Manager

### **ATTACHMENTS**

1. Resolution to Amend the Salary Table of the City's Salary Resolution