



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### REPORT TO COUNCIL

#### **SUBJECT**

Adopt a Resolution Amending the City's Salary Resolution to Increase the Pay Scale of the Casual Employee Classification for Consistency with the City's Local Minimum Wage, Effective July 1, 2016, January 1, 2017 and January 1, 2018

#### **BACKGROUND**

This report presents for Council consideration a resolution amending the salary table of the City's Salary Resolution in accordance with Section 3.80.040 of the Sunnyvale Municipal Code, which was recently amended to increase the local minimum wage effective July 1, 2016, January 1, 2017 and January 1, 2018.

#### **EXISTING POLICY**

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

#### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" with the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378 (b)(4) in that is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

#### **DISCUSSION**

On April 12, 2016, the City Council adopted an ordinance amending Section 3.80.040 of the Sunnyvale Municipal Code to increase the City's minimum wage to \$15 per hour by 2018 (RTC 16-0151). The ordinance has a scheduled phase-in of increases to the minimum wage as follows:

Beginning July 1, 2016, the minimum wage shall be \$11.00 per hour.

Beginning January 1, 2017, the minimum wage shall be \$13.00 per hour.

Beginning January 1, 2018, the minimum wage shall be \$15.00 per hour.

In order to implement this increase for certain employee classifications in the City that currently have wage rates set below these minimums, the salary table of the City's Salary Resolution must be updated. The adjustment to the salary table will only impact the City's casual classifications.

For the July 1, 2016 minimum wage increase, 15 casual classifications have a salary range where

the bottom of the range is below \$11.00 per hour. There are currently 72 casual employees in these classifications being paid an hourly wage below \$11.00 per hour.

For the January 1, 2017 minimum wage increase, 27 casual classifications have a salary range where the bottom of the range is below \$13.00 per hour. There are currently 46 casual employees in these classifications being paid an hourly wage below \$13.00 per hour.

For the January 1, 2018 minimum wage increase, 44 casual classifications have a salary range where the bottom of the range is below \$15.00 per hour. There are currently 57 casual employees in these classifications being paid an hourly wage below \$15.00 per hour.

Casual employee classifications have one to five steps. With the adjustments of casual employees hourly rates in alignment with the increase of the City of Sunnyvale minimum wage, the steps below the minimum wage will be eliminated and steps exceeding the minimum wage will not be increased. For example, the Intern 1 position top step will be eclipsed by the minimum wage increase to \$15.00 per hour in 2018. Consequently, the Intern series will be restructured with the elimination of Intern 1 effective January 1, 2018 and the remaining Intern 2 and Intern 3 classifications will be retitled as Intern 1 and Intern 2, respectively.

### **FISCAL IMPACT**

For FY 2016/17, increasing the wages for the impacted casual classifications, taken from the baseline of the current year, is approximately \$43,000. This change has been incorporated into the FY 2016/17 Recommended Budget. Because the casual classifications are temporary and short-term by definition, and the number of hours that are worked can vary, the impact in the future will depend on the number of employees and hours worked. Based on estimates using current casual employee budgeted hours, the fiscal impact in FY 2017/2018 is anticipated to be approximately \$139,000. This has also been incorporated into the FY 2016/17 Recommended Two-year Operating Budget through adjustments in the budgeted salaries.

### **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.

### **STAFF RECOMMENDATION**

Adopt a Resolution Amending Resolution No. 190-05, the City's Salary Resolution to Increase the Pay Scale of the Casual Employee Classification for Consistency with the City's Local Minimum Wage, Effective July 1, 2016, January 1, 2017 and January 1, 2018

Prepared by: Vienne Choi, Principal Human Resources Analyst

Reviewed by: Teri Silva, Director, Human Resources

Reviewed by: Walter C. Rossmann, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENT**

1. Resolution Amending Resolution No. 190-05, the City's Salary Resolution, to Increase the Pay Scale of the Casual Employee Classification for Consistency with the City's Local Minimum Wage,

Effective July 1, 2016, January 1, 2017 and January 1, 2018.