



# 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 and Schedule of Pay to (1) Update Pay Rates for Casual/Temporary Classifications to Reflect the January 1, 2022 Sunnyvale Minimum Wage of \$17.10 per hour, and (2) Increase the Councilmember and Mayor Stipend Amounts Pursuant to City Charter Section 605

#### **BACKGROUND**

This report recommends amending the City's Salary Resolution and Schedule of Pay in accordance with Section 3.80.040 of the Sunnyvale Municipal Code to update the pay rates for applicable classifications to reflect the 2022 minimum wage and increase the Councilmember and Mayor stipend amount for 2022 in accordance with City Charter Section 605, which provides for annual cost of living adjustments based on the Consumer Price Index for All Urban Consumers (CPI-U).

#### **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.

City Charter Section 605. Compensation: Annually on January 1, the compensation of the Council and Mayor shall increase by a percentage equal to the percentage increase in the preceding October's 12-month rolling average of the Consumer Price Index - Urban (CPI-U).

Sunnyvale Municipal Code Section 3.80.040 (Minimum Wage) requires that the City's minimum wage be adjusted by the "Bay Area Consumer Price Index (Urban Wage Earners and Clerical Workers, San Francisco-Oakland-Hayward, CA for All Items) or its successor index as published by the U.S. Department of Labor or its successor agency, with the amount of the minimum wage increase rounded to the nearest multiple of five cents" in August of each year and that the adjustment to the City's minimum wage shall become effective as the new minimum wage on January 1<sup>st</sup> of the following year.

#### **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 it 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, and section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the

environment.

### **DISCUSSION**

This report recommends adopting a resolution amending the City's Salary Resolution and Schedule of Pay. As of January 1, 2022, the City of Sunnyvale minimum wage will increase by the August 2021 CPI-U or 4.91% from \$16.30 to \$17.10 per hour. There are approximately 130 Casual/Temporary employees who will be impacted by this change.

For calendar year 2022, the Councilmember stipend will be increased by the October 2021 CPI-U or 3.02% from \$2,693.31 to \$2,774.65 per month and the Mayor stipend will be increased from \$3,591.09 to \$3,699.54 per month, consistent with City Charter section 605, which provides for annual cost of living increases based on CPI-U.

The effective date of these new rates will be the start of the pay period inclusive of January 1, 2022, which is December 26, 2021.

### **FISCAL IMPACT**

Casual classifications are temporary, and the number of hours worked can vary. Therefore, specific departmental and funding source impacts will depend on the number of casual/temporary employees and hours worked. Council compensation is budgeted in the operating program for the Office of the City Manager and funded by the General Fund, with recovery across all funds through indirect costs.

The FY 2021/22 Adopted Budget includes escalation factors for casual salaries and the City Council increases. The actual increases are higher than planned, with an estimated impact of approximately \$20,000 per year or \$390,000 over twenty years across all funds. The current year increases will be absorbed within respective department budgets and adjusted for the FY 2022/23 Recommended Budget.

### **PUBLIC CONTACT**

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

### **RECOMMENDATION**

Adopt a Resolution Amending the City's Salary Resolution and Schedule of Pay to (1) Update Pay Rates for Casual/Temporary Classifications to Reflect the January 1, 2022 Sunnyvale Minimum Wage of \$17.10 per hour, and (2) Increase the Councilmember and Mayor Stipend Amounts Pursuant to City Charter Section 605.

Prepared by: Delanie LoFranco, Human Resources Manager

Reviewed by: Tina Murphy, Director, Human Resources

Reviewed by: Jaqui Guzmán, Deputy City Manager

Approved by: Kent Steffens, City Manager

### **ATTACHMENTS**

1. Resolution with Schedule of Pay