



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: NOVEMBER 28, 2023**

FROM: HUMAN RESOURCES DEPARTMENT **WARDS: ALL**

SUBJECT: REVISIONS TO THE MASTER FRINGE BENEFITS AND SALARY PLAN TO REFLECT THE 2024 STATE MANDATED INCREASE TO THE MINIMUM WAGE, SALARY ADJUSTMENTS TO ADDITIONAL TEMPORARY JOB CLASSIFICATIONS TO MAINTAIN MINIMUM WAGE INCREASE DIFFERENTIALS, AND REVISIONS TO INCORPORATE SB 616 PAID SICK LEAVE FOR ALL WORKING CALIFORNIANS.

ISSUE:

Approve revisions to the Master Fringe Benefits and Salary Plan to reflect the 2024 State mandated increase to the minimum wage and changes to incorporate SB 616 Paid Sick Leave for All Working Californians effective January 1, 2024.

RECOMMENDATION:

That the City Council:

1. Adopt the attached Resolution amending the Master Fringe Benefits and Salary Plan Job Code Table (Exhibit A);
2. Approve revisions as outlined in this City Council Report which includes updates related to SB 616 Paid Sick Leave for All Working Californians

DISCUSSION:

Effective January 1, 2024, the State of California will increase the minimum wage from \$15.50 to \$16.00 per hour. In accordance with the law, the salaries of affected City classifications must be adjusted accordingly.

Additionally, the minimum wage is used as a benchmark for the salary ranges of the following classifications: Administrative Intern, Clerical Assistant, General Service Worker, and Technical Intern. Therefore, the Human Resources Department recommends adjustments to these classifications. The associated salary increases will maintain the salary differential between minimum wage classifications and higher-level classifications and avoid compaction issues.

The Human Resources Department has reviewed the newly enacted SB 616 Paid Sick Leave for All Californians and recommends revisions to Section 7 (Sick Leave) of the Fringe Benefits and Salary Plan (FBSP) to ensure compliance with the law. In 2014, legislation was enacted to require employers to provide three (3) paid sick days to employees who work 30 or more days within a year from commencement of employment. SB 616 will increase the amount of paid sick leave required even further, from three (3) to five (5) days.

To comply with the implementation effective date, the City will implement this new law effective with pay period beginning December 22, 2023.

STRATEGIC PLAN ALIGNMENT:

This council item contributes to the High Performing Government, Strategic Priority Goal 5.5: *Foster a culture of safety, well-being, resilience, sustainability, diversity, and inclusion across the city organization* and contributes to Goal 5:1: *Attract, develop, engage and retain a diverse and highly skilled workforce across the entire City organization.*

1. **Community Trust** – Necessary adjustments to the Fringe Benefits and Salary Plan enhances transparency by sharing relevant information about the 2024, state mandated minimum wage increase and SB 616 Paid Sick Leave for All Californians.
2. **Equity** – Salary ranges and classifications have been reviewed to ensure they reflect equitable internal and external alignment.
3. **Fiscal Responsibility** – Salary ranges are reviewed to ensure that compensation is reasonably aligned. Modifications to salary step progression allows for salary adjustment for the attraction and retention of a skilled workforce with minimal fiscal impact.
4. **Innovation** – Existing salary ranges are reviewed to ensure salary is aligned and complies with state and local mandated minimum wages.
5. **Sustainability & Resiliency** – Adjustments to the Fringe Benefits and Salary Plan will foster greater workforce retention, improve the quality-of-service delivery, and retain a diverse range of employees.

FISCAL IMPACT:

The fiscal impact is estimated at \$44,061 in FY 2023/24. Sufficient funds are budgeted and available in the respective departments' FY 2023/24 adopted budget. The minimum wage increase will affect approximately 13 classifications.

Prepared by:	Rene Goldman, Human Resources Director
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Edward Enriquez, Assistant City Manager
Approved as to form:	Phaedra Norton, City Attorney

Attachments:

1. Resolution Amending the Fringe Benefits and Salary Plan
 - a. Exhibit A – Amended Fringe Benefits and Salary Plan