



City of Arts & Innovation

# City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: DECEMBER 17, 2024

FROM: HUMAN RESOURCES DEPARTMENT      WARDS: ALL

SUBJECT: REVISIONS TO THE MASTER FRINGE BENEFITS AND SALARY PLAN TO REFLECT THE 2025 STATE MANDATED INCREASE TO THE MINIMUM WAGE, AND SALARY ADJUSTMENTS TO ADDITIONAL TEMPORARY JOB CLASSIFICATIONS TO MAINTAIN MINIMUM WAGE INCREASE DIFFERENTIALS.

**ISSUE:**

Approve revisions to the Master Fringe Benefits and Salary Plan to reflect the 2025 State mandated increase to the minimum wage effective January 1, 2025.

**RECOMMENDATION:**

That the City Council:

1. Adopt the attached Resolution amending the Master Fringe Benefits and Salary Plan Job Code Table (Exhibit A);

**DISCUSSION:**

Effective January 1, 2025, the State of California will increase the minimum wage from \$16.00 to \$16.50 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.

To comply with the implementation effective date, the City will implement this new law effective with pay period beginning December 19, 2024.

**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 2025, state mandated minimum wage increase.
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 \$55,570 in FY 2024/25. Funding to cover the costs related to the minimum wage increases will be absorbed in the departments' budgets that are affected by the increase. The minimum wage increase will affect approximately 11 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/Chief Financial Officer
Approved as to form:	Jack Liu, Interim City Attorney

### Attachments:

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