



City of Arts & Innovation

# City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: DECEMBER 7, 2021

FROM: HUMAN RESOURCES DEPARTMENT WARDS: ALL

SUBJECT: REVISIONS TO THE MASTER FRINGE BENEFITS AND SALARY PLAN TO REFLECT THE 2022 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 2022 State-mandated increase to the minimum wage.

## **RECOMMENDATION:**

That the City Council:

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

## **BACKGROUND:**

Effective January 1, 2022, the State of California will increase the minimum wage from \$14.00 to \$15.00 per hour. In accordance with the law, the salaries of affected City classifications must be adjusted accordingly.

## **DISCUSSION:**

Minimum wage is used as a benchmark for the salary ranges of the following classifications: Business Tax Representative, Law Clerk, Legal Support Specialist, Management Intern, Minibus Driver, Minibus Driver Trainee, Office Specialist, and Outreach Worker. 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 to avoid compaction issues.

## **STRATEGIC PLAN ALIGNMENT:**

This item contributes to the **Strategic Priority 5 – High Performing Government** and **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.*

It also aligns with each of the cross-cutting threads as follows:

1. **Community Trust** – Necessary adjustments to the Fringe Benefits and Salary Plan enhances transparency by sharing relevant information about the 2022, 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 to be \$292,000. It has been budgeted and included in the FY 2021/22 adopted budget. The minimum wage increase will affect approximately 35 classifications and 157 full-time equivalents.

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| Prepared by:                           | Rene Goldman, Human Resources Director                  |
| Certified as to availability of funds: | Edward Enriquez, Chief Financial Officer/City Treasurer |
| Approved by:                           | Rafael Guzman, Assistant City Manager                   |
| Approved as to form:                   | Phaedra A. Norton, City Attorney                        |

### **Attachments:**

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