

Agenda Report

June 6, 2016

TO: Honorable Mayor and City Council

FROM: Human Resources Department

SUBJECT: ADOPTION OF A RESOLUTION AMENDING THE NON-REPRESENTED NON-MANAGEMENT SALARY RESOLUTION EXHIBIT I – SALARY SCHEDULE AND APPROVAL OF AMENDMENT TO 2014-2015 AFSCME MOU EXHIBIT I - SALARY SCHEDULE TO CONFORM TO THE MINIMUM WAGE ORDINANCE

RECOMMENDATION:

It is recommended that the City Council:

1. Find that the action proposed herein is not a "project" as defined in the California Environmental Quality Act (CEQA), Public Resources Code Section 21065 and Section 15378(b)(2) of the State CEQA Guidelines and, as such, is not subject to environmental review.
2. Adopt a resolution amending Exhibit I (Salary Schedule) of the Non-Represented Non-Management salary resolution; and
3. Approve an amendment to Exhibit I (Salary Schedule) of the January 1, 2014 – June 30, 2015 American Federation of State, County, and Municipal Employees (AFSCME) Memorandum of Understanding (MOU)

BACKGROUND:

On March 14, 2016, the City Council adopted a Minimum Wage Ordinance that requires the payment of a City-wide minimum wage of \$10.50 per hour beginning on July 1, 2016, followed by increases to \$12.00 per hour on July 1, 2017 and \$13.25 per hour on July 1, 2018. The Ordinance is intended to ensure that employees who work in the City of Pasadena receive a minimum wage sufficient to provide a proper quality of life for themselves and their families.

NON-REPRESENTED NON-MANAGEMENT SALARY RESOLUTION EXHIBIT I – SALARY SCHEDULE
 2014 - 2015 ASCME MOU EXHIBIT I – SALARY SCHEDULE

June 6, 2016

Page 2 of 4

Although not covered by the ordinance, the City Council stated its intent that the City also be subject to the local minimum wage. This is achieved by amending the salary resolution and any applicable Memorandums of Understanding with existing bargaining groups. Based on a review of a May 2016 employee demographics report, it is estimated that over 80% of the City employees who currently earn less than \$10.50 per hour also reside in Pasadena or Altadena.

Human Resources staff has reviewed City-wide compensation schedules in order to identify the classifications affected by the July 1, 2016 minimum wage increase. There are ten classifications with pay rates below the July 1, 2016 minimum hourly wage of \$10.50; two of these classifications are represented by AFSCME and the other eight are covered under the Non-Represented Non-Management Salary Resolution. The table below reflects the ten affected classifications along with the number of full-time equivalent employees in each classification as of May 2, 2016.

Classification	Number of FTEs	Number of FTEs below \$10.50 per hour	Employee Group / Union
Ambulance Operator	0	0	Non-Represented Non-Management
Page	4.4	0	Non-Represented Non-Management
Library Page	14.6	0	Non-Represented Non-Management
City Service Worker	48.5	14	Non-Represented Non-Management
City Temporary Worker	50	1	Non-Represented Non-Management
Recreation Leader I	1	0.66	Non-Represented Non-Management
Instructor I	0	0	Non-Represented Non-Management
Junior Lifeguard	0	0	Non-Represented Non-Management
Childcare Monitor	0	0	AFSCME
Work Experience Aide	1	0	AFSCME

Six of the affected classifications utilize a step based salary schedule. In order to maintain the existing step structure, step 1 of each classification has been increased to \$10.50 per hour, with the remaining steps being increased to maintain the existing percentage differentials between steps. Of the four remaining classifications, two utilize pay ranges rather than steps and the other two have only one pay rate. In such cases, only the minimum or single rate has been adjusted.

All employees who currently earn less than the July 1, 2016 minimum wage will receive a wage adjustment to \$10.50 per hour effective on the first day of the pay period that includes July 1, 2016. All other employees in the affected step based classifications who currently earn over \$10.50 per hour will have their pay rates adjusted to the next highest

step in the new salary schedule that is closest to their current rate of pay, resulting in an average increase of 0.57%.

The minimum wage adjustment to step 1 of the salary schedule results in control rate increases of 2.3% on average for the classifications of Ambulance Operator, Page, Library Page, Recreation Leader I, Childcare Monitor, and Work Experience Aide. AFSCME was notified of the City's intent to increase the pay rates for the two classifications it represents and expressed no objections or concerns.

The proposed changes will ensure consistency with the City's Minimum Wage Ordinance while maintaining the existing salary structure. Salary adjustments related to future increases to the Pasadena Minimum Wage will be presented as part of the operating budget process.

COUNCIL POLICY CONSIDERATION:

Approval of staff's recommendation supports the City Council's strategic goals of improving quality of life, enhancing the local economy, and maintaining fiscal responsibility and stability.

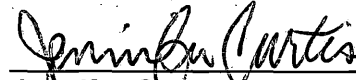
June 6, 2016

Page 4 of 4

FISCAL IMPACT:

The fully burdened FY 2017 fiscal impact of the proposed minimum wage increase is estimated at \$62,500, which is reflected in the FY 2017 recommended operating budget. Approximately 45 percent or \$28,125 of the increase will have a direct impact on the General Fund. \$43,500 of the fiscal impact is the result of raising the minimum pay rate to \$10.50, while the remaining \$19,000 is the result of related step and control rate increases.

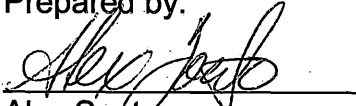
Respectfully Submitted,



Jennifer Curtis

Director of Human Resources

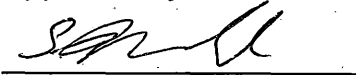
Prepared by:



Alex Souto

Principal Human Resources Analyst

Approved by:



Steve Mermell,

Interim City Manager

Attachments:

1. Resolution Amending Exhibit I – Salary Schedule of the Non-Represented Non-Management Salary Resolution
2. 2014 - 2015 AFSCME MOU Exhibit I - Salary Schedule