

# Agenda Report

June 19, 2017

**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 – SCHEDULE OF HOURLY PAY RATES AND APPROVAL OF AMENDMENT TO THE 2015-2018 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 (Schedule of Hourly Pay Rates) of the Non-Represented Non-Management salary resolution; and
3. Approve an amendment to Exhibit I (Salary Schedule) of the July 1, 2015 – June 30, 2018 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 required 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.

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 Memoranda of Understanding with existing bargaining groups. Based on a review of a June 2017 employee demographics report, it is estimated that nearly 83% of the City employees who currently earn less than \$12.00 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, 2017 minimum wage increase. There are twelve classifications with pay rates below the July 1, 2017 minimum hourly wage of \$12.00. Nine of these classifications are covered under the Non Represented Non-Management Salary Resolution and the remaining three classifications are represented by AFSCME as illustrated in the table below. All employees who currently earn less than the July 1, 2017 minimum wage will receive a wage adjustment to \$12.00 per hour effective on the first day of the pay period that includes July 1, 2017.

<b>Classification</b>	<b>Employee Group / Union</b>
Ambulance Operator	Non-Represented Non-Management
Page	Non-Represented Non-Management
Library Page	Non-Represented Non-Management
City Service Worker	Non-Represented Non-Management
City Temporary Worker	Non-Represented Non-Management
Recreation Leader I	Non-Represented Non-Management
Recreation Leader II	Non-Represented Non-Management
Junior Lifeguard	Non-Represented Non-Management
Lifeguard	Non-Represented Non-Management
Childcare Monitor	AFSCME
Instructor I	AFSCME
Work Experience Aide	AFSCME

The proposed changes ensure continued compliance with the City's Minimum Wage Ordinance. 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.

**FISCAL IMPACT:**

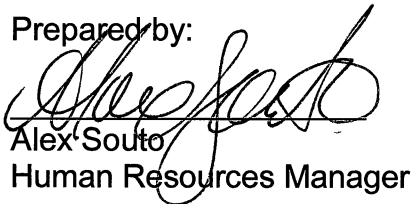
The fully burdened FY 2018 fiscal impact of the proposed minimum wage increase is estimated at \$231,000 and is reflected in the FY 2018 recommended operating budget. Approximately 48% or \$111,000 of the increase will have a direct impact on the General Fund.

Respectfully Submitted,



Jennifer Curtis  
Director of Human Resources

Prepared by:



Alex Souto  
Human Resources Manager

Approved by:



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Steve Mermell  
City Manager

Attachments:

1. Resolution Amending Exhibit I – Schedule of Hourly Pay Rates of the Non-Represented Non-Management Salary Resolution
2. 2015 - 2018 AFSCME MOU Exhibit I - Salary Schedule