

# Agenda Report

August 17, 1998

TO: City Council

FROM: Acting City Manager

SUBJECT: Salary Resolution Amendment to Implement Provisions of the Proposed Living Wage Ordinance

RECOMMENDATION:

It is recommended that the City Council adopt a resolution amending the City's Salary Resolution to implement the provisions of the proposed Living Wage Ordinance by:

1. Increasing the base salary of the Page classification from \$6.09 per hour without benefits to \$8.50 without benefits.
2. Adding medical benefits to the classification of Recreation Leader III who are not part-time seasonal, temporary or seasonal employees.
3. Adding medical benefits to the classification of Work Experience Aide.
4. Increasing the base salary of the Child Care Monitor classification from \$7.12 per hour to \$7.25 per hour contingent on acceptance by AFSCME.
5. Authorizing the Director of Finance to prepare a journal voucher transferring \$74,686 from the Library Fund Balance to various Information Services Department accounts.
6. Authorizing the Director of Finance to prepare a journal voucher transferring \$47,203 from the Personnel Reserves to various Human Services, Recreation and Neighborhoods Department accounts.

BACKGROUND:

At the City Council meeting of June 8, 1998, Council adopted their support for the implementation of a Living Wage for City employees, either at \$7.25 per hour with medical, or \$8.50 per hour without medical. The eligibility criteria for the Living Wage as discussed by Council targeted employees earning below these two hourly

salaries and excluded employees who are part-time, seasonal and in training positions. Council requested that staff return with an implementation plan.

The Human Resources Department has conducted a comprehensive review to identify the City employees who meet the criteria discussed by the Council. It was determined that although there are approximately 147 employees who initially might be considered because their hourly rate is less than \$7.25, the criteria discussed by Council would effectively exclude all but one of the 147 employees from the Living Wage. This is because the other 146 employees are either part-time, seasonal or are working under a training program. **Consequently, staff recommends that the Living Wage criteria be modified to cover part-time and full time employees earning less than \$7.25 per hour and who work on a regular and continuous basis for the City.** Seasonal employees, temporary employees, and employees working under training programs would not be covered.

Under this proposed new criteria, there are presently 55 employees who would be affected by the Living Wage. This number may vary slightly during the year, depending upon turnover and changes in budgeted positions. There are four main groups of employees, as described below:

- ◆ Page – There are 38 Pages whose salary rate ranges from \$6.09 up to \$7.12 per hour with no medical. Approximately 70% of the Pages are students and young adults and the turnover is approximately 35% annually. The Pages work in the Department of Library and Information Services, work up to 19 hours per week on a continuous basis, and perform routine duties such as shelving books, keeping the rooms orderly, and performing light clerical work. Staff is recommending the increase in salary without benefits due to the demographics of this classification. Most are students and young adults who would be more interested in the higher salary vs. medical benefits which they may be receiving via family or school.
  - ◆ Recreation Leader III – While the vast majority of Recreation Leaders are students and young adults who work part-time and temporary or seasonal, there are 13 Recreation Leader III employees who are regular and continuous employees. They work in the Human Services, Recreation and Neighborhoods Department. These 13 Recreation Leaders presently earn \$7.25 per hour, work an average of 17.5 hours per week, and are assigned to community centers or the adaptive recreation program on a year-round basis. Staff is recommending the addition of medical benefits to this classification as most of these employees are longer term and older employees of the City.
  - ◆ Work Experience Aide – There are three Work Experience Aide employees assigned to three departments: Finance, Water & Power, and the Fire Department. They work 20 hours per week on a regular and continuous basis. Their hourly rate is \$7.89 per hour, with no medical. These three individuals were hired under a disabilities program approximately 10 years ago and work
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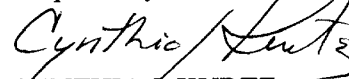
productively in a structured work environment. Again, staff is recommending the addition of medical benefits to this classification as all these employees are longer term and older employees of the City.

- ◆ Child Care Monitor – This is a single incumbent employee who works out of the Health Department. Because the position is budgeted on a full-time basis, the incumbent receives full benefits, but the hourly rate of \$7.12 per hour is lower than the proposed Living Wage. The employee, who has been working in this capacity for five years, is responsible for providing on-site child care during parent’s health clinic visits. Staff is recommending the increase in hourly salary only since this classification already receives medical benefits. The increase in salary is contingent on meet-and-confer agreement with the affected union.
- ◆ Although the issue of compression has been raised (increases caused by living wage affecting the differential between the employees and their supervisors) staff does not believe there is reason for concern. Staff will monitor this issue and return to Council as necessary.

**FISCAL IMPACT**

With immediate implementation of this salary resolution amendment the total fiscal impact to the City is \$121,889. The majority of the cost, \$74,686, will be budgeted in the Library Fund to cover the cost of the Page classification. \$47,203 will be budgeted in the Personnel Reserve for the cost of medical benefits for the Recreation Leader III classification. Costs incurred as a result of changes to the Work Experience Aide and Child Care Monitor classifications will be absorbed by each respective departments’ FY99 budget.

Respectfully submitted,




CYNTHIA J. KURTZ  
Acting City Manager

Prepared by:



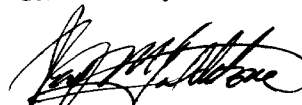
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