



## **STAFF REPORT TO THE CITY COUNCIL**

**DATE:** Regular Meeting of November 13, 2018

**TO:** Members of the City Council

**SUBMITTED BY:** David Biggs, City Manager

**SUBJECT:** Part-Time Salary Adjustment to Provide Cost of Living Adjustment and to Address New Minimum Wage as of January 1, 2019

**RECOMMENDED ACTION:** Adopt a Resolution Approving a New Salary Schedule for Part-Time Employees to Provide a 4.5% Cost of Living Adjustment and to comply with the New Minimum Wage as of January 1, 2019.

**COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION:** Not Applicable

**FISCAL IMPACT OF RECOMMENDATION:** Represented part-time employees received a 4.5% COLA as of July 1, 2018, and a one-time retention bonus of 5% of annual salary. A portion of these ongoing costs and the one-time costs have been incorporated into the FY 2018/19 budget. To provide unrepresented part-time employees the same 4.5% COLA will be \$26,831 for the 2018/19 fiscal year, and the cost for the one-time 5% retention bonus for eligible employees will be \$28,864.

**DISCUSSION:** On October 23, 2018, a new Memorandum of Understanding for represented employees and new pay plans for unrepresented employees were approved by the City Council. Represented employees received a 4.5% COLA and a 5% one-time retention bonus. For those Grades in the City Part-Time Salary Schedule with both represented and unrepresented employees, PT2, PT5, PT7, PT8, PT9, and PT11, the 4.5% COLA has already been implemented. This action will apply the same 4.5% COLA to the balance of the Grades in the Part-Time Salary Schedule effective the pay-period starting November 4, 2018.

Represented employees also received a one-time 5% retention bonus based on 2017/18 annual pay. The attached resolution provides that part-time employees who worked 900 or more hours in the 2017/18 fiscal year would receive the same retention bonus.

As noted in prior years, the State of California has enacted legislation which is raising the State's minimum wage to \$15.00 per hour by 2022. The increase for 2019 will take minimum wage to \$12.00 per hour, and increasing by \$1.00 per hour to \$15.00 per hour in 2022. The attached Part-Time Salary Schedule provides for an additional modification to ensure no employees are below the new \$12 an

hour minimum wage. After the 4.5% COLA, step 1 of Grade PT2 is still below the upcoming new minimum wage. On an interim basis, pending the consideration and implementation of the pending Citywide Class & Comp Study, first step of the PT2 grade is being eliminated. Any employee who is at Step 1, will be advanced to Step 2 for the pay period which includes January 1, 2019.

**ATTACHMENTS:**

1. Resolution w/ exhibits
2. Current part time Salary Schedule

***Financial Impact***

**Description:** To provide a 4.5% Cost of Living Adjustment and one-time 5% retention bonus to the non-represented part-time employees and to comply with the New Minimum Wage as of January 1, 2019

**Funding Source:** Various

**Budget Recap:**

Total Estimated cost:	\$55,695	New Revenue:	\$
Amount Budgeted:	\$55,695	Lost Revenue:	\$
New funding required:	\$	New Personnel:	\$
Council Policy Change:	Yes <input type="checkbox"/> No <input type="checkbox"/>		