

Study Session: Review and Analysis of Minimum Wage Increase for City Employees

City Council Special Meeting

April 9, 2019

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California Minimum Wage (26+ Employees)

| Date | Minimum Wage |
|-----------------|----------------|
| January 1, 2019 | \$12.00 / hour |
| January 1, 2020 | \$13.00 / hour |
| January 1, 2021 | \$14.00 / hour |
| January 1, 2022 | \$15.00 /hour |



Minimum Wage Ordinances

San Mateo County Cities

| City | 2019 | 2020 | 2021 |
|--------------|---------|----------|----------|
| Belmont | \$13.50 | \$15.00 | CPI Adj. |
| Daly City | \$12.00 | \$13.75 | \$15.00 |
| Redwood City | \$13.50 | \$15.00 | CPI Adj. |
| San Mateo | \$15.00 | CPI Adj. | CPI Adj. |



Minimum Wage Ordinances

Other Bay Area

Alameda
Berkeley
Cupertino
El Cerrito
Emeryville
Fremont
Lost Altos
Milpitas

Mountain View
Oakland
Palo Alto
Richmond
San Francisco
San Jose
San Leandro



City of South San Francisco

Wages Below \$15/hour

| Classification | Step I (Min) | Step 5 (Max) |
|-----------------------|--------------|--------------|
| Recreation Instructor | \$12.00 | \$38.00 |
| Recreation Leader I | \$12.00 | \$14.59 |
| Recreation Leader II | \$13.20 | \$16.04 |
| Recreation Leader III | \$14.57 | \$17.71 |
| Library Page | \$12.00 | \$14.59 |
| Library Clerk | \$14.62 | \$17.77 |



Library Job Series

Library Program Manager

Librarian II

Librarian I

Supervising Library
Specialist

Library Assistant II

Library Assistant I

Library Clerk

Library Page



Recreation Job Series

Recreation Program Manager
Recreation Supervisor
Assistant Childcare Supervisor

Recreation & Community
Services Program Coordinator

Recreation Leader IV Preschool Teacher II
Preschool Teacher I
Recreation Leader III
Recreation Leader II
Recreation Leader I



Considerations for Increasing Wages

- Recruitment and Retention
- Fiscal Impact
- Internal Alignment / Wage Compression
- Other Equity Concerns
- All adjustments for represented positions subject to bargaining



Financial Impact

Increase to \$15 minimum
With Equity Adjustments for Entire Job Series

| Calendar Year | Estimated Net Cost (Accounting for State Minimum Wage Increase) |
|--------------------------------|---|
| 2019 (July 1 – December 31) | \$366,911 |
| 2020 | \$556,364 |
| 2021 | \$279,892 |
| 2022 | -- |



Financial Impact

Increase to \$15 minimum
Only Job Classes with Steps Below \$15/hour

| Calendar Year | Estimated Net Cost (Accounting for State Minimum Wage Increase) |
|--------------------------------|---|
| 2019 (July 1 – December 31) | \$83,432 |
| 2020 | \$122,481 |
| 2021 | \$61,290 |
| 2022 | -- |



Wage Compression

Change in internal alignment if increase applied to only those below \$15/hour (top step to top step)

| Classification Comparison | Current Differential | New Differential |
|--|----------------------|------------------|
| Recreation Leader IV vs. Recreation Leader III | 30% | 10% |
| Library Assistant I vs. Library Clerk | 20% | 41% |
| Preschool Teacher I vs. Recreation Leader III | 43% | 22% |



Council Direction

- Option 1 Maintain status quo (comply with State Minimum Wage)

- Option 2 Pursue increase to classifications with steps below \$15 only
 - Could explore smaller increase or smaller increments

- Option 3 Pursue increase with equity adjustments
 - Could explore alternatives for limited equity adjustments at a lower net cost.
 - Changes subject to bargaining



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