



## Legislation Details (With Text)

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Study Session: Review and Analysis of Minimum Wage Increase for City of South San Francisco Employees (Leah Lockhart, Human Resources Director)

### **RECOMMENDATION**

**It is recommended that Council review information pertaining to a possible internal minimum wage increase for City employees and provide direction to staff.**

### **BACKGROUND/DISCUSSION**

As of January 1, 2019, the State of California's minimum wage for employers with 26 or more employees is set at \$12 per hour. Pursuant to SB 3, which was enacted in 2016, the State minimum wage is scheduled to increase by one dollar each year, reaching \$15 per hour by January 1, 2022 (January 1, 2023 for employers with 25 or fewer employees). Thereafter, the minimum wage will be adjusted annually based on the National Consumer Price Index (CPI-W). The minimum wage schedule for the State of California is attached in *Table 1*. In addition to California state law, several California cities have passed minimum wage ordinances that set forth a more aggressive schedule to raise the minimum wage to \$15 per hour. In San Mateo County, the Cities of Belmont, Daly City, Redwood City, and San Mateo have minimum wage ordinances, and an additional 15 cities in the San Francisco Bay Area have minimum wage ordinances. *Tables 2 and 3* include the current and scheduled minimum wage adjustments for Cities within the Bay Area.

The City of South San Francisco does not have a minimum wage ordinance, therefore minimum wage is set in accordance with State law. However, given the increase in wages in the surrounding area, Council has expressed an interest in increasing wages for City employees who are currently earning less than \$15 per hour. This study session will focus on the options and potential impacts of increasing the starting wage for City of South San Francisco employees to \$15 per hour.

### **Current City Wage Schedule**

The City's current wage schedule includes six job classifications with a starting step below \$15 per hour, including two positions with a maximum step that is below \$15 per hour. These include both unrepresented hourly positions and regular full-time or part-time positions represented by AFSCME Local 57. The full wage schedule for these classifications is

included in the attached *table 4*. These classifications include:

*Recreation Instructors (\$12.00 - \$38.00 per hour)*

Recreation Instructors teach a variety of City recreation classes and programs. The wage scale is a wide range due to the varied nature of the class and skill levels required of instructions. Recreation Instructors typically work less than 10 hours per week and only for specific classes or programs.

*Recreation Leader I-III (\$12.00 - \$17.71 per hour)*

Recreation Leaders work in a variety of recreation, education, and community service programs including before and after school programs, preschool, summer camps, and adult day care, sports and aquatics. Under supervision, Recreation Leaders are responsible for planning or assisting with a variety of appropriate program activities, as well as supervising and providing guidance to participants. The three levels are distinguished by level of experience or education required for the specific program and level of responsibility. Level I Recreation Leaders are frequently hired as high school students with limited work experience. A high school diploma is required at the level II and III level. Recreation Leaders III assigned to licensed childcare and pre-school programs are also required to have specific experience and education requirements (12 college semester units in specified areas of study).

*Library Page (\$12.00 - \$14.59 per hour)*

Regular duties of a Library Page include: shelving library materials; check-in of library materials using automated circulation system; maintaining shelf order; retrieving patron reserves and requests from the book or AV shelves; performing minor repairs to damaged materials; assisting with the preparation of displays and exhibits; performing setup and takedown of library program rooms and spaces; assisting with afterschool homework programs and summer reading registration. No prior work experience is required.

*Library Clerk (\$14.62 - \$17.77 per hour)*

In addition to duties performed by Library Pages, Library Clerks perform a variety of clerical and customer service duties in support of Library operations and programs. Regular duties of a Library Clerk include: typical service desk duties including patron library card registration and account management; assisting patrons with fines and fees payments and placing reserves; answering patron questions and requests; receiving and processing new library materials; supporting library programs by working in a team environment to plan or lead programs; serving as a lead homework assistant in the Community Learning Center. A high school diploma and one year of clerical or volunteer experience involving public contact is required.

## **Estimated Cost Impacts**

The estimated cost is based on the difference between the annual cost of the State's Minimum Wage increase each year, and the annual cost if the City were to raise its minimum wage to \$15 per hour as of July, 2019.

If the City were to raise the internal minimum wage to \$15.00 per hour, the increase would affect positions currently below the \$15 threshold. However, the impact on the relative wages of related positions within the same job series or chain of command should also be considered. These positions may also need to be adjusted in order to avoid wage compression among the various levels and supervisory relationships. For example, the classifications of Recreation Leader IV, Recreation and Community Services Coordinator, Child Care Assistant Supervisor and Recreation Supervisor, work within the same chain of command. Related positions such as Pre-School Teacher I/II, are considered to be within the same job series and potential equity issues should also be considered. These positions are also represented by the City's labor groups, therefore any salary adjustments considered are subject to negotiation.

The cost impacts were calculated by applying an increase to current full-time equivalent positions over three years, adjusted for the increases scheduled by State law in future years. *Table 5* illustrates the cost impact if all positions within the same job series or chain of command were adjusted by the same dollar amount in order to maintain the current pay differentials among levels and among related positions. *Table 6* shows the cost of adjusting only those classifications with wages below \$15 per hour. If Council directs staff to propose a wage adjustment resolution, Council may consider additional options that would provide a more limited extent of equity adjustments at a cost greater than option B, but less than option A.

### FISCAL IMPACT

All positions considered in this discussion are general fund positions. A limited number of positions or hours are subsidized by grant funding (Little Steps pre-school, adult day care, and ASES programs). No adjustments are recommended for the current fiscal year. Estimated costs for future years are illustrated in Tables 5-6 and are contingent upon Council direction and negotiations with labor groups where applicable.

### RELATIONSHIP TO STRATEGIC PLAN

Consideration of appropriate wages for City employees supports City Council's strategic goal of Workforce Development -- Attract, train, Support and Retain a High Performance City Staff Team.