



Office of the City Manager

ACTION CALENDAR

February 9, 2016

(Continued from January 12, 2016)

To: Honorable Mayor and Members of the City Council

From: *DWR* Dee Williams-Ridley, Interim City Manager

Submitted by: Kelly Wallace, Acting Director, Health, Housing & Community Services

Subject: Living Wage for All City of Berkeley Employees

RECOMMENDATION

Direct the City Manager to develop a more detailed plan for raising eight (8) unrepresented classifications to the Living Wage level, and to analyze its fiscal implications citywide. The plan would include adjustments to the current salary pay schedule for the impacted classification, and a corresponding budget adjustment for those City departments that have employees in the impacted classifications.

SUMMARY

This report is in response to Council's direction to staff at the September 29, 2015 Council Meeting to create a pathway for all unrepresented city employees, including full-time, part-time, seasonal, temporary and intermittent employees to earn a living wage within one year. This report contains preliminary analysis. If the Council directs the City Manager to proceed, Human Resources will develop comprehensive adjustments to all affected classifications. Affected departments, particularly Parks, Recreation and Waterfront, will prepare a revised budget and required program changes.

FISCAL IMPACTS OF RECOMMENDATION

Eight unrepresented employee classifications are paid less than the City's Living Wage standard. None of these classifications receive paid health care benefits so their wages should be compared to the Living Wage plus the medical benefit, which is a total of \$16.37 per hour. The list of classifications and their current salary range are attached in ***Attachment 1 – Salary Schedule***.

The minimum salary ranges for the classifications of Police Aide, Reserve Police Officer Level I and II, Legislative Assistant, and Cashier Attendant are less than the Living Wage; however, at the maximum salary ranges, these classifications pay above the Living Wage. The salary ranges for the three other classifications of Aquatics Specialist I, Clerical Aide, and Playground Leader Trainee are less than the Living Wage, regardless of which step of the range. All levels of the pay scale spectrum for these classifications would have to be adjusted if the pay rates for the levels below the Living

Wages were raised to meet the living wage standard, so that steps would continue to increase.

By raising the hourly rates for these classifications, the City would experience either an increase in staffing costs at current levels, or a reduction of staffing and service delivery, if the current department budgets are maintained at their current levels. As shown in ***Attachment 2: Staffing Levels of Classifications by Month for the time period of October 2014 through September 2015***, increasing the salary range of the Playground Leader Trainee classification will represent the most significant increase to labor costs in order to achieve the living wage standard.

The analysis in *Attachment 2* does not include the classification of Youth Enrollee Intern, located in the City's Youth Works Employment Program, which employs approximately 300-400 youth between the ages of 14 to 25 years old each year. The Youth Enrollee Interns are participants in the City's YouthWorks which helps Berkeley youth explore careers, and develop skills while earning an income. The City's Minimum Wage Ordinance currently has an exemption for governmental youth job training programs. Given the nature of the employment, staff recommends to exempt the Youth Enrollee Intern classification in the City's Youth Works program to the Living Wage Ordinance.

Pay rates for interns employed by the City outside of the Youth Works Program would not be affected because they are in an established classification of Intern and the salary range is higher than the current living wage rate.

The current minimum wage schedule has an existing scheduled increase of \$1.53 on October 1, 2016. The only classification that will be effected by the scheduled minimum wage increase to \$12.53 on October 1, 2016 are the, Reserve Police Officers Levels I and II, which currently starts at \$11.00 at the first step of the pay scale. Based on staffing levels from October 2014 to September 2015 there were no employees within the City of Berkeley within these two classifications at the first step of the pay scale earning \$11.00 an hour.

CURRENT SITUATION AND ITS EFFECT

The living wage for the City of Berkeley is \$14.04 an hour, with a minimum value of \$2.33 an hour for medical benefits, for a total of \$16.37 per hour. The living wage is adjusted annually based on the Consumer Price Index (CPI) effective June 30th of each year. The CPI for the last four years has ranged between 2 to 3%. The 20-year average CPI increase from 1997 to 2014 was 2.74%. This analysis does not include employees working at camps outside of Berkeley such as Echo Lake or Tuolumne Family Camp. Camp employees receive room and board in addition to their wages, and minimum pay for camp employees is covered by State of California requirements.

The City of Berkeley requires its vendors to pay a "Living Wage" under certain criteria. The Living Wage Ordinance (LWO) regulates the applicability and sets the wage

standard. A standard condition of all City contracts subject to the LWO is that the employer agrees to pay the living wage to employees that are working to deliver services funded by the City of Berkeley.

Based on last year's staffing levels, there are currently eight (8) unrepresented employee classifications that are paid less than the City's Living Wage standard. The majority of the employees working within these classifications are seasonal positions within the Parks, Recreation and Waterfront Department. The other employees within these eight unrepresented classifications are within the Police Department, City Council Legislative Offices, and departments that employ Clerical Aides.

Since most of the affected positions are temporary and seasonal, the number of employees employed in those classification varies significantly throughout the year, and from year-to-year. As an example, in the past twelve months, there was an average of 38 employees per month working in these positions who are paid below the living wage rate, ranging from a low of 22 in February to a high of 78 employees in July, especially during the summer months (June-August).

Raising these unrepresented classifications to the Living Wage standard may potentially impact the following:

- Those classification steps currently below Living Wage,
- The higher steps of those classifications, and
- The salary range of the higher classifications in the same series.

Additionally, the increase in the living wage will rise annually with the CPI adjustment. Increasing these classifications to the Living Wage standard would have the greatest impact to the Parks, Recreation and Waterfront Department and would impact services and program delivery unless additional funding was identified to pay for the wage increases.

This analysis excludes the Youth Enrollee Intern classification, used for YouthWorks Program employees. Staff recommends extending the youth employment training program exemption in the Minimum Wage ordinance to any changes adopted, as discussed in further detail above.

BACKGROUND

On September 29, 2015, Council directed staff to create a pathway for all unrepresented city employees, including full-time, part-time, seasonal, temporary and intermittent employees to earn a living wage within one year. HHCS convened a meeting with staff from Human Resources and Park, Recreation and Waterfront to discuss the referral and ask for input and analysis on the issue.

The Youth Enrollee Intern pay rate will rise to \$10 per hour in January 2016 with the increase in the California minimum wage. The upcoming increase to the State's

minimum wage will increase the cost of wages for YouthWorks by approximately \$88,326 annually.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

This report is in response to Council's direction to staff at the September 29, 2015 Council Meeting to create a pathway for all unrepresented city employees, including full-time, part-time, seasonal, temporary and intermittent employees to earn a living wage within one year.

ALTERNATIVE ACTIONS CONSIDERED

None.

CONTACT PERSON

Nathan Dahl, Community Development Project Coordinator, (510) 981-5405

Attachments:

1. Salary Schedule
2. Staffing Levels of Classifications by Month for October 2014 through September 2015

Attachment 1: Pay Schedule for Unrepresented Employees

REP UNIT	UNREP CLASSIFICATION TITLE	PAY METHOD	FLSA	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	EFF DATE	% Inc
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Classifications with steps below Living Wage (\$16.37)

X1	Aquatics Specialist I	H	N	13.10	13.77	14.51	15.29	16.09	16.09	12/25/11	1.00%
X1	Cashier Attendant	H	N	14.02	14.76	15.55	16.36	18.36	18.36	12/25/11	1.00%
X1	Clerical Aide	H	N	-	-	-	15.39	16.41	16.41	12/25/11	1.00%
Z6	Legislative Assistant		N	-	-	2439.00	-	5850.00	5850.00	12/25/11	1.00%
X1	Playground Leader Trainee	H	N	-	-	-	12.19	13.52	13.52	12/25/11	1.00%
X1	Police Aide	H	N	15.11	16.13	18.11	21.35	24.57	24.57	12/25/11	1.00%
X1	Reserve Police Officer, Level I	H	N	11.00	-	-	-	29.06	29.06	10/01/14	10% (MWO)
X1	Reserve Police Officer, Level II	H	N	11.00	-	-	-	22.12	22.12	10/01/14	10% (MWO)
ID	Library Page	H	N	-	-	-	-	13.52	13.52	03/26/12	New
R2	Sports Field Monitor	H	N	11.12	11.71	12.33	12.97	13.66	13.66	12/25/11	2.00%
Y1	Youth Enrollee Intern		N	9.00	9.50	10.00	10.50	11.00	11.00	07/01/14	
Y1	Youth Enrollee Intern		N	11.50	12.00	-	-	-	-	07/01/14	

Classifications which would need to be raised in response to raising the wage for Aquatics Specialist I

X1	Aquatics Specialist II	H	N	16.96	17.82	18.76	19.76	21.43	21.43	12/25/11	1.00%
Z2	Aquatics Specialist II	M	N	-	-	-	3670.00	3979.00	3979.00	12/25/11	1.00%
X1	Senior Aquatics Specialist	H	N	-	-	-	22.97	24.42	24.42	12/25/11	1.00%
Z2	Senior Aquatics Specialist	M	N	-	-	-	4256.00	4536.00	4536.00	12/25/11	1.00%

Notes: Steps below Living Wage are shaded. Not all classifications have 5 pay steps, as shown by (-) above.

Attachment 2: Staffing Levels of Classifications by Month for October 2014 through October 2015

	Aquatics Specialist I		Cashier Attendant		Legislative Assistant		Playground Leader Trainee		Police Aide	
	# of Ees	Additional Cost	# of Ees	Additional Cost	# of Ees	Additional Cost	# of Ees	Additional Cost	# of Ees	Additional Cost
Oct.14	5	\$ 204	1	\$ 23	1	\$ 156	20	\$ 3,567	0	\$ -
Nov.14	4	\$ 170	1	\$ 23	1	\$ 145	16	\$ 2,224	0	\$ -
Dec.14	6	\$ 179	1	\$ 15	1	\$ 188	19	\$ 3,120	0	\$ -
Jan.15	4	\$ 153	1	\$ 32	-	\$ -	22	\$ 4,111	0	\$ -
Feb.15	4	\$ 130	1	\$ 5	-	\$ -	18	\$ 4,457	0	\$ -
Mar.15	3	\$ 71	-	\$ -	-	\$ -	19	\$ 4,582	0	\$ -
Apr.15	3	\$ 30	1	\$ 20	-	\$ -	20	\$ 4,903	0	\$ -
May.15	3	\$ 194	-	\$ -	-	\$ -	20	\$ 4,456	1	\$ 18
June.15	14	\$ 2,807	3	\$ 346	-	\$ -	55	\$ 19,011	1	\$ 103
July.15	18	\$ 4,849	4	\$ 595	-	\$ -	55	\$ 27,433	1	\$ 105
Aug.15	15	\$ 2,783	4	\$ 509	-	\$ -	55	\$ 11,550	1	\$ 89
Sept.15	9	\$ 664	6	\$ 50	-	\$ -	23	\$ 3,698	1	\$ 98
Total # of Ees and Additional Cost/per Classification (for 1-yr)	88	\$ 12,234	23	\$ 1,618	3	\$ 489	342	\$ 93,112	5	\$ 413

Note: Excludes the following classifications: Library Page, Sports Field Monitor, and Youth Enrollee Intern. 'Additional cost' reflects the cost to increase pay for these positions, but not the cost to raise other steps and classifications in response, or a CPI increase.