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Office of the City Manager

CONSENT CALENDAR
September 10, 2019

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: LaTanya Bellow, Director of Human Resources

Subject: Berkeley Minimum Wage Increases: Salary Adjustments in accordance with Berkeley Minimum Wage Ordinance – July 1, 2019 through June 30, 2021

RECOMMENDATION

Adopt a Resolution approving salary increases for certain Unrepresented Classification salaries in Unit X1, for the period July 1, 2019 through June 30, 2020 pursuant to Berkeley Minimum Wage Ordinance, adopt future CPI-W increases through June 30, 2021 pursuant to Berkeley Minimum Wage Ordinance B.M.C. 13.99, and amending Resolution No.68,534-N.S. (Salary).

FISCAL IMPACTS OF RECOMMENDATION

Parks, Recreations and Waterfront projects the Berkeley Minimum Wage increases will result in an approximate $22,500 increase in labor expenditures to the Camps Fund in Fiscal Year 2020, and an additional $21,400 increase in Fiscal Year 2021. These costs were projected as part of the Fiscal Year 20-21 biennial budget cycle, and will be paid out of the Camps Fund hourly labor budget line.

Police Department projects the Berkeley Minimum Wage increases will result in an approximate $3,000 increase in labor expenditures to Police Funds in Fiscal Year 2020, and an additional $3,100 increase in Fiscal Year 2021. These costs were projected as part of the Fiscal Year 20-21 biennial budget cycle, and will be paid out of the Police Reserves General Fund hourly labor budget line.

Health, Housing and Community Services projects the YouthWorks Berkeley Minimum Wage increase will result in an approximate $169,075 increase in labor expenditures to Youth Salary Fund in Fiscal Year 2020, and an additional $194,275 increase in Fiscal Year 2021. The Fiscal Year 2021 increase is tied to the Calendar Year 2020 Consumer Price Index pursuant to the Berkeley Minimum Wage Ordinance. Therefore, the Fiscal Year 2021 Wage projections were increased by $0.50 which is the minimum it will be increased. These costs were projected as part of the Fiscal Year 20-21 biennial budget

cycle, and will be paid out of the Temporary Summer Youth General Fund Salary hourly labor budget line.

CURRENT SITUATION AND ITS EFFECTS

The City of Berkeley (City) has set its own minimum wage rate that applies to employees of all companies who do business within Berkeley in accordance to City of Berkeley Minimum Wage Ordinance B.M.C. 13.99. The City of Berkeley Minimum Wage increased July 1, 2019 to $15.59 hourly. Because City of Berkeley Minimum Wage has a higher minimum wage rate than the one set by California or the Federal government, the higher local minimum wage rate takes precedence and must be paid to all employees covered by the local minimum wage regulation including City of Berkeley employees. Keep in mind that California and the Federal Fair Labor Standards Act both define various minimum wage exemptions and other labor laws that may apply to employees in Berkeley.

Berkeley Minimum Wage		
Effective October 1, 2018	Effective July 1 2019	Effective July 1, 2020
$15.00/hour	$15.59/hour	$15.59/hour + CPI

It is now necessary to adjust various City Job Classifications' starting salary to reflect the increases to the Berkeley Minimum Wage effective through 06/30/2021.

This increase impacts starting salaries of approximately 100 part-time unrepresented hourly staff working at the City's remote Parks, Recreation, and Waterfront (PRW) facilities. These staff are a vital part of the City's Parks, Recreation, and Waterfront programs which serve thousands of youth and adult participants each year.

The Police Retired Annuitants are not at the lowest step; therefore there is no impact. There are approximately 20 Reserve Officers that only receive the lowest rates for specific functions. In Fiscal Year 2019, a total of 556 hours were worked at the lowest rates for as needed support to special events.

On July 1, 2019 the Employer YouthWorks Minimum Wage increased $1.25 per hour from $13.25 per hour to $14.50 per hour, and on every July 1 thereafter, the YouthWorks Minimum Wage shall be increased by $1.25 per hour until it is equal to the Berkeley Minimum Wage paid by all other employers pursuant to the Berkeley Minimum Wage Ordinance. The increase impacts salaries of approximately 345 part-time unrepresented YouthWorkers per year in Health, Housing and Community Services.

The tables below show the impact of the increase in minimum wage on affected staff hourly rates.

Parks Recreation and Waterfront July 1, 2019 Minimum Wage Increase ($15.59 per Hour) Effective 07/01/2019						
Classification Title	**Grade**	**1**	**2**	**3**	**4**	**5**
Aquatics Spec I Hrly	785	$15.3000	$15.3550	$16.1905	$17.0500	$17.9449
New Rate	**785**	**$15.5900**	**$15.6460**	**$16.4974**	**$17.3732**	**$18.2850**
Playground Leader Trainee Hrly	405	$0.0000	$0.0000	$0.0000	$15.3000	$15.9732
New Rate	**405**	**$0.0000**	**$0.0000**	**$0.0000**	**$15.5900**	**$16.2760**

Police July 1, 2019 Minimum Wage Increase ($15.59 per Hour) Effective 07/01/2019						
Classification Title	**Grade**	**1**	**2**	**3**	**4**	**5**
Reserve Police Offcr I H	520	$15.3000	$0.0000	$0.0000	$0.0000	$31.9211
New Rate	**520**	**$15.5900**	**$0.0000**	**$0.0000**	**$0.0000**	**$31.9211**
Reserve Police Offcr II H	519	$15.3000	$0.0000	$0.0000	$0.0000	$24.2987
New Rate	**519**	**$15.5900**	**$0.0000**	**$0.0000**	**$0.0000**	**$24.2987**
Retired Annuitant Hourly	805	$15.3000	$137.2158			
New Rate	**805**	**$15.5900**	**$137.2158**			

YouthWorks Minimum Wage		
Effective October 1, 2018	Effective July 1 2019	Effective July 1, 2020
$13.25/hour	$14.50/hour	$14.50 + up to $1.25/hour NTE Berkeley Minimum Wage

BACKGROUND

On August 31, 2016, City Council Amended the Minimum Wage Ordinance (B.M.C. 13.99) to increase Berkeley's Minimum Wage. The amendment incorporated annual adjustments beginning July 1, 2019, and thereafter on the 1st of July each year, the Berkeley Minimum Wage shall increase by an amount corresponding to the prior calendar year's increase, if any, in the Consumer Price Index for urban wage earners and clerical workers (CPI-W) for the San Francisco-Oakland-San Jose, CA metropolitan statistical area.

It is now necessary to adjust Berkeley's Minimum Wage to reflect the July 1, 2019 increases to the current CPI-W. The required minimum wage increase will not exceed the

maximum range and will remain within the projected Fiscal Year 20-21 biennial budget cycle.

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

RATIONALE FOR RECOMMENDATION
This is a City-mandated salary increase, required by City of Berkeley Ordinance B.M.C. 13.99 Minimum Wage Ordinance.

ALTERNATIVE ACTIONS CONSIDERED
There are no alternative actions considered for Parks, Recreations and Waterfront or Police. Health, Housing and Community Services alternative action would be to reduce the amount of YouthWorkers hired. This is a Berkeley Municipal Code-mandated minimum salary increase.

CONTACT PERSON
LaTanya Bellow, Director of Human Resources, 981-6807

Attachments:
1: Resolution

RESOLUTION NO. ##,###-N.S.

AUTHORIZING SALARY INCREASES FOR CERTAIN UNREPRESENTED CLASSIFICATION SALARIES IN UNIT X1, EFFECTIVE JULY 1, 2019-JUNE 30, 2020 PURSUANT TO THE CITY OF BERKELEY MINIMUM WAGE ORDINANCE B.M.C. 13.99, ADOPT FUTURE CPI-W INCREASES THROUGH JUNE 30, 2021 PURSUANT TO BERKELEY MINIMUM WAGE ORDINANCE B.M.C. 13.99, AND AMENDING RESOLUTION NO. 68,534-N.S. (SALARY)

WHEREAS, the City of Berkeley employs approximately 100 part-time hourly employees in the Aquatics Specialists I Hourly, Playground Leader Trainee, Reserve Police Officer I Hourly, Reserve Police Officer II Hourly, Retired Annuitant, Hourly, and 250 part-time temporary and YouthWorks hourly classifications; and

WHEREAS, the City of Berkeley Minimum Wage Ordinance 13.99 increased the Berkeley Minimum Wage from $15.00/hr. to $15.59/hr. for employers with 100 or more employees effective July 1, 2019 and increased the Berkeley Minimum Wage for YouthWorks from $13.25/hr. to $14.50/hr; and

WHEREAS, these costs were projected as part of the FY20-21 biennial budget cycle, and funds are available for Aquatics Spec I Hrly and Playground Leader Trainer from Camps Fund hourly labor budget line 330-5996-450.11-03, and Reserve Police Officer I H, Reserve Police Offcr II H, and Retired Annuitant Hourly from Police Reserves hourly labor budget line 010-7203-420-13.03, and YouthWorks from Temporary Summer Youth Salary hourly labor budget line 010-7912-463.12-12.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to increase the salary of the Aquatics Specialists I Hourly, Playground Leader Trainee, Reserve Police Officer I Hourly, Reserve Police Officer II Hourly, and Retired Annuitant classifications, pursuant to City of Berkeley Minimum Wage Ordinance 13.99 as shown below, adopt future CPI-W increases through June 30, 2021 pursuant to Berkeley Minimum Wage Ordinance 13.99, and that Resolution 68,534-N.S. (Salary) be amended:

July 1, 2019 Minimum Wage Increase Effective 07/01/2019						
Employee Classification	**Grade**	**1**	**2**	**3**	**4**	**5**
Aquatics Spec I Hrly	785	$15.5900	$15.6460	$16.4974	$17.3732	$18.2850
Playground Leader Trainee	405	$0.0000	$0.0000	$0.0000	$15.5900	$16.2760
Reserve Police Offcr I H	520	$15.5900	$0.0000	$0.0000	$0.0000	$31.9211
Reserve Police Offcr II H	519	$15.5900	$0.0000	$0.0000	$0.0000	$24.2987
Retired Annuitant Hourly	805	$15.5900	$137.2158			
YouthWorks	67180	$14.5000	$0.0000	$0.0000	$0.0000	$0.0000