



City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Human Resources

Meeting Date: December 18, 2023

Report #:2311-2274

TITLE

Adoption of Updated Salary Schedules for Limited Hourly (HRLY) and Service Employee International Union Hourly (SEIU-H) Employee Groups in Accordance with the City of Palo Alto Minimum Wage Ordinance; Adoption of Revised Salary Schedules for Management and Professional, Fire Chiefs' Association (FCA), and Service Employees International Union (SEIU); CEQA Status - Not a project.

RECOMMENDATION

Staff recommends that the City Council:

1. Adopt revised Salary Schedules for Limited Hourly (HRLY) and Service Employees International Union Hourly Unit (SEIU-H), in accordance with the City of Palo Alto Minimum Wage Ordinance. (Attachment A and B); and
2. Adopt revised Salary Schedules in alignment with FY 2024 Adopted Budget changes and technical corrections for Management and Professionals, Fire Chiefs' Association (FCA) and Service Employees International Union (SEIU) (Attachment C, D and E)

BACKGROUND

In accordance with the City of Palo Alto's Minimum Wage Ordinance, this report includes revised salary schedules for the Limited Hourly (HRLY) and Service Employees International Union Hourly Unit (SEIU-H). (Attachment A and B)

This report also includes revisions to salary schedules for the Service Employees International Union (SEIU), Management and Professionals, and Fire Chiefs' Association (FCA), that adjust employee salaries for technical corrections and updates for new classifications that were approved by the City Council in the Fiscal Year 2023 Operating Budget and the Fiscal Year 2024 Operating Budget (detailed in the analysis below). Additionally, the SEIU salary schedule is updated to include the market study increases which were outstanding from the Council

Adoption on January 28, 2023 of the SEIU Contract.¹ At the time of the adoption of the SEIU MOA negotiations, market adjustments for the classifications of Park Ranger and Public Safety Dispatchers remained unresolved. The adjustments bring these classifications in line with City Council authority for market-based salary adjustments for SEIU classifications.

ANALYSIS

Minimum Wage:

Service Employees International Union Hourly Unit (SEIU – H) and Limited Hourly Employees Salary Schedules are updated for minimum wage requirements set forth in Palo Alto’s Minimum Wage Ordinance. This applies to all employees who work two (2) hours per week within Palo Alto. Each year after 2019, the City adjusts the minimum wage based on the U.S. Department of Labor’s Regional Consumer Price Index. Effective January 1, 2024, the minimum wage rate for the City of Palo Alto is \$17.80 per hour.

The City’s Minimum Wage webpage has helpful information for local businesses:

<https://www.cityofpaloalto.org/minimumwage>

The January 1, 2024 minimum wage requires adjustment to the starting/minimum salary of some of the City’s temporary hourly positions, as shown in the attached salary schedules (Attachment A and B). This action is required to maintain compliance, as an employer, with the City’s Minimum Wage Ordinance.

Salary Schedule Revisions:

This report includes a recommendation to adopt revised salary schedules for Management and Professionals, Fire Chiefs Association (FCA), and Service Employees International Union (SEIU). The revised salary schedules are in Attachment C, D and E and include technical corrections and adjustments to recognize new classifications and to maintain Publicly Available Pay Schedule (PAPS) in alignment with adjusted adopted in the FY 2024 Budget:

1. Management and Professionals Salary Schedule (Attachment C): This revision incorporates two new classifications adopted by City Council in the FY 2024 Adopted Operating Budget: Assistant Director Sustainability and Climate Action (Public Works) and Assistant Fire Marshal (Fire Department; Revised title from FY 2024 operating budget: Fire Prevention Captain).
2. Fire Chiefs’ Association (FCA) Salary Schedule (Attachment D): This revision corrects a typographical error in the timing of the 2% salary increase in the salary schedule and aligns with the terms in the Memorandum of Agreement adopted by Council April 17,

¹ City Council February 6, 2023, Item #5: <https://portal.laserfiche.com/Portal/DocView.aspx?id=66520&repo=r-704298fc&searchid=55557580-379c-4859-834b-c933261fe291>

2023.² The Salary Schedule effective date is updated to accurately reflect the 2% wage increase to occur on January 13, 2024 (the first full pay period following).

3. SEIU Salary Schedule (Attachment E):

- The revision incorporates the new classifications adopted by City Council through the budget process and reflects the completion of appropriate discussion with the union: Senior Building Inspector, Senior Plans Check Engineer Associate Sustainability Programs Administrator, Utility Systems Technicians, and Senior Utility System Technician.
- The revision incorporates the remaining market adjustments from the SEIU contract negotiations as outlined in the 23-25 SEIU contract, Section 7 ³and appropriately outlines them in the salary schedule: Park Ranger (1%) and Public Safety Dispatchers (5%), as outlined in the background section of this memo.

FISCAL/RESOURCE IMPACT

The minimum wage adjustments for Limited HRLY and SEIU-H are minimal and will be absorbed in the operating departments' budgets in the current fiscal year. Staff will include these increases in the development of the FY 2025 Proposed Budget.

All salary schedule revisions for Management and Professional and FCA were included in the FY 2024 Adopted Budget. The revisions to the SEIU salary schedule were all included in the FY 2024 Adopted Budget and the final negotiated changes for the Park Ranger and Dispatcher positions will be absorbed by the operating department budgets in the current fiscal year. These changes result in minimal additional costs and will be included in the development of the FY 2025 Proposed Budget.

STAKEHOLDER ENGAGEMENT

City staff will post the Memorandum of Agreements and salary schedules on the City's website after Council adoption for public access. In addition, Human Resources will communicate the changes to the terms of these agreements to support employee retention and highlight in job postings to attract new talent and fill vacancies.

POLICY IMPLICATION

These salary schedule revisions were previously approved with Council direction and adoption of the Management and Professional Compensation Plan and Union MOAs. These

² City Council February 27, 2023, Item #3: <https://portal.laserfiche.com/Portal/DocView.aspx?id=66476&repo=r-704298fc&searchid=25772aaf-ea42-4b78-a07c-0646253876fb>

³ City Council February 6, 2023, Item #5: <https://portal.laserfiche.com/Portal/DocView.aspx?id=66520&repo=r-704298fc&searchid=55557580-379c-4859-834b-c933261fe291>

administrative changes are required to be revised to maintain Publicly Available Pay Schedules in accordance with Government Code 570.5.

ATTACHMENTS

- Attachment A: Limited Hourly Salary Schedule
- Attachment B: SEIU Hourly Salary Schedule
- Attachment C: Management and Professional Salary Schedule
- Attachment D: Fire Chiefs Association Salary Schedule
- Attachment E: SEIU Salary Schedule

APPROVED BY:

Sandra Blanch, Human Resources Director