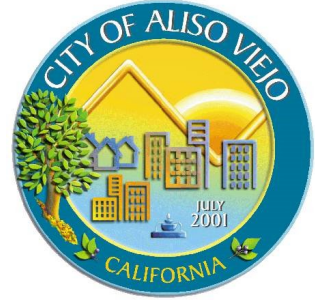


# City of Aliso Viejo

## **AGENDA ITEM**



DATE: January 20, 2021  
TO: Mayor and City Council  
FROM: Sea Shelton, Human Resources Manager  
SUBJECT: SALARY SCHEDULE AND BENEFIT UPDATE

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### **Recommended Action:**

Adopt a Resolution approving a Salary Schedule and benefits for City of Aliso Viejo employees.

### **Fiscal Impact:**

The estimated budget impact to adjust Senior Recreation Leader and Recreation Leader hourly rates to meet the State's minimum wage requirements is \$4,433 for the remainder of FY 2020-21. This assumes that hiring for a Spring 2020 Ranch opening proceeds and no further delays are caused by the COVID-19 pandemic. There is no fiscal impact to adjust the Director of Government Services salary range for FY 2020-21. The fiscal impact to adjust the salary range for the Director of Recreation and Community Services is \$3,940 for the remainder of FY 2020-21. The fiscal impact to provide cell phone allowances for two positions for the five months remaining in the current fiscal year is \$750.

### **Background:**

#### **State Minimum Wage**

California Senate Bill 3 (Leno) was signed into law on April 4, 2016, setting the stage to raise the state minimum wage by set amounts each year to reach \$15.00 per hour by January 1, 2022, for employers with 26 or more employees, and by January 1, 2023, for employers with 25 or fewer employees. After the \$15.00 per hour threshold is reached, on or before August 1 of that year (and each year thereafter), increases to the State minimum wage will increase annually based on the Consumer Price Index (CPI) up to 3.5% per year. The range minimum of the City's salary ranges should be at a least the State's set minimum wage.

### Department Director Salaries

In 2018, the City Council approved an updated Classification and Compensation plan at the conclusion of a study conducted by an independent consultant. Before the plan's completion, Department Director salary ranges were set equally except for the Director of Community Services whose salary was set at a lower range. This continued to be the case after completion of the classification and compensation study. At the time of the study, the City had very limited Recreation programs. Due to the lack of programming in the Department at the time, a lower salary range was reasonable. Since the study was completed, the Community Services Department has expanded significantly with the addition of multiple recreation and community service programs. To illustrate the change in the department's overall contribution and depth, the department was renamed to the Recreation and Community Services Department in 2019. The Department's role within the City will continue to expand with the opening of The Ranch. The Recreation and Community Services Director will oversee several additional programs out of the City's new Ranch facility including recreation classes, day camp programs, and facility rentals.

At the May 20, 2020 meeting, the City Council approved retitling the City Clerk position to Director of Government Services to reflect additional duties and responsibilities that have been added to the position. The current incumbent performs many tasks beyond the typical functions a City Clerk position. Additional duties include overseeing the PIO functions, website management, and various special projects assigned by the City Manager. The position also serves as Acting City Manager in the City Manager's absence. At the time of the retitling, a salary range adjustment had not been proposed. This created a second Department Director position with a salary range below that of the majority of Department Directors.

### Cell Phone Allowances

Certain pay and benefits must be brought forward to the City Council for approval including cell phone allowances. The City recognizes that, due to the nature of some positions, it may be more cost-effective and give more flexibility to provide some employees a cellular phone allowance in lieu of providing the employee with a City-owned cellular phone.

### **Discussion:**

#### Minimum Wage

Effective January 1, 2020, the State's minimum wage increased to \$14.00 per hour for employers with 26 or more employees. The only City position that has a starting rate below the State minimum wage is the Recreation Leader position. Although all incumbent Recreation Leaders are being paid according to the State's minimum wage requirements, the salary range for the position needs to be updated so the minimum hourly rate meets the minimum wage rate. In addition, in order to prevent compaction between the

Recreation Leader and Senior Recreation Leader positions, an adjustment for the Senior Recreation Leader hourly range is also being proposed.

The Senior Recreation Leader job classification performs all the function of a Recreation Leader in addition to providing on-site supervision of Recreation Leaders and volunteers. Also, a Senior Recreation leader must have at least two-years work experience in recreation, childcare, and facilities set-up and operations. Previous experience in these areas is not a requirement for the Recreation Leader job classification. The proposed wage gap between the Recreation Leader and Senior Recreation is fifteen (15) percent. In addition to adjusting the salary ranges for the 2021 minimum wage increase, it is being proposed that the City Council approve adjustments to both positions effective January 1, 2022, when the State's next minimum wage will increase to \$15.00 per hour. The same wage gap of fifteen (15) percent will apply between the positions in 2022.

<b>Current Salary Ranges</b>	<b>Hourly Minimum</b>	<b>Hourly Point</b>	<b>Hourly Maximum</b>
Recreation Leader	\$ 12.47	\$ 13.85	\$ 16.62
Senior Recreation Leader	\$ 15.12	\$ 17.32	\$ 20.78
<b>Proposed</b>			
<b>Effective January 20, 2020</b>			
Recreation Leader	\$ 14.00	\$ 15.55	\$ 18.67
Senior Recreation Leader	\$ 16.10	\$ 17.88	\$ 21.47
<b>Proposed</b>			
<b>Effective January 1, 2022</b>			
Recreation Leader	\$ 15.00	\$ 16.66	\$ 20.00
Senior Recreation Leader	\$ 17.25	\$ 19.16	\$ 23.00

#### Department Director Salary Adjustments

In order to provide pay equity among all the City's Department Director positions, it is being recommended that the salary ranges for the Director of Government Services and the Director of Recreation and Community Services be adjusted to be equal to the other Department Directors. The level of responsibility and oversight among all the City's department directors are equal and as such pay should also be comparable. Pay equity is important in any organization as it can increase efficiency, creativity and productivity in addition to help reduce turnover and increase commitment to the organization.

The incumbent Director of Government Services current annual salary is within the proposed salary range and no pay adjustment is needed at this time. The incumbent Director of Recreation and Community Services current annual salary is slightly below the proposed annual minimum and a salary adjustment would be necessary. The estimated cost to bring the Director of Recreation and Community Services to the proposed annual minimum for the remainder of Fiscal Year 2020-2021 is \$3,940.

<b>Current Salary Range</b>	<b>Annual Minimum</b>	<b>Control Point</b>	<b>Annual Maximum</b>
Director of Government Services	\$ 108,104	\$ 123,869	\$ 148,642
Director of Recreation & Community Services	\$125,524	\$143,833	\$172,600

<b>Proposed Salary Range</b>			
Director of Government Services	\$141,198	\$165,926	\$199,112
Director of Recreation & Community Services	\$141,198	\$165,926	\$199,112

#### Cell Phone Allowances

The City provides a cell phone allowance in the amount of \$75.00 per month for certain positions where there is a business need to be able to reach an employee on their personal cell phones outside of normal business hours. It is being proposed that a cell phone allowance be provided to the Management Analyst and Executive Assistant. The Management Analyst assists the Director of Government Services with the City's PIO functions including website/social media updates, press releases, and special projects for the City Manager's Office. These job functions may require the Management Analyst to be reachable after hours or on weekends. The Executive Assistant provides executive and confidential support to the City Manager and City Council. The position supports the City's management who often works after hours or on the City's dark Fridays and may be needed after hours or when the City is closed.

#### Attachment:

1. Resolution