



CITY COUNCIL AGENDA REPORT
MEETING DATE: 10/6/2020
DEPARTMENT: Management Services

SUBJECT:

AMENDMENT TO CLASSIFICATION PLAN AND COMPENSATION SCHEDULE FOR FISCAL YEAR 2020-2021.

RECOMMENDED ACTION(S):

- 1) ADOPT A RESOLUTION EFFECTIVE OCTOBER 6, 2020 ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE FOREST, CALIFORNIA, ADOPTING A REVISED CLASSIFICATION PLAN AND COMPENSATION SCHEDULE.
 - 2) ADOPT A RESOLUTION EFFECTIVE JANUARY 1, 2021 ENTITLED: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE FOREST, CALIFORNIA, ADOPTING A REVISED CLASSIFICATION PLAN AND COMPENSATION SCHEDULE.
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EXECUTIVE SUMMARY:

The Lake Forest Classification Plan and Compensation Schedule (“Classification Plan”) identifies salary ranges for City job classifications and lists the number of budgeted full-time positions. Revisions to the Classification Plan are designed to meet the current needs of the City, while providing flexibility to assess evolving work demands in the future. Staff routinely analyzes the Classification Plan when vacancies occur and with the adoption of the City’s annual budget. Staff is recommending an amendment to the Classification Plan, reclassifying the vacant Receptionist/Cashier position to an Accounting Technician to meet the needs of the Finance Department. Also, due to Senate Bill 3 (2016), there will be a state-mandated increase to minimum wage on January 1, 2021 by \$1 per hour. This will bring the new minimum wage to \$14.00 per hour. Therefore, staff recommends amending the Classification Plan so that all salary ranges below \$14.00 an hour are increased appropriately on January 1, 2021 to meet the state mandate. These two recommended actions will cost approximately \$21,569 for the remainder of Fiscal Year 2020-21 and the City has appropriate salary savings and operating funds budgeted to accommodate this expense.

BACKGROUND:

In April 2016, Governor Jerry Brown signed California Senate Bill 3 (“SB3”) into law, which amended Labor Code §1182.12 and gradually increases California’s minimum wage until it reaches \$15.00 in 2022. Despite economic conditions that would allow the increase to be suspended by Governor Newsom, the Governor has chosen to continue to implement SB3, which will result in a mandated minimum wage increase by \$1.00 to \$14.00 per hour effective January 1, 2021.

DISCUSSION:

Position Reclassification

With the recent vacancy of the Receptionist/Cashier position, staff analyzed whether the position still fulfills the operational needs of the Finance Department. Staff determined that the skillset needed with this position has changed. Prior to moving to the Civic Center, the full breadth of the position’s responsibilities was unknown. However, after being in the facility for nine months, the Department has determined that having an additional Accounting Technician would provide the needed coverage for its daily operational tasks, in addition to the receptionist and cashiering responsibilities.

Old Classification	Salary Grade	New Classification	Salary Grade	Position Affected	Fiscal Impact
Receptionist/Cashier	24	Accounting Technician	31	1	\$6,219

Should the City Council approve the updated Classification Plan, the Receptionist/Cashier will be reclassified to the Accounting Technician position. The position is currently vacant and will be recruited for over the next few months. If adopted, the reclassification will result in an estimated cost of \$6,219, for the remainder of the fiscal year. The City’s Classification Plan would remain at 77 total classifications and 65 authorized full-time positions.

Staff recommends that the City Council approve the attached Resolution, adopting a revised Classification Plan and Compensation Schedule effective October 6, 2020 (Attachment 1).

Minimum Wage Increase

The City’s Part-Time Salary Schedule is comprised of seventeen (17) pay grades. Each pay grade includes seven (7) steps – Steps A through G – which are set 5% apart. Part-time employees advance through the steps based on satisfactory job performance and length of service. Presently, the City’s

Classification and Part-Time Salary Schedule has ten (10) steps that are below \$14.00 per hour. These ten (10) steps need to be revised on the Part-Time Salary Schedule to meet the mandatory January 1, 2021, minimum wage rate requirements.

The City currently employees 91 part-time employees. Of these, 42 employees are currently paid under \$14.00 per hour. Staff recommends the City Council adopt the attached resolution, amending the Classification Plan on January 1, 2021, to ensure the City complies with the California Labor Code (Attachment 2). This will bring the hourly pay rate for the affected 42 employees to \$14.00 per hour. All other positions currently comply with minimum wage requirements. The proposed change to the Part-Time Salary Schedule will cost approximately \$15,350 for the remainder of Fiscal Year 2020-21.

Staff acknowledges that this change to the Part-Time Salary Schedule will result in salary compaction. Salary compaction occurs when there is only a small difference in pay between employees regardless of skills or experience. As part of the biennial Classification and Compensation Study, the City's Human Resources Consultant will analyze the part-time wage compaction and recommend potential options. A revised salary schedule will be presented to the City Council during the next budget cycle.

In conclusion, staff recommends the City Council approve the two attached Resolutions adopting revised Classification Plan and Compensation Schedules.

FISCAL IMPACT:

The amended Classification Plan and Compensation Schedule effective October 6, 2020, which implements the proposed reclassification, will result in an estimated cost of \$6,219 for the remainder of Fiscal Year 2020-21. Salary savings will be used to accommodate the cost increase.

The amended Classification Plan and Compensation Schedule effective January 1, 2021, which implements the state-mandated minimum wage increase to the Part-Time Salary Schedule, will result in an estimated cost of \$15,350 for the remainder of Fiscal Year 2020-21. Sufficient funds are allocated in the Fiscal Year 2020-21 Operating Budget to accommodate the required increase.

ATTACHMENTS:

1. Resolution Adopting a Revised Classification Plan and Compensation Schedule – Effective October 6, 2020

2. Resolution Adopting a Revised Classification Plan and Compensation Schedule – Effective January 1, 2021

Initiated By: Shelly Cisneros, Human Resources Manager

Submitted By: Brett Channing, Deputy City Manager

Approved By: Debra Rose, City Manager