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2014 JUL -2 PM 12: 16

AGENDA REPORT

TO: HENRY L. GARDNER
INTERIM CITY ADMINISTRATOR

FROM: Rachel Flynn

SUBJECT: Supplemental Report on the
Minimum Wage Economic Impact Study

DATE: June 30, 2014

City Administrator
Approval

Date

7/1/14

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff recommends that the City Council receive:

An Informational Report Presenting a Preliminary Economic Analysis of Proposals To Establish a City Minimum Wage

REASON FOR SUPPLEMENTAL REPORT

Since the release of an informational report on the economic analysis of increasing the minimum wage to \$12.25, staff has received further analysis on the cost impacts to the City. This report describes the potential wage impacts for positions in the Oakland Parks and Recreation Department.

ANALYSIS

The City has two part-time staff positions that currently pay less than \$12.25 an hour: Recreation Aide and Recreation Attendant I, both in the Oakland Parks and Recreation Department. To reflect a \$12.25 minimum wage, the salary structure for both these classifications would need to be revised as of March 2, 2015 at Step 1 and increased in pay level for the other steps, as shown in the table below.

However, there would be more classifications impacted by the increase than just the two current classifications (Aide, Attendant) that pay less than the proposed \$12.25 at Step 1. The positions immediately above these two classifications should also have their wages increased in order to

Item: _____
CED Committee
July 8, 2014

maintain relative pay differentials reflecting their increased responsibility and expertise. These are also described in the table, but new rates have yet to be determined.

Table 1: Known City Salary Structures Impacted by a \$12.25 Minimum Wage Increase

CLASSIFICATION	STEP	HOURLY RATE	PROPOSED RATE
Recreation Aide, PT	1	\$8.54	\$12.25
	2	\$8.96	\$12.86
	3	\$9.42	\$13.51
	4	\$9.90	\$14.18
	5	\$10.41	\$14.89
Recreation Attendant I, PT	1	\$11.02	\$15.78
	2	\$11.60	\$16.57
	3	\$12.21	\$17.40
	4	\$12.85	\$18.27
	5	\$13.53	\$19.18
Recreation Attendant II, PT	1	\$12.72	IMPACTED
	2	\$13.38	
	3	\$14.09	
	4	\$14.83	
	5	\$15.62	
Recreation Leader I, PT	1	\$12.26	IMPACTED
	2	\$12.91	
	3	\$13.59	
	4	\$14.31	
	5	\$15.07	
Recreation Leader II, PT	1	\$15.10	IMPACTED
	2	\$15.89	
	3	\$16.73	
	4	\$17.61	
	5	\$18.52	

If there is a grievance over the new wage differentials, more positions could be impacted, making the total city costs difficult to project. As an example, the potential estimated costs for the increase for the Recreation Aide from the old rate of \$8.63 (prior to July 2014) would range from roughly \$208,000 to \$250,000 annually. Funding for these added costs have not been identified and would need to be considered during the FY2014/2015 mid-cycle budget process.

For questions regarding this report, please contact Marisa Raya, City Administrator Analyst, at (510) 238-6230.

Respectfully submitted,



Rachel Flynn, Acting Director
Economic and Workforce Development

Reviewed by:
Kelley Kahn, Director
Special Projects in Economic and Workforce Development

Al Auletta, Program Manager
Workforce Investment Board

Prepared by:
Marisa Raya, City Administrator Analyst
Special Projects in Economic and Workforce Development

Item: _____
CED Committee
July 8, 2014