



## City Council Agenda Item

**City Council Meeting Date:** November 7, 2023

**TO:** Dean Albro, City Manager

**FROM:** Amabelle Apolinario, Principal Human Resources Analyst  
a\_apolinario@ci.lompoc.ca.us

**SUBJECT:** Adoption of Resolution No. 6612(23) to Implement the State Mandated Minimum Wage Increase Effective January 1, 2024 and Approve Appropriations for the Increase

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### **Recommendation:**

Staff recommends the City Council:

- 1) Adopt Resolution No. 6612(23) (attached), which will:
  - a. Amend the City's Compensation Plan to revise the salary rates for various part-time, at-will, temporary positions affected by the State-mandated minimum wage increase; and
  - b. Approve the appropriations to fund the salary rate adjustments for the remainder of Fiscal Year (FY) 2023-24.

### **Background:**

On January 3, 2017, the City Council adopted Resolution No. 6090(17), amending the City's Compensation Plan to incorporate the California State minimum wage increases from January 1, 2017, through January 1, 2022, in accordance with Labor Code section 1182.12.

The last increase to the California minimum wage was effective January 1, 2023, when it changed to \$15.50 per hour, which was adopted by Resolution No. 6552(22).

### **Discussion:**

On July 31, 2023, Governor Newsom certified the state minimum wage increase for all employers for 2024. Effective January 1, 2024, the minimum wage will increase to \$16.00 per hour.

To incorporate the changes mandated by the State through December 31, 2024, and incorporate the minimum wage rate adjustments into the City's Compensation Plan effective January 1, 2024, Personnel Rule IV provides that they must be adopted by City Council action.

**Fiscal Impact:**

While the impact to the City is due to a State mandate, the State of California has not appropriated funds to implement the mandate at the local level.

For FYs 2023-25, the City has budgeted, across all City programs, approximately \$2.1M in annual appropriations for part-time, temporary salary and benefits for the classifications affected by the minimum wage changes. The \$0.50 adjustment to the minimum wage, from \$15.50 per hour to \$16.00 per hour is an effective 3.2% change. The resulting increase in costs, across all funds of the City, is approximately \$56,265 for the remainder of FYs 2023-25, of which \$55,142 is attributed to the General Fund. Within the General Fund, approximately \$35,603 is related to recreation activities, supported by program fees, about \$3,780 is related to Library services and the remaining \$15,758 is related to other general fund programs.

To accommodate the existing budget, the proposed resolution includes supplemental appropriations to account for the current level of services adjusted for the changes mandated by the State of California.

**Conclusion:**

The adoption of Resolution No. 6612(23) will approve the minimum wage salary adjustments and revised salary ranges, and include them in the City's Compensation Plan.

Respectfully submitted,

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Amabelle Apolinario, Principal Human Resources Analyst

**APPROVED FOR SUBMITTAL TO THE CITY MANAGER:**

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Gabriel Garcia, Human Resources Director

**APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:**

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Dean Albro, City Manager

Attachment: Resolution No. 6612(23)