



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 24-405

Board Meeting Date: 6/11/2024

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Michael Callagy, County Executive
Subject: Recommended Revision to the Master Salary Resolution to Align with Liveable Wage Rate

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the Master Salary Resolution 079812 to adjust the salary of two classifications to provide a livable wage rate for regular and limited term County employees.

BACKGROUND:

A livable wage analysis team comprising of staff from the County Executive's Office and the Human Resources Department was formed and tasked to determine livable wage estimates that an individual in a household must earn to support themselves and/or their family's minimum basic needs. The analysis was modeled after the MIT Living Wage Calculator, however since the MIT rate takes into account certain benefits which the County contributes to, the team conducted further analysis of what a livable wage rate would be for employees of the County taking into consideration the benefits provided and paid for by the County for its employees. The team focused on calculating a livable wage for two working adults with one child and one of those adults being employed with the County. To calculate a livable wage rate for County employees, the team researched the cost of food, childcare, medical benefits including health, dental, vision, medical services, drugs and medical supplies, housing, transportation, civic, internet and mobile services, and annual taxes.

DISCUSSION:

Using the criteria outlined above, the target hourly livable wage for regular and limited term County employees was calculated to be \$29.76 per hour (rounded off to \$30 per hour). The team analysis identified two classifications used for regular employees that are currently below this threshold: E334, Office Assistant I; and F077, Medical Services Assistant I. The County recommends adjusting the salary of these classifications to a flat rate of \$30 per hour to ensure that regular and limited term employees in these classifications are earning a livable wage. As these classifications receive future

negotiated increases, over time, the County will build back a five-step salary scale. This adjustment would impact eight (8) filled positions.

The team also identified 71 regular and/or limited term employees whose current hourly rate is below the \$30 threshold and recommends getting the employees up to this rate via salary step adjustment and/or flex promotion to a higher level in the classification series if a higher level exists. Such individual adjustments to employee compensation within already existing classifications and salary steps do not require Board action or amendment to the Master Salary Resolution but are mentioned here as additional information to the Board.

Additionally, the County will need to closely monitor any new employees hired as regular or limited term to ensure that these employees are being hired at a step at or above the \$30 per hour minimum goal set by the County Executive. These changes will not impact extra-help classifications, so there will still be some extra-help classifications and positions that are below \$30 per hour.

FINANCIAL IMPACT ON COUNTY'S RETIREMENT SYSTEM:

Government Code Section 31515.5 requires the County to provide the estimated financial impact that proposed benefit changes or salary increases for current employees would have on the funding status of SamCERA's retirement fund, the County's retirement system.

As reflected in the attached letter from SamCERA's actuary, Milliman, the changes reflected in this amendment that are in addition to the assumed annual salary increases of affected current employees, increases the Actuarial Accrued Liability (AAL) by approximately \$28,000. While the Unfunded Actuarial Accrued Liability (UAAL) of SamCERA will be higher by this amount, the funded ratio, rounded to the nearest one basis point, will be unchanged.

FISCAL IMPACT:

The estimated monthly and salary benefits cost to adjust the Office Assistant I and Medical Services Assistant I classifications to a flat rate of \$30 per hour is \$1,319 or an annual cost of \$15,830. This calculation is based on the FY 2024-2025 snapshot which included benefits directly affected by salary changes, such as retirement and OASDI. The estimated monthly and salary benefits cost for the step adjustments and/or flex promotions discussed above for the Board's information is \$27,235 or an annual cost of \$326,827.