

- **TO:** Mayor and Councilmembers
- FROM: Kristy Schmidt, Deputy City Manager
- CONTACT: Todd Mitchell, Human Resources/Risk Manager
- **SUBJECT:** Update to Intern Program & Hourly/Intern Wage Schedule

RECOMMENDATION:

- A. Adopt Resolution No. 19- _ entitled, "A Resolution of the City Council of the City Council of the City of Goleta, California, Establishing a Wage Schedule for Hourly and Intern Assignments for Fiscal Years 2019/20 through 2021/22"; and
- B. Provide direction to staff in establishing a budget for an "Intern to City Council" program and authorize an additional appropriation from the General Fund Unassigned Fund Balance to the City Council Fiscal Year 2019/20 program budget; and
- C. Authorize the City Manager to pursue implementation of a Social Security Alternative plan for City employees who are not eligible for membership in the California Public Employees Retirement System.

BACKGROUND:

The City has a long-standing paid internship program that provides opportunities to students to gain valuable experience working in a local government setting. Recently, Councilmembers have expressed interest in establishing a new "Intern to City Council" assignment.

The addition of the Intern to City Council program provided an opportunity for staff to review and update the existing Internship Program document. The prior Internship Program document included information that quickly became out-of-date, including specific assignments and wage rates. In the updated document, staff removed such information to ensure that the document will remain current from year to year. Information about specific intern assignments and wages will be moved to separate documents. Establishing a separate wage schedule to be adopted by Council and posted on the City's Human Resources page on the City's web site will also increase transparency for this employment type.

In looking at amendments to the Internship Program, staff identified that some employees who are currently classified as interns are more appropriately designated as hourly employees. This includes Library Pages hired when the City assumed management of the Goleta, Buellton, and Solvang libraries from the City of Santa Barbara. It also includes a few other short-hour part-time non-classified employees who work only 10-19 hours per week, but who are not currently enrolled as students. Staff wishes to re-title these assignments as something other than interns for transparency.

Finally, part-time employees, interns, and temporary employees who are hired to work fewer than 1,000 hours per year are generally excluded from membership in the California Public Employees Retirement System (CalPERS). Instead, these employees participate in Social Security. The City may provide a Social Security Alternative plan which carries significant advantages to employees as compared to participation in Social Security, and also presents a potential cost savings to the City. Hourly Library employees have been requesting such a plan, which they had at the City of Santa Barbara, and staff wish to explore this option.

DISCUSSION:

This report covers three distinct but related discussions: establishing an Intern to City Council program; creating a wage schedule to better reflect hourly and intern employment and wages rates; and exploring a Social Security Alternative program for employees who aren't eligible for CalPERS membership.

Internship Program

The Internship Program document (Attachment 1) has been updated to remove information that will naturally get out-of-date, including descriptions of specific internship assignments and wage rates. Moving this information to more appropriate auxiliary documents (assignment descriptions and wage schedules) will increase the flexibility and transparency of the program. The Personnel Officer can create new intern assignments, and Council can approve updated wage rates, without needing to amend the program document.

As non-classified employees, interns do not have formal class specifications. However, staff plan to post assignment descriptions on the Human Resources pages of the City's website. A sample assignment description for the new "Intern to City Council" is attached for Council's information (Attachment 2). These interns will report to the City Manager's Office and work to support one or more councilmembers. Staff are currently recruiting to fill fall intern assignments.

A budget for the new Council assignments needs to be identified and appropriated by Council. As a point of reference, a college-level intern at 5 hours per week would cost approximately \$3,650 per year including wages (\$13.50 per hour) and required Social Security (6.2%) and Medicare (1.45%) benefits.

Councilmembers currently have a discretionary allowance of \$6,000 each annually for conference & travel expenses. A model that has worked in other agencies is to include funding for interns in that discretionary allowance, allowing individual councilmembers to decide how best to allocate funds between interns, conferences, and travel to suit their needs. While Council could pay for interns from existing discretionary allowances, those allowances are generally substantially exhausted to cover typical annual conference and travel expenses for most Councilmembers. Therefore, staff recommends that Council consider an additional appropriation to the discretionary allowances for each Councilmember to provide a budget for interns. Staff recommends that Council consider allocation an additional \$18,166 for Council interns, resulting in an overall budget of \$9,633 for each Councilmembers to cover the costs of conferences, travel and interns if desired. Further analysis of this recommendation is provided below under Fiscal Impacts.

Wage Schedule

A wage schedule for non-regular employment, such as interns and hourly Library and other department staff, is presented for adoption (Attachment 3, Resolution). The wage structure for interns and hourly employees is different from the schedule applicable to regular employment, which has defined steps and broad salary ranges, so a separate schedule is warranted. This document will be posted on the City's Human Resources web pages on the City's website to increase transparency of these employment types and wage rates. The Resolution includes upcoming annual California minimum wage rate increases through January 2022, when the minimum wage will reach \$15 per hour. The Resolution limits hourly employment to less than 1,000 hours per fiscal year and specifies that these employees are only due benefits as provided by state or federal law, or as Council may subsequently establish.

New hourly class titles for some positions that are currently classified as interns, "Library Page" and "Department Aide", will provide clearer documentation for this employment type, and the associated wage and benefit rates, by including them separately in the wage schedule.

Social Security Alternative Plan

California local government employers must provide either Social Security and Medicare coverage, or Medicare-only coverage, to employees. A local government may provide Medicare-only coverage to employees who are covered by a qualifying state pension program, such as California Public Employees Retirement System (CalPERS). A local government may also provide Medicare-Only coverage for any employees who are not covered by a plan like CalPERS by establishing a Social Security Alternative plan.

Currently, the City's employees who are hired to work fewer than 1,000 hours per fiscal year, such as the Library Pages and Interns, are exempt from membership in CalPERS. Instead, these employees pay 6.2% of their wages into Social Security, with the City also paying 6.2% on their wages, totaling 12.4%. Establishing a Social Security Alternative retirement plan would provide significant advantages to employees and possible savings to the City. Contributions would be made into a personal deferred compensation account

instead of to the Social Security system. Those account balances can later be rolled into the City's regular deferred compensation plan or used to purchase service credit in the CalPERS system should the employee later pursue a regular career in local government. If the employee does not pursue a career in local government, the contributions can be rolled into another qualified employer plan or into an Individual Retirement Account (IRA).

Library pages who were hired from the City of Santa Barbara previously had such a plan and have expressed interest in access to such a plan with the City of Goleta. If approved, staff will return to Council with a recommendation to establish a Social Security Alternative plan under Section 457(b) of the Internal Revenue Code, administered by the City's current Deferred Compensation Provider, ICMA-RC. The minimum contribution to such a plan is 7.5%. This can be paid in full by the employee, or the City may choose to fund the additional 1.3% over the employee's Social Security contribution, or some combination thereof. Staff will include a cost/savings estimate for various levels of employer contributions when we return to Council.

GOLETA STRATEGIC PLAN:

The recommended actions will provide a regular and transparent method for Council to approve and update wages applicable to hourly employees and interns and provide a framework to provide certain benefits to such employees, such as a Social Security Alternative retirement plan. This is consistent with the Strategic Plan goal to enhance the efficiency and transparency of City operations.

FISCAL IMPACTS:

Internship Program

The fiscal impacts will depend on how many intern hours Council wishes to allocate for each Councilmember. Staff has recommended five hours per week per intern, but Council may consider a different amount. To assist Council in providing selecting an amount to budget toward intern costs, sample estimates are provided below, assuming 50 working weeks per fiscal year and one intern per Councilmember:

Intern Hours	Cost per	Total Cost
Per Week	Councilmember	
2.5 hrs./week	\$1,817	\$ 9,083
5 hrs./week	\$3,633	\$18,166
10 hrs./week	\$7,266	\$36,332

While staff anticipate that up to two councilmembers could share one intern, staff would not recommend more than that to avoid potential Brown Act issues. Depending on Council action, staff recommends an appropriation from the General Fund Unassigned Fund Balance to support the potential intern costs in the City Council's program budget. Budget will be programmed in the discretionary allowance account that is used for conferences, meetings, and travel for flexibility on the use of funds. In Council utilizes interns, actual amounts will be reallocated to the salaries and benefits accounts for financial reporting

purposes. Current discretionary allowance is \$6,000. Council could choose to increase their discretionary allowance from one of the options in the table above, including the \$18,166 recommended by staff, or could appropriate a different amount to fund the Council intern program. Approximately \$3.4 million is available in General Fund Unassigned Fund Balance. Other fiscal impacts include staff time to implement the program and ongoing administrative support, which will be absorbed into staff's workload. Additional software licensing, equipment, and other related expenditures will need to be further analyzed for new intern positions and will be programmed in Support Services budget.

Departments pay for their interns from existing budget allocations, so no cost increases to other departments will result from this action.

Wage Schedule

The annual minimum wage increases and the slight increases to Intern II entry level wage rates over the next several years are substantially attributable to the California minimum wage rate increase and not to this action. Wage increases are absorbed in the department's allocated budget.

Social Security Alternative Plan

Establishing a Social Security Alternative plan could result in savings to the City, as the required 6.2% Social Security tax rate for employers for would go away and the administrative fees would be paid from account balances. Employees would not be subject to the 6.2% employee tax rate for Social Security, but would be subject to the minimum contribution of 7.5% to the plan. In an effort to minimize additional cost to employees, the City could contribute 1.3% of the 7.5%, resulting in an employee contribution of 6.2%, the same amount that they currently pay to Social Security. This is what the City of Santa Barbara does, and it would still result in savings of 4.3% to the City. Depending on Council action, staff will include a cost estimate for such an employer contribution when we return to Council.

ALTERNATIVES:

Council could provide alternate direction for wages and benefits to be provided to hourly employees and interns. Council could decline to consider a Social Security Alternative plan.

Reviewed By:

Legal Review By:

Approved By:

Kristine Schmidt Deputy City Manager

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Michael Jenkins

Michelle Greene City Manager

ATTACHMENTS:

- 1. City of Goleta Internship Program, Updated August 2019
- 2. Intern to City Council Assignment Description, Updated 2019
- A Resolution of The City Council Of The City Of Goleta, California, Establishing A Wage Schedule For Hourly Employees And Intern Assignments For Fiscal Year 2019/20 through 2021/22

Attachment 1

City of Goleta Internship Program, Updated August 2019



City of Goleta Internship Program Updated August 2019

Section 1. Purpose

The purpose of the City of Goleta's Internship Program ("Program") is to provide an opportunity for on-the-job experience and training to students who desire to pursue a career in public service.

The Program is also designed to assist City departments in meeting their workforce needs by attracting students and recently-graduated individuals to support department operations, projects and programs on a temporary, part-time basis.

Section 2. Administration

Intern Coordinator

The Program is administrated by the City of Goleta's ("City") Human Resources Division. The Personnel Officer, or his/her designee, shall serve as "Intern Coordinator." The duties of the Intern Coordinator shall include but are not limited to: (1) Helping to identify departmental needs for potential intern placement and developing written Assignment Descriptions; (2) Initiating the hiring process by posting bulletins on the "career opportunities" section of the City's website as well as soliciting applications from students at community and state colleges, universities, and law schools; (3) Conducting all necessary background checks for interns selected for assignment; (4) Serving as the liaison between departments and incoming interns; (5) Entering paid interns into the City's personnel and payroll systems.

Assignments will be issued by department directors, and interns will be held accountable by and will report to department directors or their designees. The department director or designee with notify the Intern Coordinator of any scheduling issues or absences.

Department Directors

The department director shall determine if and when an intern vacancy or need exists in their department. Department directors or their designees will serve as

mentors to interns and are responsible for assigning the workflow to the interns and utilizing the deliverables that the interns provide. Directors will conduct all performance evaluations and will have sole discretion as to whether an intern is invited back to complete an additional term.

Internship Areas of Specialization

Interns will have the opportunity to improve their skills by focusing on an identified area of specialization such as:

- 1. City Management/City Council
- 2. Support Services (Human Resources, Information Technology)
- 3. Finance
- 4. Public Works
- 5. Neighborhood Services and Public Safety, including Parks & Recreation
- 6. Planning and Environmental Services
- 7. Public Outreach and Information
- 8. City Attorney

By capitalizing on the knowledge and experience of departmental staff, interns can serve in departments that interest them or that can provide opportunities to supplement their classroom experiences with "real world" application.

Section 3. Intern Recruitment

Recruitment Process

The Intern Coordinator or his/her designee will establish relationships with "Career Services" personnel at community and state colleges, high schools, universities, and law schools. These relationships will allow the Intern Coordinator to rely on the recommendations and judgment of educational personnel that can knowledgeably evaluate the academic aptitude and professional experience of prospective interns.

The Intern Coordinator will solicit applications by announcement or in coordination with administrative personnel at colleges, universities, or law schools. After the application deadline passes, the Intern Coordinator will screen the applicants, and forward recommended finalists of the applicant pool to the department director(s) for final selection. The Intern Coordinator will act as liaison between the department directors and the applicants until a final selection is made. Accordingly, the Intern Coordinator will notify applicants of interview invitations and final selections.

Internship Duration and Hours

The length of each internship is determined primarily by the needs of the department director and the intern's school schedule; however, the internship will generally be designed to mirror the intern's academic calendar.

The Intern Coordinator reserves the right to dictate the intern's hours and length of service. Every effort will be made to accommodate the intern as to their unique school circumstances and variable schedule. Except in extraordinary circumstances approved in advance by the City Manager, interns will be limited to not more than 960 hours in any July through June fiscal year.

Minimum Qualifications for Interns

The Intern Coordinator will establish minimum qualification for each intern assignment. Assignments will generally require, as a minimum, full-time enrollment accredited high school, college or university at the time of application or in the immediately prior academic semester or quarter, and a minimum grade point average (GPA). Should the applicant not possess the requisite GPA, a recommendation letter from a faculty member that can attest to his/her initiative, professionalism, soft-skills, leadership, potential, etc., can be submitted instead.

<u>Appointment</u>

Since the vacancy exists in the individual department, and the department directors will benefit from an intern's work product directly, he/she will make the final selection(s) of candidates for each recruitment announcement.

Section 4. Internship Wages

The City Council will establish the wage or wage ranges for intern classifications upon the recommendation of the City Manager. The Intern Coordinator may assign an intern to wages within this wage range based on such demonstrated qualifications as education level, tenure, and performance. Interns will receive only those benefits required by state or federal law.

Section 5. General Duties and Obligations

The following general duties may be supplemented by a written Assignment Description developed by the Intern Coordinator.

Internship Overview

Under the direction and/or close supervision of a department director or his/her designee, the intern may conduct routine Citywide or departmental administrative studies and analysis of various City programs, policies, practices and operations, and/or apprentice-type field work, such as with the Public Works Department. If the intern successfully passes the review process, and receives favorable evaluation, he/she may be invited back to complete an additional term and be considered for more difficult projects and assignments at that time.

This program is designed to prepare interns for a career in public sector service. Interns will be assigned duties that best serve the needs of the City, while maintaining the quality of their learning experience. Intern duties may include but are not limited to: human resources; finance and budgetary analysis; public information; public policy analysis; environmental services, planning, and land use; and other programs that are administered by the assigned department.

Legal Internship Overview

Under the direction and/or close supervision of the City Attorney or his/her designee, the legal intern participates in the legal internship program by conducting routine legal research and analysis; additionally, performance of varied, complex, sensitive and confidential administrative support functions for the City Attorney's Office may be assigned at the City Attorney's discretion. This program is designed to prepare incumbents for a career in public sector law.

Section 6. Acknowledgement of Internship

Interns will receive a Certificate of Completion and be able to use the City as a reference. Additionally, any work product that the intern creates may be used as writing samples for applications; however, the work remains the exclusive property of the City and the City may rescind authorization to use said work product with or without notice.

Attachment:

1. Sample Assignment Description- Administrative Intern

Attachment 2

Intern to City Council Assignment Description, Updated 2019



Assignment Description Intern to City Council Updated August 2019

Intern assignment descriptions are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are not intended to reflect all duties performed

Position Description

Under direction from City management, serve as an Intern to one or more City of Goleta City Councilmembers performing duties related to carrying out the City Council's legislative deliberation and decision-making. Duties will include researching issues, working with constituents, providing administrative support, and other activities. Intern will work a flexible schedule that can be up to 19 hours/week and is dependent on the City's needs, the intern's availability, and the department budget.

Educational Benefit to Student:

The goal of this internship is that the intern will:

- Gain valuable exposure to the inner-workings of local city governance and the legislative process by interacting with and aiding Councilmembers;
- Develop greater awareness of local issues by meeting and engaging with community stakeholders and constituents;
- Participate in the policy-making process through conversations with Councilmembers;
- Gain valuable writing experience by responding to community inquiries about proposed Council legislative matters and other pertinent issues;
- Attend legislative meetings and participate in site visits; and,
- Develop critical problem-solving and communication skills.

Intern Responsibilities

Duties will vary by assignment and may include, but not be limited to, the following:

- Assist Councilmember by researching and tracking controversial issues and public policy;
- Draft issue statements for Councilmember;
- Track committee meetings, stakeholder interests, and issues pertaining to various groups of constituents;
- Compile information and data using Microsoft Office or other related programs;
- Organize and track email and other correspondence for review/response;
- Compose routine or recurring correspondence as instructed by the Councilmember;
- Answer and direct phone calls to relevant parties;
- Assist constituents visiting the office;
- Assist staff with compiling committee packets, etc.;

• Perform other related duties or assist with special projects as assigned by Councilmember.

Qualifications

Education & Experience:

Open to current full-time undergraduate or graduate students at a college or university. Preference may be given to students studying: Political Science, History, Law, Public Affairs, Business Administration, Public Administration, or a comparable field of study.

Previous work experience, extra-curricular activities, social involvement or other experience demonstrating the applicant's reliability and professionalism; Experience preparing clear, accurate, and concise records and reports (experience may be demonstrated by completion of academic papers or projects).

Knowledge, Skills & Abilities

- Knowledge of basic office practices including proper telephone etiquette and correct English usage;
- Superior writing skills such as correct usage of spelling, grammar, and punctuation;
- Ability to communicate clearly and effectively both orally and in writing; Spanish language a plus;
- Ability to operate a variety of office machines, including facsimile machines, copiers, printers, desktop computers, and a multi-line phone system.
- Working proficiency with Microsoft Office software programs including Outlook, Word, Excel, and PowerPoint;
- Experience preparing clear, accurate, and concise records and reports (experience may be demonstrated by completion of academic papers or projects);
- Ability to maintain sensitive and confidential information;
- Positive disposition that includes use of tact, discretion, and diplomacy when dealing with sensitive situations and concerned people;
- Desire to establish and maintain highly effective working relationships with City officials, Staff, and others that are encountered during the course of work;

License

A valid "Class C" California driver's license with a good driving record for any postsecondary students.

Political Restriction Applicable to City Work:

A strict prohibition on political activity is applicable to all City employees, contractors, and interns, but merits particular emphasis in the performance of this assignment. Section 11.2 of the City's Personnel Rules ("Political Activities") is attached hereto and incorporated herein by reference. Students interested in a more advocacy-based assignment should consider an internship with another organization.

Additional Information

Start/End Dates: Internships will generally align with the academic quarter or semester of local institutions of higher education. Interns are at-will employees.

Schedule: Interns will work a flexible schedule that can be up to 19 hours/week and is dependent on the needs of the City and department budget.

Classification and Salary: Interns will be paid an hourly wage as established by the City Council and shall not be eligible for other City benefits. Interns may be assigned at one of the following levels:

Intern I: This is the entry-level tier designed for high school students seeking to fulfill community service requirements for graduation, or college students ages 15 to 18 who are seeking an internship for class credit. If the department director is satisfied with the intern's performance, he/she may recommend to the Intern Coordinator a promotion to Level II. The intern will be eligible for promotion at the beginning of the next academic session. All promotions between all levels will be at the discretion of the Intern Coordinator in consultation with the department director or immediate supervisor.

<u>Intern II</u>: This the journey level applicable to most continued employee internships. Upon completion of the session, the intern may be invited to complete another session, or in the alternative, notified by the Intern Coordinator that the internship has concluded.

<u>Intern III</u>: Often reserved for students enrolled in or recently graduated from a master's degree program or specialized instruction in a particular field. This is the advanced level of the intern series. Upon successful completion of at least one full year at Level II, interns may be promoted to and remain at this level for all future internships in the same assignment. Candidates may apply directly for Level III status, but only upon the completion of a Bachelor's Degree, and at the discretion of the Intern Coordinator.

How to Apply: Complete an online application and the supplemental questionnaire.

Attachment 3

A Resolution of The City Council Of The City Of Goleta, California, Establishing A Wage Schedule For Hourly Employees And Intern Assignments For Fiscal Year 2019/20

RESOLUTION NO. 19-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, ESTABLISHING A WAGE SCHEDULE FOR HOURLY EMPLOYEES AND INTERN ASSIGNMENTS FOR FISCAL YEARS 2019/20 THROUGH 2021/22

WHEREAS, the City of Goleta has had a long-standing paid internship program in the non-classified service providing local students with the opportunity for on-the-job experience and training in public service; and

WHEREAS, upon its assumption of management of the Goleta Library in Fiscal Year 2018/19 and Zone 4 County libraries in Fiscal Year 2019/20, the City hired incumbent short-hour part-time Library Pages in the non-classified service as interns, and these employees would be more appropriately categorized as hourly employees; and

WHEREAS, certain other employees currently categorized as interns would also be more appropriately categorized as hourly employees; and

WHEREAS, the City wishes to establish a regular and transparent method for Council to approve and amend wage schedules and benefits related to these hourly employees and interns; and

WHEREAS, increases to the California state minimum wage will affect wages for some such employees over the next several years and the City wishes to set out the impacts of these wages increases in advance;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GOLETA, AS FOLLOWS:

SECTION 1.

The category of "Hourly" employment will apply to those part-time, intern, temporary, and seasonal employees in hourly classifications identified herein. Such employment may not exceed 999 hours in any July through June fiscal year without the prior written approval of the City Manager.

SECTION 2.

Wage ranges for hourly employees and interns shall be established as follows:

Effective upon adoption

Level	Entry	Maximum
Library Page	12.00	
Department Aide	12.00	16.00
Intern I	12.00	
Intern II	13.00	16.00
Intern III	17.00	
Legal Intern I	17.00	
Legal Intern II	18.00	19.00

Effective December 23, 2019

Level	Entry	Maximum
Library Page	13.00	
Department Aide	13.00	16.00
Intern I	13.00	
Intern II	13.50	16.00
Intern III	17.00	
Legal Intern I	17.00	
Legal Intern II	18.00	21.00

Effective December 19, 2020

Level	Entry	Maximum
Library Page	14.00	
Department Aide	14.00	16.00
Intern I	14.00	
Intern II	14.50	16.00
Intern III	17.00	
Legal Intern I	17.00	
Legal Intern II	18.00	21.00

Effective December 18, 2021

Level	Entry	Maximum
Library Page	15.00	
Department Aide	15.00	16.50
Intern I	15.00	
Intern II	15.50	16.50
Intern III	17.00	
Legal Intern I	17.00	
Legal Intern II	18.00	21.00

SECTION 3.

Where no wage range exists, employees will be appointed at the identified entry wage rate. Where a wage range exists, the City Manager or his/her designee may assign an employee at any wage level within the range based on qualifications and tenure.

SECTION 4.

Such employees serve in the non-classified service and will receive benefits only as required by state and federal law, or as may be subsequently established for these employees by resolution of the City Council.

SECTION 5

The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this ____ day of _____ 2019.

PAULA PEROTTE MAYOR

ATTEST:

APPROVED AS TO FORM:

DEBORAH S. LOPEZ CITY CLERK MICHAEL JENKINS CITY ATTORNEY STATE OF CALIFORNIA) COUNTY OF SANTA BARBARA) ss. CITY OF GOLETA)

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, DO HEREBY CERTIFY that the foregoing Resolution No. 19-___ was duly adopted by the City Council of the City of Goleta at a regular meeting held on the ____ day of _____, 2019 by the following vote of the Council:

AYES:

NOES:

ABSENT:

(SEAL)

DEBORAH S. LOPEZ CITY CLERK