



Agenda Item No: 1.h

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: November 18, 2025

Submitted by: Alice Burnett

From: Human Resources

Subject:

RESOLUTION TO AMEND THE PAY SCHEDULE FOR PART-TIME EMPLOYEES IN COMPLIANCE WITH THE STATE MINIMUM WAGE INCREASE

Financial Impact:

Fiscal Impact:

FY25-26 \$4,500 (\$9,000 annually) (104071-5005)

Summary:

To comply with the state minimum wage increase effective January 1, 2026, it is necessary to amend the pay schedule for part-time employees. It is anticipated that the cost to implement this minimum wage increase will cost the City approximately \$9,000 per year in total compensation. Prorated costs in the amount of \$4,500 will be funded by the General Fund for the remainder of the fiscal year.

Recommendation:

Recommended Action: It is recommended that the City Council:

1. Adopt Resolution No. R-2025-68, a Resolution of the City Council of the City of Placentia, California amending the pay schedule for part-time employees effective January 1, 2026; and
2. Adopt Resolution No. R-2025-69, a Resolution of the City Council of the City of Placentia, California authorizing a budget amendment in Fiscal Year 2025-26 in compliance with City Charter of the City of Placentia §§1206 and 1209 pertaining to appropriations for actual expenditures.

Strategic Plan Statement:

This item is consistent with the City Council approved Five Year Strategic Goal 8 to Improve City Governance, under Objective 1, update all rules, policies and procedures to be consistent with MOUs and State/Federal regulations.

Discussion:

The City's Pay Schedule for Part-Time Positions consists of non-competitive services positions that are excluded from the civil service system. California employers are governed by federal and state minimum wage laws. For 2025, the California minimum wage is \$16.50.

Due to cost-of-living increase required by the State's minimum wage law, effective January 1,

2026, California's minimum wage will increase by 2.49 percent (2.49%) from \$16.50 to \$16.90 per hour for all employers. California Labor Code section 1182.12 requires an annual review of the wage rate using the U.S. Consumer Price Index (CPI) and rate of change over the two most recent CPI rates. According to section 1182.12(c), the adjusted minimum wage will be calculated to be the lesser of 3.5% or the rate of change. Since the California Department of Finance calculated that the CPI increased by 2.49% from 2023-2024 to 2024-2025, it has been determined that the minimum wage shall be subsequently increased by 2.49% to \$16.90 an hour and be effective January 1, 2026. This will affect approximately 82 part-time employees, who now earn less than \$16.90 per hour in job classifications shown on the proposed resolution and pay schedule. Staff is recommending that the City Council adopt the proposed part-time pay schedule to ensure all employees are paid at least the California minimum wage of \$16.90 per hour.

The City plans to address the part-time salary schedule more comprehensively in the near future now that the Classification and Compensation Study has been completed.

The adoption of this resolution is necessary pursuant to the Personnel Rules and Regulations of the City of Placentia, Rule IV, Section 1, which states proposed compensation schedules must be submitted to the City Council for approval.

Fiscal Impact Summary:

This proposal will cost the City approximately \$9,000 per year in total compensation. Staff requests approval of a budget amendment in the prorated amount of \$4,500 from the General Fund's fund balance for the remainder of the current fiscal year.

Attachments

[Resolution_No._R-2025-68_Minimum_Wage_changes_2026 .docx](#)

[Appendix A: Reso 2025-68 Part time salary schedule'26 - Attachment A.pdf](#)

[Attachment_1_-Budget_Amendment_Resolution_No.__R-2025-69_-
__Minimum_wage_increase.docx](#)