



## City Council Agenda Item

**City Council Meeting Date:** October 7, 2025

**TO:** Dean Albro, City Manager

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

**SUBJECT:** Adoption of Resolution No. 6778(25) to Implement the State Mandated Minimum Wage Increase Effective January 1, 2026, and Approve Supplemental Appropriations for the Increase

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### **Recommendation:**

Staff recommends the City Council:

- 1) Adopt Resolution No. 6778(25) (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 supplemental appropriations to fund the salary rate adjustments for the remainder of Fiscal Year (FY) 2025-26.

### **Background:**

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

Subsequently, the state minimum wage increased to \$15.50 per hour on January 1, 2023, as adopted by Resolution No. 6552(22), to \$16.00 per hour on January 1, 2024 (Resolution No. 6612(23)), and to \$16.50 per hour on January 1, 2025 (Resolution No. 6715(24)).

### **Discussion:**

California's minimum wage will increase by \$0.40 to \$16.90 per hour, effective January 1, 2026. This change is the result of the annual inflation adjustment process mandated by California's Labor Code.

In August 2025, the Department of Finance announced the adjustment, reflecting a 2.49% increase from the prior year, based on changes in the federal Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

These annual adjustments, required by state law, ensure wages keep pace with inflation. The predictable schedule provides both employers and employees with advance notice, supporting the State's long-term strategy for economic sustainability and workforce stability.

**Fiscal Impact:**

While the impact on 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 FY 2025-26, the City has budgeted, across all City programs, approximately \$2M in annual appropriations for part-time, temporary salary and benefits for the classifications affected by the minimum wage changes. The \$0.40 per hour adjustment to the minimum wage, from \$16.50 per hour to \$16.90 per hour is an effective 2.49% change. The resulting increase in costs, across all funds of the City, is approximately \$12,314 for the remainder of FY 2025-26, and \$24,628 for FY 2026-27. The breakdown of these additional costs by division is listed in Exhibit B – Supplemental Appropriations..

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. 6778(25) 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. 6778(25)