



# City of Culver City

Mike Balkman Council  
Chambers  
9770 Culver Blvd.  
Culver City, CA 90232

## Staff Report

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**File #:** 24-486, **Version:** 1

**Item #:** A-5.

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**CC - ACTION ITEM:** (1) Discussion Regarding the Use of Administrative Interns to Support City Council Efforts; and (2) Direction to the City Manager as Deemed Appropriate.

**Meeting Date:** January 22, 2024

**Contact Person/Dept.** Stephanie Condran/Human Resources Department  
**Phone Number:** (310) 253-5640

**Fiscal Impact:** Yes ☒ No ☐      **General Fund:** Yes ☒ No ☐

**Attachments:** Yes ☐ No ☒

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (01/17/2024)

**Department Approval:** Dana Anderson, Human Resources Director (12/14/2023)

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### **BACKGROUND**

During the June 26, 2023, City Council meeting, Council Member Puza received consensus from Mayor Vera and Council Member O'Brien to agendize a discussion regarding the utilization of administrative interns by Council Members. Staff is providing an update regarding the request for additional information on this topic, including the associated requirements, and costing.

### **DISCUSSION**

The City recently conducted an agency survey to inquire if surrounding agencies currently staff administrative interns to support City Council. The City of Beverly Hills, City of Hawthorne, and City of Manhattan Beach utilize a paid administrative City Council Intern role. These three agencies utilize an administrative Intern classification specification and require candidates to submit an employment application. The City of Santa Monica utilizes an unpaid administrative intern program and classifies this position as a volunteer opportunity. Hiring unpaid administrative interns sets limitations on the responsibilities and duties they can perform. The Fair Labor Standards Act (FLSA) outlines the limitations for hiring unpaid Interns as follows:

- Unpaid administrative intern programs must primarily benefit the intern, rather than the employer.
- The employer would be required to limit the responsibilities assigned to the unpaid intern and the program must be educational in nature if unpaid.

- Unpaid interns may have less commitment to the organization as they are not receiving compensation.

### Unpaid Internships

The Federal Department of Labor (DOL) requires the use of a “primary beneficiary” test to determine whether interns should be considered employees who are entitled to minimum wage, overtime, and other protections under the federal Fair Labor Standards Act (FLSA). The primary beneficiary test determines whether the employer or the employee is the primary beneficiary of the relationship. If the employer is the primary beneficiary, then the intern is considered an employee and entitled to all FLSA protections.

For the employer to determine who the primary beneficiary is, a variety of factors must be considered, which include, but not limited to the following:

- The intern and the employer clearly understand that there is no expectation of compensation. Any promise of compensation, express or implied, suggests that the intern is an employee;
- The internship provides training similar to what would be provided in an educational environment, including the clinical and other hands-on training provided by educational institutions;
- The internship is tied to the intern’s formal education program by integrated coursework or academic credit;
- The internship accommodates the intern’s academic commitments by corresponding to the academic calendar;
- The duration is limited to the period in which the internship provides the intern with beneficial learning;
- The intern’s work complements, rather than displaces the work of paid employees while providing significant educational and professional development to the intern; and
- The intern and the employer understand that the intern isn’t entitled to a paid job at the conclusion of the internship.

Under the FLSA, to be an unpaid intern, the intern must meet the criteria associated with the federal DOL “primary beneficiary” test and all applicable federal, state, and local tests. If the intern fails to meet the criteria with a federal, state, or local test, then the employer would have to meet the minimum wage, overtime, and other requirements of that state or local law.

After reviewing the program, staff believes the proposed City Council Internship program provided by the City would not be tied to the Intern’s formal Education Program and therefore the City would not provide integrated coursework or academic credit. The Internship program with the City would be an opportunity to gain professional work experience within a Public Sector organization. However, the intern would not meet the criteria associated under the DOL and therefore, the City would be required to compensate the City Council Interns.

### Additional Criteria in Determining a Paid Internship Under the FLSA

Paid Interns receive similar protections to employees under the FLSA and are also protected by the Equal Employment Opportunity Commission. The FLSA identifies certain criteria to determine if an

intern should receive compensation. The FLSA criteria includes:

- Is the internship similar to what a student would learn in an educational setting?
- Is the internship solely for the benefit of the student, vs. the employer?
- Is the internship separate from the work of a full-time employee?
- Does the employer receive any immediate benefit from the intern's work?
- Is there any guarantee of employment after the internship ends?
- Do both the employer and intern understand that the intern is not entitled to wages?

Federal and labor laws, as well as state labor laws in California and other states, require that student interns must be paid at least minimum wage. Paid interns receive some of the same benefits as employees, such as paid overtime. Paid interns with specific hours should be treated the same as regular employees in terms of payroll and should file a W4, and states and federal taxes should be deducted as they would for regular employees.

Under the Affordable Care Act (ACA), paid interns who work an average of (30) hours or more per week, may be considered eligible to receive health insurance coverage only; this excludes dental and vision coverage. Exceptions may include:

- Interns employed by a company for fewer than 120 days
- Interns who have worked fewer than 30 hours a week on average for the last 12 months

The rate for City Council Interns would be \$25.00 per hour, which is based on a survey of similar programs in other cities. The City Council Interns would receive health insurance coverage based on working a full-time schedule. As full-time employees, they would also be eligible for sick and vacation leave accruals.

There is currently no office space available; therefore, when onsite, the intern(s) would utilize the shared office located at City Hall designated for City Council members.

#### Training Requirements for Paid Interns in California:

Effective January 1, 2019, California businesses with five (5) or more employees **must** provide harassment prevention training every two years (SB1343). This course helps employees identify the difference between legal discrimination and an illegal "hostile environment", promotes appropriate behavior, and reduces the potential for harassment, discrimination, and retaliation claims.

If the City Council desires to move forward with this initiative and designates funding for it, the City would implement a formal paid City Council Internship Program. As the paid City Council Intern would be an employee of the City, the City Council might want to consider other aspects of the position. At some point, it is possible that it would be useful for the City Council to discuss additional aspects of the Internship, as to the type of assignments given to the Interns, consistency with City Council Policy or City Council-adopted Work plans. Also, City Council may choose to give direction about establishing a method regarding internship supervision and the process for employee performance evaluations.

**FISCAL ANALYSIS**

The fiscal analysis below assumes that the City Council Interns would be full-time employees.

**Hourly Rate of Pay:**

The rate of pay per each Intern would be \$25.00 per hour for a full-time schedule of 2080 hours per year. This would equate to an estimated salary cost of \$52,000 per Intern or a total of \$260,000 for five City Council Interns annually.

**Benefits:**

As full-time employees, the City Council Interns would be eligible for enrollment in the City's health insurance plan under CalPERS, the estimated cost per each Intern would be approximately \$18,435 per 1 year using current health benefit rates. Other City benefit costs including PERS, Deferred Comp, FICA, and Medicare would be an additional \$13,350 per Intern annually.

**Cost of Information Technology Equipment:**

The estimated cost for the Intern(s) to receive Information Technology Equipment would include:

New Staff - IT Equipment	Estimate Purchase Cost
Desktop with Monitor (2x24 inch)	\$1600
Laptop*	\$1200
Cisco Phone (with video display)	\$400
Desktop Webcam & Speakers*	\$50

Microsoft (Email/O365)	Office	License	\$220 (first year)
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**\*Optional Purchase**

The cost to provide each Intern with a laptop, desktop phone, and Microsoft Office license is estimated at approximately \$1,820 per each Intern for the first year. This would equate to \$9,100 for five City Council Interns.

**Miscellaneous Costs**

There would also be miscellaneous costs for parking, travel time, and any costs associated with attending meetings for job related duties/tasks. It is difficult to estimate these costs at this time.

**Total Estimated Cost:**

The estimated annual cost for each City Council Intern would be \$85,610. Should each Council member utilize an intern, the estimated total cost would be \$428,050 for five interns. .

The Adopted Budget for Fiscal Year 2023-2024 does not include sufficient funding to support the cost of the proposed City Council Internship program. A budget amendment would be required for the added cost of these positions.

**ATTACHMENTS**

None

**MOTIONS**

That the City Council:

Discuss and, if desired, provide direction to the City Manager regarding an City Council Internship Program, as deemed appropriate.