



Staff Analysis

Living Wage Adjustment for City Employees

Presented by:
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Human Resources Director

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CITY OF GAINESVILLE STAFF ANALYSIS

Legistar No: 160264

Title: Living Wage Adjustment for City Employees

Sponsor: City Commission

City Staff Contact: Cheryl McBride, Human Resources Director

Summary of Issue

The City Commission requested a discussion of the City's Living Wage for City Employees.

History/Background Information

In March 2003, the City Commission adopted Ordinance Number 020663 creating Article IX of Chapter 2, establishing a living wage requirement for certain employees of contractors providing selected services to the City. The ordinance applies to all contractors or subcontractors who employ 50 or more persons and who provide covered services purchased by the City under a single contract over \$100,000. The living wage specified in the ordinance was set at \$8.70/hour for those offering health benefits and \$9.95/hour for those not offering health benefits.

The ordinance requires an adjustment annually in accordance with publication of the new federal poverty guidelines. The current living wage is \$11.6827/hour (health benefit wage) and \$12.93/hour (non-health benefit wage).

The living wage is currently based on the federal poverty guidelines for a family of four as determined by the U. S. Department of Health and Human Services (DHHS) and published in the Federal Register.

In July 2015, the Ordinance was amended to codify the City's longstanding practice of providing a living wage to regular¹ employees of the City. (The ordinance does not currently cover temporary employees.)

On September 22, 2016, the General Policy Committee discussed the City's Living Wage. Staff was instructed to defer changes related to contractors to a future date. A discussion of the Living Wage for City employees was referred back to the City Commission.

This item covers city employee wages only and does not address wages paid by companies who have contracts with the City. The Commission may want to consider the following information during discussion.

¹ The City has three employee groups: (1) Regular (Budgeted Headcount a/k/a Permanent), (2) Temporary, and (3) Temp-Seasonal/ Temp-Intern. The Living Wage currently applies to Regular (Permanent) employees only.

Total Compensation

Hourly Rate	\$11.68	\$12.00	\$12.25
Health Insurance	2.59	2.59	2.59
Pension/Ret health	2.10	2.15	2.20
Paid Time Off	.90	0.92	0.94
Compensation Rate	17.27	17.67	17.98
Statutory Benefits*	1.13	1.16	1.18
Total Compensation Rate	<u>\$18.39</u>	<u>\$18.83</u>	<u>\$19.16</u>
Incremental Hourly increase over Current		0.43	0.77
Annual Incremental Increase		\$900.51	\$1,604.03

Bold indicates 2016 living wage level

*Statutory Benefits include Medicare/FICA and Worker's Compensation

Annual cost to adjust the Living Wage for city employees:

	\$12.00	\$12.25
Regular (Permanent) Employees	\$28,000	\$58,000
All Employees	\$300,470	\$369,420

Index:

Index	Current Rate ²	\$12.00	\$12.25
Federal Poverty Level for a Family of Four	\$11.68	97.3%	95.3%
Bureau of Labor Statistics Consumer Price Index (CPI), Southeast Region ³	\$10.97	91.4%	89.6%
Bureau of Labor Statistics Employment Cost Index (ECI) ⁴ , State and Local Government Workers/ Public Administration	\$11.38	94.8%	92.9%

² Indexed assuming a beginning Living Wage rate of \$9.62 in 2006.

³ BLS Southeast Region: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee

⁴ The Employment Cost Index (ECI) is a quarterly measure of changes in total labor costs and their wage-and-salary and benefits components. We would utilize Table 11, wage and salaries portion only, for calculating the Living Wage.

Options

- adjust the Living Wage paid to [Regular]⁵ *or* [Regular and Temporary] *or* [all] City Employees to [\$12.00] *or* [\$12.25] hourly;

- require annual adjustments to the Living Wage by [choose one]
 - Adjusting to 103% of the Federal Poverty Level for a family of four (=\$12.03); *or*

 - Adjusting by the percent change in the Bureau of Labor Statistics Consumer Price Index, Southeast Region, with no adjustments made in years where the CPI declines; *or*

 - Adjusting by the percent change in the Bureau of Labor Statistics Employment Cost Index, State and Local Government Workers/Public Administration;

- and direct the City Manager to negotiate changes with affected unions.

Staff Recommendation

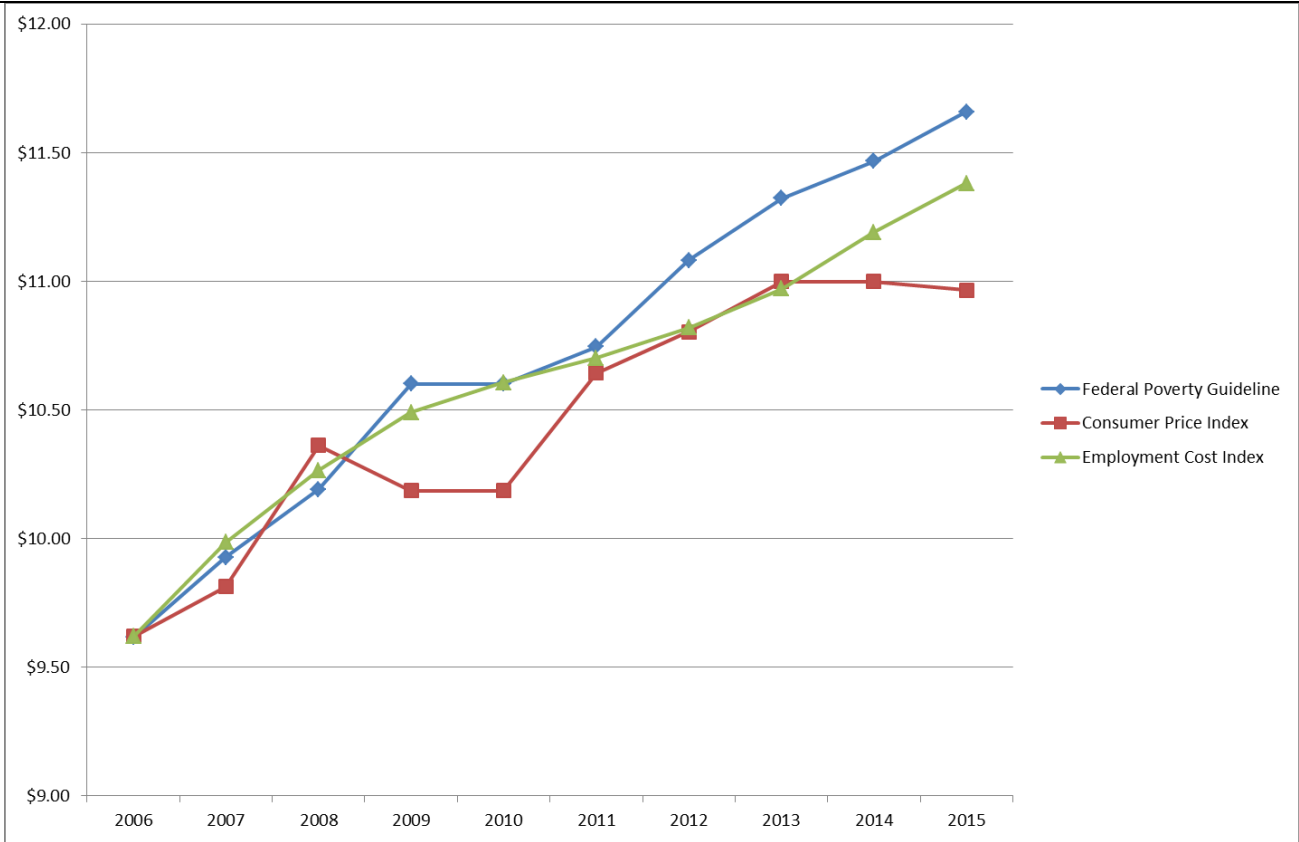
The City Commission discuss and provide direction to staff: (1) which City employee groups will be covered by the City’s Living Wage; (2) how annual adjustments to the base hourly rate should be made; (3) the base hourly rate of the Living Wage paid to City Employees; and (4) Direct the Human Resources Department to negotiate changes with affected unions.

Additional Information Requested by City Commissioners follows.

⁵ The City has three employee groups: (1) Regular (Budgeted Headcount a/k/a Permanent), (2) Temporary, and (3) Temp-Seasonal/Temp-Intern. The Living Wage currently applies to Regular (Permanent) employees only.

LIVING WAGE INDEX OPTIONS Looking Back 10 Years

(Assumes a beginning Living Wage of \$9.62 in 2006.)



Effective Date of Living Wage Adjustment	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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Changes Based on Federal Poverty Guideline for a Family of 4											
	\$20,000	\$20,650	\$21,200	\$22,050	\$22,050	\$22,350	\$23,050	\$23,550	\$23,850	\$24,250	\$24,300
Federal Poverty Guideline	\$9.62	\$9.93	\$10.19	\$10.60	\$10.60	\$10.75	\$11.08	\$11.32	\$11.47	\$11.66	\$11.68
% change over previous year	3.36%	3.25%	2.66%	4.01%	0.00%	1.36%	3.13%	2.17%	1.27%	1.68%	0.21%
\$ change over previous year	\$0.31	\$0.31	\$0.26	\$0.41	\$0.00	\$0.14	\$0.34	\$0.24	\$0.14	\$0.19	\$0.02

Bureau of Labor Statistics, Southeastern Region Consumer Price Index (CPI)											
Consumer Price Index (CPI)	\$9.62	\$9.81	\$10.36	\$10.19	\$10.19	\$10.64	\$10.80	\$11.00	\$11.00	\$10.97	n/a
% change over previous year	n/a	2.00%	5.60%	-1.70%	0.00%	4.50%	1.50%	1.80%	0.00%	-0.30%	n/a
\$ change over previous year	n/a	\$0.19	\$0.55	-\$0.18	\$0.00	\$0.46	\$0.16	\$0.19	\$0.00	-\$0.03	n/a

Bureau of Labor Statistics Employment Cost Index, State and Local Government Workers/Public Administration											
Employment Cost Index (ECI)	\$9.62	\$9.99	\$10.27	\$10.49	\$10.61	\$10.70	\$10.82	\$10.97	\$11.19	\$11.38	n/a
% change over previous year	n/a	3.80%	2.80%	2.20%	1.10%	0.90%	1.10%	1.40%	2.00%	1.70%	n/a
\$ change over previous year	n/a	\$0.37	\$0.28	\$0.23	\$0.12	\$0.10	\$0.12	\$0.15	\$0.22	\$0.19	n/a

Cost to Adjust Regular (a/k/a Permanent) Employees Only

FY 2017 Incremental Cost for Living Wage at \$12/hr - Full year cost				
	General Fund	Other Funds	GRU	Total
Regular	7,834	16,360	4,018	28,212

FY 2017 Incremental Cost for Living Wage at \$12/hr - Prorated for 9 months				
	General Fund	Other Funds	GRU	Total
Regular	5,875	12,271	3,014	21,160

FY 2017 Incremental Cost for Living Wage at \$12.25/hr - Full year cost				
	General Fund	Other Funds	GRU	Total
Regular	17,399	32,248	8,663	58,310

FY 2017 Incremental Cost for Living Wage at \$12.25/hr - Prorated for 9 months				
	General Fund	Other Funds	GRU	Total
Regular	13,049	24,186	6,497	43,732

Cost to Adjust Regular (a/k/a Permanent) and Long-term Temporary Employees

FY 2017 Incremental Cost for Living Wage at \$12/hr - Full year cost				
	General Fund	Other Funds	GRU	Total
Regular	7,834	16,360	4,018	28,212
Long Term Temps	172,262	8,397	-	180,659
Total	180,096	24,757	4,018	208,871

FY 2017 Incremental Cost for Living Wage at \$12/hr - Prorated for 9 months				
	General Fund	Other Funds	GRU	Total
Regular	5,875	12,271	3,014	21,160
Long Term Temps	129,196	6,298	-	135,494
Total	135,071	18,569	3,014	156,654

FY 2017 Incremental Cost for Living Wage at \$12.25/hr - Full year cost				
	General Fund	Other Funds	GRU	Total
Regular	17,399	32,248	8,663	58,310
Long Term Temps	196,750	8,957	-	205,707
Total	214,149	41,205	8,663	264,017

FY 2017 Incremental Cost for Living Wage at \$12.25/hr - Prorated for 9 months				
	General Fund	Other Funds	GRU	Total
Regular	13,049	24,186	6,497	43,732
Long Term Temps	147,562	6,717	-	154,279
Total	160,611	30,903	6,497	198,011

Cost to Adjust All City Employees

FY 2017 Incremental Cost for Living Wage at \$12/hr - Full year cost				
	General Fund	Other Funds	GRU	Total
Regular	7,834	16,360	4,018	28,212
Long-Term Temps	172,262	8,397	-	180,659
Seasonal/Interns	82,775	-	8,957	91,732
Total	262,871	24,757	12,975	300,603

FY 2017 Incremental Cost for Living Wage at \$12/hr - Prorated for 9 months				
	General Fund	Other Funds	GRU	Total
Regular	5,875	12,271	3,014	21,160
Long-Term Temps	129,196	6,298	-	135,494
Seasonal/Interns	82,425	-	6,717	89,142
Total	217,496	18,569	9,731	245,796

FY 2017 Incremental Cost for Living Wage at \$12.25/hr - Full year cost				
	General Fund	Other Funds	GRU	Total
Regular	17,399	32,248	8,663	58,310
Long-Term Temps	196,750	8,957	-	205,707
Seasonal/Interns	91,684	-	13,994	105,678
Total	305,833	41,205	22,657	369,695

FY 2017 Incremental Cost for Living Wage at \$12.25/hr - Prorated for 9 months				
	General Fund	Other Funds	GRU	Total
Regular	13,049	24,186	6,497	43,732
Long-Term Temps	147,562	6,717	-	154,279
Seasonal/Interns	91,194	-	10,496	101,690
Total	251,805	30,903	16,993	299,701

Value of \$15.00 Living Wage			
\$15 Living Wage in	Is Equivalent to this Wage in Gainesville	\$15 Living Wage in	Is Equivalent to this Wage in Gainesville
Buffalo, NY	\$13.58	Portland, OR	\$12.51
Greensboro, NC	\$14.45	San Francisco, CA	\$10.85
Los Angeles, CA	\$12.29	Seattle, WA	\$11.54
Missoula, MT	\$15.05	St. Petersburg, FL	\$14.41
Mountain View, CA	\$11.14	Syracuse, NY (City workers)	\$13.60
New York City, NY	\$11.58	Washington, DC	\$12.05
Pittsburgh, PA	\$13.80	West Palm Beach, FL	\$13.63

Value of \$15 Living Wage in Gainesville - Using Cost of Salary for \$31,200 (\$15 per hr times 2,080 hours)						
City	Cost of Salary at \$31,200 - United States Average is Base City at 100.00	CURRENT LIVING WAGE			\$15 LIVING WAGE	
		Effective Date of Current Living Wage	Current Living Wage	Current Living Wage Adjusted to Gainesville Cost of Salary	Planned Date to Reach \$15 Living Wage	\$15 Living Wage Adjusted to Gainesville Cost of Salary
Alachua County, FL	89.60	4/22/2016	\$12.00	\$12.00	none set	\$15.00
Buffalo, NY	99.00	12/31/2015	\$9.75	\$8.82	7/1/2021	\$13.58
Emeryville, CA	118.90	7/1/2016	\$14.82	\$11.17	7/1/2016	\$11.30
Greensboro, NC	93.00	TBD - 2017	\$12.00	\$11.56	2020	\$14.45
Los Angeles, CA	109.40	7/1/2016	\$10.50	\$8.60	7/1/2020	\$12.29
Milwaukie, OR	106.90	2015	\$15.00	\$12.57	n/a	\$12.57
Missoula, MT	89.30	July 2015	\$12.00	\$12.04	7/1/2017	\$15.05
Mountain View, CA	120.60	1/1/2016	\$11.00	\$8.17	1/1/2018	\$11.14
New York City, NY	116.10	4/1/2016	\$9.00	\$6.95	12/31/2018	\$11.58
Pittsburgh, PA	97.40	1/1/2017	\$12.50	\$11.50	1/1/2021	\$13.80
Portland, OR	107.40	7/1/2016	\$15.00	\$12.51	n/a	\$12.51
San Francisco, CA	123.90	7/1/2016	\$13.00	\$9.40	7/1/2018	\$10.85
Seattle, WA	116.50	1/1/2016	\$12.50	\$9.61	1/1/2018	\$11.54
St. Petersburg, FL	93.30	9/19/2016	\$13.25	\$12.72	2018	\$14.41
Syracuse, NY (City workers)	98.80	4/1/2016	\$15.00	\$13.60	n/a	\$13.60
Syracuse, NY (employers in the City borders)	98.80	4/1/2016	\$12.77	\$11.58	12/31/2021	\$13.60
Washington, DC	111.50	1/1/2016	\$11.50	\$9.24	2020	\$12.05
West Palm Beach, FL	98.60	10/1/2016	\$13.25	\$12.04	10/1/2018	\$13.63
18		Median	\$12.50	\$11.53	Median	\$13.08
		Average	\$12.49	\$10.78	Average	\$12.94
Gainesville, FL	89.60	3/1/2016		\$11.6827		

Count of All Employees below \$15 per hour by Title

Title	\$8.05- \$8.99	\$9.00- \$9.99	\$10.00 - \$10.99	\$11.00- \$11.99	\$12.00- \$12.99	\$13.00- \$13.99	\$14.00- \$14.99	Grand Total
Accelerated Prod Operator Trainee						4		4
Account Clerk							2	2
Clerical - Temp						1		1
Clerk 1				2			2	4
Clerk 1 RTS					1	2	1	4
Clerk 2						1		1
Cultural/Nature Bldg Attend				2	2	1		5
Custodial Worker					6	2		8
Customer Accounts Rep					1			1
Customer Service Rep - Temp						1		1
Customer Service Rep 1						2	1	3
Customer Service Support Spec 1							4	4
INTERNSHIP				10	8	2		20
Irrigation Mech							1	1
Maintenance Mechanic 1					3			3
Maintenance Worker 1				8	2	2		12
Maintenance Worker I RTS				1	2	1		4
Meter Reader				3	9	6		18
Mosquito Control Services Tech						1		1
Motor Equipment Operator 1						1		1
Nature Assistant					2	1		3
Parking Operations Attendant 1					2			2
Parking Operations Attendant 2					2	2		4
Parks Maintenance Worker 1				2	1			3
Parks Maintenance Worker 2				1	2	2		5
Parks Maintenance Worker 3					3	1	2	6
Police Services Technician 1							2	2
Professional - Temp					1	1	1	3
Records Technician						1	1	2
Recreation Aide 1				1				1
Recreation Aide 2					1		1	2
Recreation Leader							1	1
School Crossing Guard				25				25
Services Operator Trainee					4			4
Staff Assistant							7	7
Staff Specialist							3	3
Storekeeper 1						2		2
Support Staff I - Temp						1		1
Techs - Temp			3	1	1		1	6
Tel Serve Operator					1			1
Temporary Facility Assistant	20							20
Temporary Lifeguard		34						34
Temporary PRCA Supervisor			1	12				13
Temporary Recreation Assistant	1		30					31
Temporary Swim Instructor		6						6
Temporary Police Cadet -2		2						2
Traffic Signs/Markings Tech 2							1	1
Transit Operator					63	68	25	156
Transit Operator Trainee				14				14
Tree Surgeon 1				2	1			3
Utilities Materials Specialist 1					1			1
Vehicle Svc Attendant RTS				3	2	1	2	8
Wastewater Mechanic Trainee					2			2
Water Recl Plant Op Trainee				1				1
Wstwtr Plant Trainee				2				2
Grand Total	21	42	34	90	123	107	58	475

Count of All Employees below \$15 per hour by Employee Group & Department

Employee Group / Department / Title	\$8.05-\$8.99	\$9.00-\$9.99	\$10.00 - \$10.99	\$11.00-\$11.99	\$12.00-\$12.99	\$13.00-\$13.99	\$14.00-\$14.99	Grand Total
Intern				10	8	2		20
Administrative Services				1				1
INTERNSHIP				1				1
City Manager				1				1
INTERNSHIP				1				1
GRU-Administration						1		1
INTERNSHIP						1		1
GRU-Communications				1				1
INTERNSHIP				1				1
GRU-Energy Delivery					1			1
INTERNSHIP					1			1
GRU-Finance				1	4			5
INTERNSHIP				1	4			5
GRU-GRUCom					1			1
INTERNSHIP					1			1
GRU-Information Technology						1		1
INTERNSHIP						1		1
GRU-Water/ Wastewater				6	2			8
INTERNSHIP				6	2			8
Regular Employee				14	95	89	56	254
Budget & Finance				1	1		1	3
Clerk 1				1			1	2
Customer Accounts Rep					1			1
Facilities Management					7	2	1	10
Account Clerk							1	1
Custodial Worker					6	2		8
Maintenance Mechanic 1					1			1
Gainesville Police Department					1	2	6	9
Police Services Technician 1							2	2
Records Technician						1	1	2
Staff Assistant							1	1
Staff Specialist							2	2
Storekeeper 1						1		1
Tel Serve Operator					1			1
General Services							1	1
Account Clerk							1	1

Employee Group / Department / Title	\$8.05-\$8.99	\$9.00-\$9.99	\$10.00 - \$10.99	\$11.00-\$11.99	\$12.00-\$12.99	\$13.00-\$13.99	\$14.00-\$14.99	Grand Total
GRU-Customer Support Services				1	2	2	4	9
Clerk 1				1				1
Customer Service Rep 1						2	1	3
Maintenance Mechanic 1					2			2
Staff Assistant							3	3
GRU-Energy Delivery						1	1	2
Meter Reader						1		1
Staff Assistant							1	1
GRU-GRUCom							3	3
Customer Service Support Specialist 1							3	3
GRU-Water/ Wastewater							2	2
Staff Assistant							1	1
Staff Specialist							1	1
Parks, Recreation & Cultural Affairs				6	11	5	5	27
Cultural/Nature Bldg Attend				2	2	1		5
Irrigation Mechanic							1	1
Nature Assistant					2	1		3
Parks Maintenance Worker 1				2	1			3
Parks Maintenance Worker 2				1	2	2		5
Parks Maintenance Worker 3					3	1	2	6
Recreation Aide 1				1				1
Recreation Aide 2					1		1	2
Recreation Leader							1	1
Planning & Development Services							2	2
Clerk 1							1	1
Customer Service Support Specialist 1							1	1
Public Works				2	5	4	2	13
Mosquito Control Services Technician						1		1
Parking Operations Attendant 1					2			2
Parking Operations Attendant 2					2	2		4
Staff Assistant							1	1
Storekeeper 1						1		1
Traffic Signs/Markings Technician 2							1	1
Tree Surgeon 1				2	1			3
Risk Management						1		1
Clerk 2						1		1

Employee Group / Department / Title	\$8.05-\$8.99	\$9.00-\$9.99	\$10.00 - \$10.99	\$11.00-\$11.99	\$12.00-\$12.99	\$13.00-\$13.99	\$14.00-\$14.99	Grand Total
RTS				4	68	72	28	172
Clerk 1 RTS					1	2	1	4
Maintenance Worker I RTS				1	2	1		4
Transit Operator					63	68	25	156
Vehicle Svc Attendant RTS				3	2	1	2	8
Temp Non-Seasonal	16	15	9	37	2	4	2	85
Gainesville Police Department				25				25
School Crossing Guard				25				25
GRU-Customer Support Services					1	3		4
Clerical - Temp						1		1
Customer Service Rep - Temp						1		1
Professional - Temp					1	1		2
GRU-GRUCom							1	1
Techs - Temp							1	1
GRU-Information Technology							1	1
Professional - Temp							1	1
Parks, Recreation & Cultural Affairs	16	15	8	11	1	1		52
Support Staff I - Temp						1		1
Techs - Temp			2		1			3
Temporary Facility Assistant	16							16
Temporary Lifeguard		9						9
Temporary PRCA Supervisor			1	11				12
Temporary Recreation Assistant			5					5
Temporary Swim Instructor		6						6
Public Works			1	1				2
Techs - Temp			1	1				2
Temp Seasonal	5	25	25	1				56
Parks, Recreation & Cultural Affairs	5	25	25	1				56
Temporary Facility Assistant	4							4
Temporary Lifeguard		25						25
Temporary PRCA Supervisor				1				1
Temporary Recreation Assistant	1		25					26
Trainee/PTTP		2		28	18	12		60
Gainesville Police Department		2						2
Temporary Police Cadet -2		2						2
GRU-Customer Support Services					1			1
Utilities Materials Specialist 1					1			1

Employee Group / Department / Title	\$8.05-\$8.99	\$9.00-\$9.99	\$10.00 - \$10.99	\$11.00-\$11.99	\$12.00-\$12.99	\$13.00-\$13.99	\$14.00-\$14.99	Grand Total
GRU-Energy Delivery				3	9	5		17
Meter Reader				3	9	5		17
GRU-Energy Supply						4		4
Accelerated Production Operator Trainee						4		4
GRU-Water/ Wastewater				3	6			9
Services Operator Trainee					4			4
Wastewater Mechanic Trainee					2			2
Water Reclamation Plant Operator Trainee				1				1
Wastewater Plant Trainee				2				2
Public Works				8	2	3		13
Maintenance Worker 1				8	2	2		12
Motor Equipment Operator 1						1		1
RTS				14				14
Transit Operator Trainee				14				14
Grand Total	21	42	34	90	123	107	58	475