



Staff Analysis

# Living Wage Adjustment for City Employees

Presented by:  
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Human Resources Director

November 3, 2016

# 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**

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## **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 regular 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, and referred a discussion of the Living Wage for City employees 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.

## Total Compensation

Hourly Rate	<b>\$11.68</b>	\$12.00	\$12.25
Health Insurance	<b>2.59</b>	2.59	2.59
Pension/Ret health	<b>2.10</b>	2.15	2.20
Paid Time Off	<b>.90</b>	0.92	0.94
Compensation Rate	<b>17.27</b>	17.67	17.98
Statutory Benefits*	<b>1.13</b>	1.16	1.18
Total Compensation Rate	<b>18.39</b>	18.83	19.16
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:

	<b>\$12.00</b>	<b>\$12.25</b>
All Employees	\$300,470	\$369,420
Regular (Permanent) Employees		

Index:

Index	Current Rate <sup>1</sup>	\$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 <sup>2</sup>	\$10.97	91.4%	89.6%
Bureau of Labor Statistics Employment Cost Index (ECI) <sup>3</sup> , State and Local Government Workers/ Public Administration	\$11.38	94.8%	92.9%

<sup>1</sup> Indexed assuming a beginning Living Wage rate of \$9.62 in 2006.

<sup>2</sup> BLS Southeast Region: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee

<sup>3</sup> 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**

The City Commission

- adjust the Living Wage paid to [Regular]<sup>4</sup> *or* [all] City Employees to [\$12.00] *or* [\$12.25] hourly effective January 2, 2017;
  
- require annual adjustments to the Living Wage by [choose one]
  - Adjusting to 103% of the Federal Poverty Level for a family of four; *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 authorize the City Attorney’s office to modify the City’s current Living Wage ordinance to reflect these changes.

**Staff Recommendation**

The City Commission (1) adjust the Living Wage paid to City Employees to \$12.00 hourly effective January 2, 2017; (2) require annual adjustments to the Living Wage for City Employees equivalent to 103% of the Federal Poverty Level for a Family of Four; and (3) authorize the City Attorney’s office to modify the City’s current Living Wage ordinance to reflect these changes.

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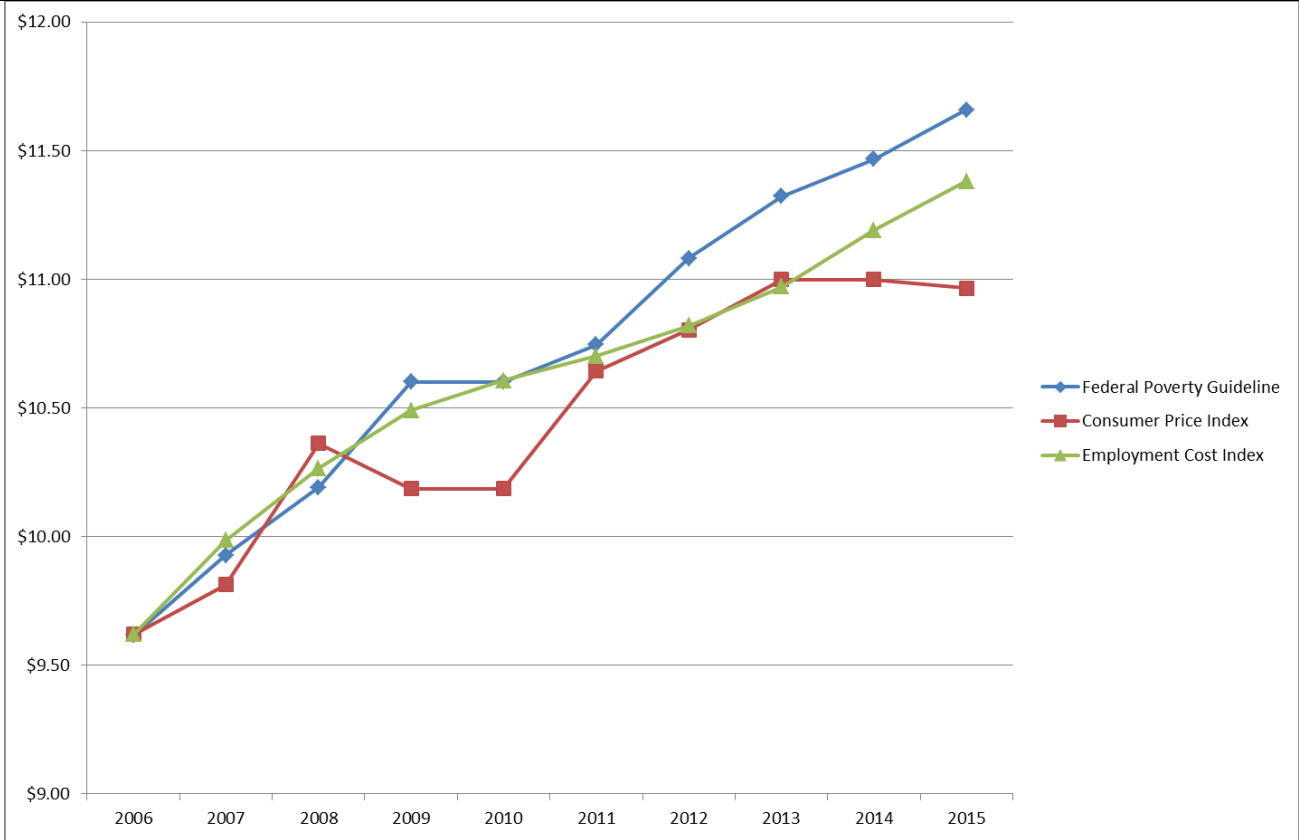
Additional Information Requested by City Commissioners follows.

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<sup>4</sup> Four employee groups include: Regular a/k/a Permanent, Temporary, Temp-Seasonal, Temp-Intern

## 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
<b>Federal Poverty Guideline</b>	<b>\$9.62</b>	<b>\$9.93</b>	<b>\$10.19</b>	<b>\$10.60</b>	<b>\$10.60</b>	<b>\$10.75</b>	<b>\$11.08</b>	<b>\$11.32</b>	<b>\$11.47</b>	<b>\$11.66</b>	<b>\$11.68</b>
% 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)											
	\$9.62	\$9.81	\$10.36	\$10.19	\$10.19	\$10.64	\$10.80	\$11.00	\$11.00	\$10.97	n/a
<b>Consumer Price Index (CPI)</b>	<b>\$9.62</b>	<b>\$9.81</b>	<b>\$10.36</b>	<b>\$10.19</b>	<b>\$10.19</b>	<b>\$10.64</b>	<b>\$10.80</b>	<b>\$11.00</b>	<b>\$11.00</b>	<b>\$10.97</b>	<b>n/a</b>
% 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											
	\$9.62	\$9.99	\$10.27	\$10.49	\$10.61	\$10.70	\$10.82	\$10.97	\$11.19	\$11.38	n/a
<b>Employment Cost Index (ECI)</b>	<b>\$9.62</b>	<b>\$9.99</b>	<b>\$10.27</b>	<b>\$10.49</b>	<b>\$10.61</b>	<b>\$10.70</b>	<b>\$10.82</b>	<b>\$10.97</b>	<b>\$11.19</b>	<b>\$11.38</b>	<b>n/a</b>
% 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

<b>ADDITIONAL COST TO MOVE EMPLOYEES TO \$12</b>				
Employee Group	# Emp.	Additional Annual Base	Additional Annual Benefits	Additional Annual Base Plus Benefits
<b>Regular</b>	<b>42</b>	<b>\$22,108.46</b>	<b>\$5,970.92</b>	<b>\$28,079.38</b>
Full-time	38	\$20,981.10	\$5,666.62	\$26,647.72
Part-time	4	\$1,127.36	\$304.30	\$1,431.66
<b>Temp Intern</b>	<b>10</b>	<b>\$9,620.00</b>	<b>\$735.90</b>	<b>\$10,355.90</b>
Part-time	10	\$9,620.00	\$735.90	\$10,355.90
<b>Temp Non-Seasonal</b>	<b>79</b>	<b>\$167,820.64</b>	<b>\$12,837.90</b>	<b>\$180,658.54</b>
Full-time	9	\$47,388.64	\$3,625.64	\$51,014.28
Part-time	70	\$120,432.00	\$9,212.26	\$129,644.26
<b>Temp Seasonal</b>	<b>56</b>	<b>\$75,592.37</b>	<b>\$5,783.28</b>	<b>\$81,375.65</b>
Full-time	27	\$47,642.37	\$3,644.89	\$51,287.26
Part-time	29	\$27,950.00	\$2,138.39	\$30,088.39
<b>Grand Total</b>	<b>187</b>	<b>\$275,141.47</b>	<b>\$25,328.00</b>	<b>\$300,469.47</b>
<b>Less Temps</b>	<b>(145)</b>	<b>(\$253,033.01)</b>	<b>(\$19,357.08)</b>	<b>(\$272,390.09)</b>
<b>Cost without Temps</b>	<b>42</b>	<b>\$22,108.46</b>	<b>\$5,970.92</b>	<b>\$28,079.38</b>

<b>ADDITIONAL COST TO MOVE EMPLOYEES TO \$12.25</b>				
Employee Group	# Emp.	Additional Annual Base	Additional Annual Benefits	Additional Annual Base Plus Benefits
<b>Regular</b>	<b>61</b>	<b>\$45,696.19</b>	<b>\$12,340.70</b>	<b>\$58,036.89</b>
Full-time	51	\$43,056.55	\$11,627.91	\$54,684.46
Part-time	10	\$2,639.64	\$712.79	\$3,352.43
<b>Temp Intern</b>	<b>18</b>	<b>\$14,820.00</b>	<b>\$1,133.13</b>	<b>\$15,953.13</b>
Full-time	2	\$1,040.00	\$79.46	\$1,119.46
Part-time	16	\$13,780.00	\$1,053.67	\$14,833.67
<b>Temp Non-Seasonal</b>	<b>79</b>	<b>\$191,090.64</b>	<b>\$14,615.48</b>	<b>\$205,706.12</b>
Full-time	9	\$52,068.64	\$3,983.20	\$56,051.84
Part-time	70	\$139,022.00	\$10,632.28	\$149,654.28
<b>Temp Seasonal</b>	<b>56</b>	<b>\$83,349.00</b>	<b>\$6,375.77</b>	<b>\$89,724.77</b>
Full-time	27	\$52,322.28	\$4,002.37	\$56,324.65
Part-time	29	\$31,026.72	\$2,373.40	\$33,400.12
<b>Grand Total</b>	<b>214</b>	<b>\$334,955.83</b>	<b>\$34,465.08</b>	<b>\$369,420.91</b>
<b>Less Temps</b>	<b>(153)</b>	<b>(\$289,259.64)</b>	<b>(\$22,124.38)</b>	<b>(\$311,384.02)</b>
<b>Cost without Temps</b>	<b>61</b>	<b>\$45,696.19</b>	<b>\$12,340.70</b>	<b>\$58,036.89</b>

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
<b>Grand Total</b>	<b>21</b>	<b>42</b>	<b>34</b>	<b>90</b>	<b>123</b>	<b>107</b>	<b>58</b>	<b>475</b>



## 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
<b>Intern</b>				10	8	2		20
<b>Administrative Services</b>				1				1
INTERNSHIP				1				1
<b>City Manager</b>				1				1
INTERNSHIP				1				1
<b>GRU-Administration</b>						1		1
INTERNSHIP						1		1
<b>GRU-Communications</b>				1				1
INTERNSHIP				1				1
<b>GRU-Energy Delivery</b>					1			1
INTERNSHIP					1			1
<b>GRU-Finance</b>				1	4			5
INTERNSHIP				1	4			5
<b>GRU-GRUCom</b>					1			1
INTERNSHIP					1			1
<b>GRU-Information Technology</b>						1		1
INTERNSHIP						1		1
<b>GRU-Water/ Wastewater</b>				6	2			8
INTERNSHIP				6	2			8
<b>Regular Employee</b>				14	95	89	56	254
<b>Budget &amp; Finance</b>				1	1		1	3
Clerk 1				1			1	2
Customer Accounts Rep					1			1
<b>Facilities Management</b>					7	2	1	10
Account Clerk							1	1
Custodial Worker					6	2		8
Maintenance Mechanic 1					1			1
<b>Gainesville Police Department</b>					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
<b>General Services</b>							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
<b>GRU-Customer Support Services</b>				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
<b>GRU-Energy Delivery</b>						1	1	2
Meter Reader						1		1
Staff Assistant							1	1
<b>GRU-GRUCom</b>							3	3
Customer Service Support Specialist 1							3	3
<b>GRU-Water/ Wastewater</b>							2	2
Staff Assistant							1	1
Staff Specialist							1	1
<b>Parks, Recreation &amp; Cultural Affairs</b>				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
<b>Planning &amp; Development Services</b>							2	2
Clerk 1							1	1
Customer Service Support Specialist 1							1	1
<b>Public Works</b>				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
<b>Risk Management</b>						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
<b>RTS</b>				4	68	72	28	<b>172</b>
Clerk 1 RTS					1	2	1	<b>4</b>
Maintenance Worker I RTS				1	2	1		<b>4</b>
Transit Operator					63	68	25	<b>156</b>
Vehicle Svc Attendant RTS				3	2	1	2	<b>8</b>
<b>Temp Non-Seasonal</b>	<b>16</b>	<b>15</b>	<b>9</b>	<b>37</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>85</b>
<b>Gainesville Police Department</b>				25				<b>25</b>
School Crossing Guard				25				<b>25</b>
<b>GRU-Customer Support Services</b>					1	3		<b>4</b>
Clerical - Temp						1		<b>1</b>
Customer Service Rep - Temp						1		<b>1</b>
Professional - Temp					1	1		<b>2</b>
<b>GRU-GRUCom</b>							1	<b>1</b>
Techs - Temp							1	<b>1</b>
<b>GRU-Information Technology</b>							1	<b>1</b>
Professional - Temp							1	<b>1</b>
<b>Parks, Recreation &amp; Cultural Affairs</b>	<b>16</b>	<b>15</b>	<b>8</b>	<b>11</b>	<b>1</b>	<b>1</b>		<b>52</b>
Support Staff I - Temp						1		<b>1</b>
Techs - Temp			2		1			<b>3</b>
Temporary Facility Assistant	16							<b>16</b>
Temporary Lifeguard		9						<b>9</b>
Temporary PRCA Supervisor			1	11				<b>12</b>
Temporary Recreation Assistant			5					<b>5</b>
Temporary Swim Instructor		6						<b>6</b>
<b>Public Works</b>			1	1				<b>2</b>
Techs - Temp			1	1				<b>2</b>
<b>Temp Seasonal</b>	<b>5</b>	<b>25</b>	<b>25</b>	<b>1</b>				<b>56</b>
<b>Parks, Recreation &amp; Cultural Affairs</b>	<b>5</b>	<b>25</b>	<b>25</b>	<b>1</b>				<b>56</b>
Temporary Facility Assistant	4							<b>4</b>
Temporary Lifeguard		25						<b>25</b>
Temporary PRCA Supervisor				1				<b>1</b>
Temporary Recreation Assistant	1		25					<b>26</b>
<b>Trainee/PTTP</b>		<b>2</b>		<b>28</b>	<b>18</b>	<b>12</b>		<b>60</b>
<b>Gainesville Police Department</b>		2						<b>2</b>
Temporary Police Cadet -2		2						<b>2</b>
<b>GRU-Customer Support Services</b>					1			<b>1</b>
Utilities Materials Specialist 1					1			<b>1</b>

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
<b>GRU-Energy Delivery</b>				3	9	5		<b>17</b>
Meter Reader				3	9	5		<b>17</b>
<b>GRU-Energy Supply</b>						4		<b>4</b>
Accelerated Production Operator Trainee						4		<b>4</b>
<b>GRU-Water/ Wastewater</b>				3	6			<b>9</b>
Services Operator Trainee					4			<b>4</b>
Wastewater Mechanic Trainee					2			<b>2</b>
Water Reclamation Plant Operator Trainee				1				<b>1</b>
Wastewater Plant Trainee				2				<b>2</b>
<b>Public Works</b>				8	2	3		<b>13</b>
Maintenance Worker 1				8	2	2		<b>12</b>
Motor Equipment Operator 1						1		<b>1</b>
<b>RTS</b>				14				<b>14</b>
Transit Operator Trainee				14				<b>14</b>
<b>Grand Total</b>	<b>21</b>	<b>42</b>	<b>34</b>	<b>90</b>	<b>123</b>	<b>107</b>	<b>58</b>	<b>475</b>