

Memorandum



CITY OF DALLAS

DATE June 14, 2018

Honorable Members of the Government Performance & Financial Management
Committee: Jennifer S. Gates (Chair), Scott Griggs (Vice Chair), Sandy Greyson,
TO Lee M. Kleinman, Philip T. Kingston, Kevin Felder

SUBJECT **Wage Floor Update**

Effective October 1, 2018, the wage floor for City contracts will increase from \$10.94 to \$11.15 per hour, based on the Massachusetts Institute of Technology (MIT) Living Wage Index.

Background

The City implemented a Wage Floor policy on November 10, 2015 by Resolution No. 15-2141. The wage floor requires prime contractors and sub-contractors, awarded general service contracts valued greater than \$50,000, to pay their employees rendering specific services on the contract a wage floor established by the City Council each year.

As defined by Dallas City Code Chapter 2, Section 27, the wage floor is included on all general services contracts, insurance, services related to the purchase of high technology items, or other types of manual, physical, or intellectual labor. As part of the policy, vendors are required to provide actual hours worked each calendar year. The chart below shows the total number of reported hours worked and the number of impacted contractor employees for general services contracts from the contract period of January 1, 2017 to December 31, 2017.

	Number of Hours	Contractor Staff
Dallas Resident	925,061	1,384
Non Resident	338,852	715
Total	1,263,913	2,099

The Office of Procurement Services reviews the wage floor annually, utilizing the MIT Living Wage Index. The index is published in the first quarter of each calendar year and the City implements the recommended wage floor each year in October, to align with the City's fiscal year.

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Wage Floor History	
November 10, 2015 – Sept. 30, 2017	\$10.37 Per Hour
October 1, 2017	\$10.94 Per Hour
October 1, 2018	\$11.15 Per Hour

Minimum Wage for City Employees

Last year, the City Manager included funding in the FY 2017-18 recommended and FY 2018-19 planned budgets to raise the City of Dallas minimum wage to match the wage floor rate. Council approved the FY 2017-18 budget, and on October 1, 2017, 507 City employees received a pay increase to meet the \$10.94 per hour rate. We currently estimate that if Council approves a budget for FY 2018-19 that includes funding for a wage increase to \$11.15 per hour, approximately 340 City employees would receive a pay increase to meet the new wage floor.

Thank you for your support of a living wage for employees and contractors. Please let me know if you need additional information.



M. Elizabeth Reich
Chief Financial Officer

Attachment

c: Honorable Mayor and Members of the City Council
T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Billierae Johnson, City Secretary (Interim)
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
Jo M. (Jody) Puckett, Assistant City Manager (Interim)
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors

Living Wage Calculation for Dallas County, Texas

The living wage shown is the hourly rate that an **individual** must earn to support their family, if they are the sole provider and are working full-time (2080 hours per year). All values are **per adult in a family** unless otherwise noted. The state minimum wage is the same for all individuals, regardless of how many dependents they may have. The poverty rate is typically quoted as gross annual income. We have converted it to an hourly wage for the sake of comparison.

For further detail, please reference the [technical documentation here](#).

Hourly Wages	1 Adult	1 Adult 1 Child	1 Adult 2 Children	1 Adult 3 Children	2 Adults (1 Working)	2 Adults (1 Working) 1 Child	2 Adults (1 Working) 2 Children	2 Adults (1 Working) 3 Children	2 Adults (1 Working Part Time) 1 Child*	2 Adults	2 Adults 1 Child	2 Adults 2 Children	2 Adults 3 Children
Living Wage	\$11.15	\$23.54	\$26.61	\$33.45	\$18.81	\$22.19	\$25.04	\$28.00	\$16.45	\$9.41	\$12.60	\$14.78	\$17.03
Poverty Wage	\$5.00	\$7.00	\$9.00	\$11.00	\$7.00	\$9.00	\$11.00	\$13.00		\$3.00	\$4.00	\$5.00	\$6.00
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25		\$7.25	\$7.25	\$7.25	\$7.25

*Documentation for families with an adult working part-time is available separately, [here](#).

Typical Expenses

These figures show the individual expenses that went into the living wage estimate. Their values vary by family size, composition, and the current location.

Annual Expenses	1 Adult	1 Adult 1 Child	1 Adult 2 Children	1 Adult 3 Children	2 Adults (1 Working)	2 Adults (1 Working) 1 Child	2 Adults (1 Working) 2 Children	2 Adults (1 Working) 3 Children	2 Adults (1 Working Part Time) 1 Child*	2 Adults	2 Adults 1 Child	2 Adults 2 Children	2 Adults 3 Children
Food	\$2,986	\$4,394	\$6,613	\$8,777	\$5,474	\$6,807	\$8,786	\$10,702		\$5,474	\$6,807	\$8,786	\$10,702
Child Care	\$0	\$5,478	\$8,266	\$11,054	\$0	\$0	\$0	\$0		\$0	\$5,478	\$8,266	\$11,054
Medical	\$2,203	\$7,679	\$7,398	\$7,456	\$5,772	\$7,398	\$7,456	\$7,126		\$5,772	\$7,398	\$7,456	\$7,126
Housing	\$8,268	\$12,372	\$12,372	\$16,680	\$10,044	\$12,372	\$12,372	\$16,680		\$10,044	\$12,372	\$12,372	\$16,680
Transportation	\$4,236	\$8,754	\$9,189	\$11,032	\$8,754	\$9,189	\$11,032	\$10,989		\$8,754	\$9,189	\$11,032	\$10,989
Other	\$2,656	\$4,294	\$4,736	\$6,059	\$4,294	\$4,736	\$6,059	\$5,620		\$4,294	\$4,736	\$6,059	\$5,620
Required annual income after taxes	\$20,349	\$42,971	\$48,575	\$61,057	\$34,338	\$40,503	\$45,705	\$51,117		\$34,338	\$45,981	\$53,971	\$62,171
Annual taxes	\$2,839	\$5,995	\$6,776	\$8,517	\$4,790	\$5,650	\$6,376	\$7,131		\$4,790	\$6,414	\$7,529	\$8,673
Required annual income before taxes	\$23,187	\$48,966	\$55,351	\$69,575	\$39,128	\$46,153	\$52,080	\$58,247	\$51,321	\$39,128	\$52,395	\$61,499	\$70,843

Typical Annual Salaries

These are the typical annual salaries for various professions in this location.

Occupational Area	Typical Annual Salary
Management	\$106,979
Business & Financial Operations	\$70,797
Computer & Mathematical	\$84,757
Architecture & Engineering	\$83,907
Life, Physical, & Social Science	\$62,792
Community & Social Service	\$46,135
Legal	\$83,025
Education, Training, & Library	\$50,287
Arts, Design, Entertainment, Sports, & Media	\$45,674
Healthcare Practitioners & Technical	\$63,171
Healthcare Support	\$26,168
Protective Service	\$40,272
Food Preparation & Serving Related	\$20,008
Building & Grounds Cleaning & Maintenance	\$22,673
Personal Care & Service	\$19,578
Sales & Related	\$27,972
Office & Administrative Support	\$33,702
Farming, Fishing, & Forestry	\$23,391
Construction & Extraction	\$38,284
Installation, Maintenance, & Repair	\$41,461
Production	\$33,302
Transportation & Material Moving	\$31,703