



February 21, 2022

Honorable City Council

Subject: **Request to Amend the Official Compensation Schedule**

Recommendation is submitted to amend the 2021 – 2022 Official Compensation Schedule to include the pay range adjustments on the attached (Appendix A), subject to City Council approval.

Rationale:

The federal minimum wage has remained stagnant at \$7.25 since 2009 and the minimum wage for the State of Michigan was adjusted to \$9.87 effective January 1, 2022. These wages are not adequate to raise a family of four above the federal poverty level, which is currently \$27,750 annually or \$13.34 per hour.

Recognizing that inadequacy, many companies and municipalities that the City of Detroit competes with for modest wage talent, including Target, Amazon, Walmart, and Wayne County, have increased their minimum wage to at least \$15. The City's competitive disadvantage worsens next week, when the minimum pay rate for federal employees adjusts to \$15.

As of December 2021, there were 269 employees in 34 classifications at the City of Detroit earning less than \$15 per hour. The recommendation is to adjust the pay range minimums for all City of Detroit classifications to the aforementioned threshold effective 07/01/2022. The adjustment, subject to City Council's approval, is estimated to cost \$1.5 million annually and is expected to:

- Improve the overall standard of living for impacted employees so that normal monthly expenses, such as rent, car payments, etc. are more easily affordable.
- Increase employee morale which will result in a more cohesive and productive workforce, thereby improving customer service satisfaction for residents and visitors.
- Reduce turnover while attracting and retaining the necessary talent to perform critical and key functions.
- Narrow racial and gender pay gaps internally.

Respectfully submitted,

Denise Starr
Human Resources Director

DS/nms
Attachments

cc: Budget Department

BY COUNCIL MEMBER _____

RESOLVED, That the 2021 - 2022 Official Compensation Schedule is hereby amended to reflect the following pay adjustments on the attached (Appendix A), effective upon Council's approval.

RESOLVED, That the Finance Director is hereby authorized to honor payrolls and vouchers in accordance with this resolution, the above communication, and standard City of Detroit practices.