

# GOVERNMENT OF THE CITY OF SOUTH FULTON

TAMMI SADDLER JONES  
CITY MANGER



Karen Slaton-Dixon  
FINANCE DIRECTOR

## MEMORANDUM

**TO:** Corey Adams, City Clerk  
**FROM:** Karen Slaton-Dixon, Finance Director *KSD*  
**DATE:** August 16, 2022  
**SUBJECT:** Wage Study to raise the minimum to \$20 Resolution

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### CONCLUSION

No direct funds are being requested nor have any direct funds been allocated in the FY22 budget to cover any known expenses.

### BACKGROUND

The city desires to establish a plan for a livable minimum wage of \$20 for the City of South Fulton employees.

### FINANCIAL IMPACT

For FY 23, it will increase the cost of personnel and benefits through out the city. If the minimum wage is raised, then the wages of other personnel will have to be raised to ensure compression doesn't happen in many of the budgeted positions.

Based on 30 full-time employees with an average of \$16.00 per hour the direct fiscal impact would be  $\$4 \times 2080 \times 30 \text{ employees} = \$249,600$  towards based salary. When adding in 10% for employee taxes and 10% for retirement the increase would increase to \$299,520. Employees making in the range of \$20 per hour in a pay grade higher than those increasing to \$20 would also be impacted.

In essence this resolution could increase payroll by 15%. With FY23 annual pay not including taxes and benefits estimated at \$40,959,300, the impact could be over \$6,143,895.

Additional time would be needed for a complete analysis, and it is suggested that this be part of the class and compensation study.

