

ATTACHMENT A



City of Phoenix
Office of Mayor Kate Gallego

To: City Manager Ed Zuercher

From: Mayor Kate Gallego
Vice Mayor Kesha Hodge Washington
Councilmember Betty Guardado

Subject City of Phoenix Employee Minimum Wage and Potential Worker Retention Policy

Date: June 8, 2026

Over the past several years, the City of Phoenix has made meaningful progress to ensure its workforce is compensated in a way that is both competitive and reflective of the value our employees bring to public service. These efforts have helped strengthen recruitment and retention, while reinforcing our commitment to fairness and respect for the people who keep our city running every day.

At the same time, rising costs of living continue to place financial pressure on many working families, including members of our municipal workforce. As a city, we must continue to evaluate whether our compensation structure keeps pace with these realities and aligns with our values of equity and economic dignity.

Increasing the City's internal minimum wage could help improve employee retention, strengthen service quality, and reinforce our commitment to economic sustainability for those who carry out City functions.

We respectfully request that staff explore, evaluate, and present options for increasing the minimum wage for City employees, city contractors, and contracted workers performing services on City properties, while ensuring that any proposed adjustments remain fiscally responsible and aligned with what the city can sustainably afford.

Staff's research should include:

- An analysis of current City compensation levels compared to recognized minimum wage standards for the Phoenix metropolitan area.
- Options for implementing a minimum wage policy for City employees.
- Fiscal impacts and potential funding strategies.
- Consideration of how such a policy could support workforce stability, recruitment and retention.
- Assessment of part-time and/or seasonal positions to determine whether partial extension of benefits may assist with retention.

We further request that staff examine options available to the City to assist workers employed by third parties at City facilities maintain employment when contracts shift from one vendor to another.

We ask that you place these items on the earliest convenient Executive Session agenda to review the legal implications of this request, and for you to advance the issue to discussion at a future Formal Council Meeting.

Ensuring that workers who serve the City earn wages that reflect the true cost of living and have the opportunity to maintain employment when contracts change is not only an economic issue—it is a matter of dignity, fairness, and respect for work. The strength of our city depends on the strength of the workforce that keeps Phoenix operating every day. We look forward to a thoughtful discussion about how Phoenix can continue to lead by supporting workers and families and building a more stable and resilient workforce for the future.

cc: Lori Bays
Ginger Spencer