

City of Fayetteville Staff Review Form

2020-0181

Legistar File ID

3/17/2020

City Council Meeting Date - Agenda Item Only
N/A for Non-Agenda Item

Paul A. Becker

2/27/2020

CHIEF FINANCIAL OFFICER (110)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

A RESOLUTION APPROVING A BUDGET AMENDMENT IN THE AMOUNT OF \$1,322,000 TO FACILITATE CITY-WIDE EMPLOYEE COMPENSATION ADJUSTMENTS FOR 2020.

Budget Impact:

xxxx.xxx.xxxx-51xx.xx	Citywide
Account Number	Fund
N/A	N/A
Project Number	Project Title
Budgeted Item? Yes	Current Budget \$ 59,995,732.00
	Funds Obligated \$ 9,396,443.00
	Current Balance \$ 50,599,289.00
Does item have a cost? No	Item Cost \$ -
Budget Adjustment Attached? Yes	Budget Adjustment \$ 1,322,000.00
	Remaining Budget \$ 51,921,289.00

V20180321

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF MARCH 17TH 2020

TO: Mayor and City Council
FROM: Paul A. Becker, Chief Financial Officer
DATE: February 27th, 2020
SUBJECT: 2020 Employee Compensation Appropriation Authority

RECOMMENDATION:

The Mayor's recommendation is for the City Council to appropriate funds to provide for the compensation package outlined below.

DISCUSSION:

As discussed during the 2020 Budget process, the Mayor is recommending a compensation package to the City Council based on the fiscal results of 2019 operations and the Merit Pay and Benefits Study recently completed.

Although the General Fund had a deficit in 2019 operations, it was caused by a number of one time capital expenditures.

Other operating funds such as the Street, Parks Development, Water & Sewer and Recycling & Trash Collection funds have the capacity to afford these salary increases.

The Mayor's Guiding Philosophy

- Recommendation supports on-going pay increases with minimal risks that can be supported by potential future revenue growth.
- Compensating personnel at market levels based on a pay study conducted by a selected professional firm specializing in the design of compensation plans.

Based on these results, the Mayor is recommending the following compensation package to the Council:

- The plan would provide an increase to merit personnel falling under the new minimum of the range effective 3/23/2020.
- The plan would provide for a one step increase for eligible Police and Fire uniformed personnel beginning 3/23/2020 keeping everyone in a step.
- The plan would provide for merit increases for other employees comparable to the amount provided for a step to uniformed personnel, to be distributed based on merit (4.0% merit pools will be created for that purpose).
- Amounts to merit employees will be based on performance as determined by the appropriate department/division head. These increases will go into effect beginning 3/23/2020.
- To be eligible merit employees must have completed at least six (6) months of service which means they must have been paid on Pay Period #21, 2019 which equals a start date before 10/6/2019.
- Uniformed personnel to be eligible to receive a step increase must have completed at least one year of service which means they must have been paid on Pay Period #8, 2019 which equals a start date before 4/7/2019.

- The 2020 cost of this plan is projected to be \$834,000 in the General Fund. The 2020 cost for all funds would be \$1,322,000.
- The on-going cost of the plan in future years will be \$1,127,000 for the General Fund and \$1,786,000 for all funds.

BUDGET/STAFF IMPACT:

The impact of this proposal would be to increase the budgets for various funds as follows:

2020 - Step / Merit Payplan Impact

FUNDING SOURCE		PARTIAL IMPACT		ANNUAL IMPACT
1010 - General	\$	834,000	\$	1,127,000
2100 - Street		91,900		124,000
2130 - Parking		14,700		20,000
2180 - Community Development		9,200		12,000
2250 - Parks Development		47,400		64,000
2930 - Drug Law Enforcement Grant		6,600		9,000
5400 - Water and Sewer		169,300		229,000
5500 - Recycling and Trash Collection		100,500		136,000
5550 - Airport		15,100		20,000
9700 - Shop		33,300		45,000
Total	\$	1,322,000	\$	1,786,000