

City of Fayetteville Staff Review Form

2020-1129

Legistar File ID

1/5/2021

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

Paul A. Becker

12/17/2020

CHIEF FINANCIAL OFFICER (110)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

A RESOLUTION APPROVING A BUDGET AMENDMENT IN THE AMOUNT OF \$1,700,000 TO FACILITATE CITY-WIDE EMPLOYEE COMPENSATION ADJUSTMENTS FOR 2021. THESE COMPENSATION ADJUSTMENTS WERE DEFERRED AT THE APRIL 7, 2020 CITY COUNCIL MEETING DUE TO COVID-19.

Budget Impact:

xxxx.xxx.xxxx-51xx.xx	Citywide																								
Account Number	Fund																								
N/A	N/A																								
Project Number	Project Title																								
<table border="0" style="width: 100%;"> <tr> <td style="width: 30%;">Budgeted Item?</td> <td style="width: 10%; text-align: center;">Yes</td> <td style="width: 30%; border-bottom: 1px solid black;">Current Budget</td> <td style="width: 30%; text-align: right;">\$ 59,213,669.00</td> </tr> <tr> <td></td> <td></td> <td style="border-bottom: 1px solid black;">Funds Obligated</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td></td> <td></td> <td style="border-bottom: 1px solid black;">Current Balance</td> <td style="text-align: right; border: 1px solid black;">\$ 59,213,669.00</td> </tr> <tr> <td>Does item have a cost?</td> <td style="text-align: center;">No</td> <td style="border-bottom: 1px solid black;">Item Cost</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>Budget Adjustment Attached?</td> <td style="text-align: center;">Yes</td> <td style="border-bottom: 1px solid black;">Budget Adjustment</td> <td style="text-align: right;">\$ 1,700,000.00</td> </tr> <tr> <td></td> <td></td> <td style="border-bottom: 1px solid black;">Remaining Budget</td> <td style="text-align: right; border: 1px solid black;">\$ 60,913,669.00</td> </tr> </table>	Budgeted Item?	Yes	Current Budget	\$ 59,213,669.00			Funds Obligated	\$ -			Current Balance	\$ 59,213,669.00	Does item have a cost?	No	Item Cost	\$ -	Budget Adjustment Attached?	Yes	Budget Adjustment	\$ 1,700,000.00			Remaining Budget	\$ 60,913,669.00	
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V20180321

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF JANUARY 5, 2021

TO: Mayor and City Council
FROM: Paul A. Becker, Chief Financial Officer
DATE: December 17, 2020
SUBJECT: 2021 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.

This item was tabled indefinitely at the April 7, 2020 City Council meeting due to the onset of COVID-19.

DISCUSSION:

As was 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 completed earlier in 2020.

At this time based on revenue results through November 2020, it is felt that the plan presented in April 2020 is now affordable, and its implementation is recommended.

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 01/11/2021.
- The plan would provide for a one step increase for eligible Police and Fire uniformed personnel beginning 01/11/2021 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 01/11/2021.
- 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 2021 cost of this plan is projected to be \$1,063,000 in the General Fund. The 2021 cost for all funds would be \$1,700,000.

- The on-going cost of the plan in future years will be \$1,105,000 for the General Fund and \$1,766,000 for all funds.

BUDGET/STAFF IMPACT:

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

2021 - Step / Merit Payplan Impact

FUNDING SOURCE		PARTIAL IMPACT		ANNUAL IMPACT
1010 - General	\$	1,063,000	\$	1,105,000
2100 - Street		118,700		123,000
2130 - Parking		15,800		16,000
2180 - Community Development		12,100		13,000
2250 - Parks Development		57,000		59,000
2930 - Drug Law Enforcement Grant		8,100		8,000
5400 - Water and Sewer		239,100		249,000
5500 - Recycling and Trash Collection		126,700		132,000
5550 - Airport		19,600		20,000
9700 - Shop		39,900		41,000
Total	\$	1,700,000	\$	1,766,000