

City of Fayetteville Staff Review Form

2021-0254

Legistar File ID

4/6/2021

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

Paul A. Becker

3/29/2021

CHIEF FINANCIAL OFFICER (110)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

A RESOLUTION APPROVING A BUDGET AMENDMENT IN THE AMOUNT OF \$1,905,000 TO FACILITATE CITY-WIDE EMPLOYEE COMPENSATION ADJUSTMENTS FOR 2021.

Budget Impact:

xxxx.xxx.xxxx-51xx.xx	Citywide
Account Number	Fund
N/A	N/A
Project Number	Project Title
Budgeted Item? Yes	Current Budget \$ 59,213,669.00
	Funds Obligated \$ -
	Current Balance \$ 59,213,669.00
Does item have a cost? No	Item Cost \$ -
Budget Adjustment Attached? Yes	Budget Adjustment \$ 1,905,000.00
	Remaining Budget \$ 61,118,669.00

V20180321

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF APRIL 6, 2021

TO: Mayor and City Council
FROM: Paul A. Becker, Chief Financial Officer
DATE: March 29, 2021
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.

DISCUSSION:

As was discussed during the 2021 Budget process, the Mayor is recommending a compensation package to the City Council based on the fiscal results of 2020 operations and the Fire and Police Pay and Benefits Study recently completed.

The General Fund ended 2020 operations with a budget surplus of \$2.1M.

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 Police and Fire uniformed personnel by placing them on the new step pay plan structure at their current step effective 04/05/2021.
- The plan would provide for a one step increase for eligible Police and Fire uniformed personnel beginning 04/05/2021 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 04/05/2021.
- 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 #22, 2020 which equals a start date before 10/19/2020.
- 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 #9, 2020 which equals a start date before 04/20/2020.

- The 2021 cost of this plan is projected to be \$1,448,000 in the General Fund. The 2021 cost for all funds would be \$1,905,000.
- The on-going cost of the plan in future years will be \$1,981,000 for the General Fund and \$2,607,000 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	\$	1,448,000	\$	1,981,000
2100 - Street		88,600		121,000
2130 - Parking		9,600		13,000
2180 - Community Development		10,300		14,000
2250 - Parks Development		47,300		65,000
2930 - Drug Law Enforcement Grant		1,600		2,000
5400 - Water and Sewer		157,100		215,000
5500 - Recycling and Trash Collection		97,600		134,000
5550 - Airport		12,900		18,000
9700 - Shop		32,000		44,000
Total	\$	1,905,000	\$	2,607,000