

City of Fayetteville Staff Review Form

2022-0177

Legistar File ID

3/15/2022

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

Paul A Becker

2/24/2022

CHIEF FINANCIAL OFFICER (110)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

2022 CITY-WIDE EMPLOYEE COMPENSATION:

A RESOLUTION TO APPROVE A BUDGET ADJUSTMENT IN THE AMOUNT OF \$780,000 TO FACILITATE THE CITY-WIDE 2022 EMPLOYEE COMPENSATION ADJUSTMENT

Budget Impact:

xxxx.xxx.xxxx-51xx.xx	Citywide
Account Number	Fund
N/A	N/A
Project Number	Project Title
Budgeted Item? Yes	Current Budget \$ 65,706,187.00
	Funds Obligated \$ 7,323,143.00
	Current Balance \$ 58,383,044.00
Does item have a cost? No	Item Cost \$ -
Budget Adjustment Attached? Yes	Budget Adjustment \$ 780,000.00
	Remaining Budget \$ 59,163,044.00

V20210527

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF MARCH 15, 2022

TO: Mayor and City Council
FROM: Paul A. Becker, Chief Financial Officer
DATE: February 24, 2022
SUBJECT: 2022 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 2022 Budget process, the Mayor is recommending a compensation package to the City Council based on the fiscal results of 2021 operations and the Merit Staff Pay and Benefits Study recently completed.

Sufficient amounts for this plan were included in the 2022 General Fund budget, however other funds require additional budget amounts which are included in the attached budget amendment.

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 04/04/2022.
- The plan would provide for a one step increase for eligible Police and Fire uniformed personnel beginning 04/04/2022 keeping everyone in a step.
- The plan would provide for merit increases for other employees to be distributed based on merit (5.0% 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 04/04/2022.
- 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, 2021 which equals a start date before 10/18/2021.
- 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, 2021 which equals a start date before 04/19/2021.

- The 2022 cost of this plan is projected to be \$1,051,000 in the General Fund. The 2022 cost for all funds would be \$1,831,000.
- The on-going cost of the plan in future years will be \$1,438,000 for the General Fund and \$2,505,000 for all funds.

BUDGET/STAFF IMPACT:

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

2022 - Step / Merit Payplan Impact

FUNDING SOURCE	ANNUAL IMPACT	PARTIAL IMPACT	BUDGET AMENDMENT
1010 - General	\$ 1,438,000	\$ 1,051,000	\$ -
2100 - Street	178,000	130,000	130,000
2130 - Parking	25,000	18,000	18,000
2180 - Community Development	23,000	17,000	17,000
2250 - Parks Development	108,000	79,000	79,000
2930 - Drug Law Enforcement Grant	3,000	2,000	2,000
5400 - Water and Sewer	466,000	341,000	341,000
5500 - Recycling and Trash Collection	175,000	128,000	128,000
5550 - Airport	34,000	25,000	25,000
9700 - Shop	55,000	40,000	40,000
Total	\$ 2,505,000	\$ 1,831,000	\$ 780,000