

City of Fayetteville Staff Review Form

2019-0131

Legistar File ID

4/2/2019

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

Paul A. Becker

3/8/2019

CHIEF FINANCIAL OFFICER (110)

Submitted By

Submitted Date

Division / Department

Action Recommendation:

A RESOLUTION APPROVING A BUDGET AMENDMENT IN THE AMOUNT OF \$1,830,000 TO FACILITATE CITY-WIDE EMPLOYEE COMPENSATION ADJUSTMENTS FOR 2019.

Budget Impact:

xxxx.xxx.xxxx-51xx.xx		Citywide	
Account Number		Fund	
N/A		N/A	
Project Number		Project Title	
Budgeted Item?	Yes	Current Budget	\$ 57,438,750.00
		Funds Obligated	\$ 11,082,999.75
		Current Balance	\$ 46,355,750.25
Does item have a cost?	No	Item Cost	\$ -
Budget Adjustment Attached?	Yes	Budget Adjustment	\$ 1,830,000.00
		Remaining Budget	\$ 48,185,750.25

V20180321

Purchase Order Number: _____

Previous Ordinance or Resolution # _____

Change Order Number: _____

Approval Date: _____

Original Contract Number: _____

Comments:



MEETING OF APRIL, 2RD 2019

TO: Mayor and City Council
FROM: Paul A. Becker, Chief Financial Officer
DATE: March 13th, 2019
SUBJECT: 2019 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 2019 Budget process, the Mayor is recommending a compensation package to the City Council based on the fiscal results of 2018 operations and the Fire and Police Pay and Benefits Study recently completed.

Although the General Fund had a deficit in 2018 operations, it was caused by one time capital expenditures from the previously budgeted Theater Squared project.

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 sworn public safety 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 3/25/2019.
- The plan would provide for a one step increase for eligible Police and Fire uniformed personnel beginning 3/25/2019 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).
- Merit employees at the top of their ranges will be eligible for a single year service award which will not be factored into the employee's base pay.
- Amounts to merit employees will be based on performance as determined by the appropriate department/division head. These increases will go into effect beginning 3/25/2019.
- 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, 2018 which equals a start date before 10/8/2018.

- 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, 2018 which equals a start date before 4/9/2018.
- The 2019 cost of this plan is projected to be \$1,343,300 in the General Fund. The 2019 cost for all funds would be \$1,830,000.
- The on-going cost of the plan in future years will be \$1,840,000 for the General Fund and \$2,508,000 for all funds.

BUDGET/STAFF IMPACT:

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

2019 - Step / Merit Payplan Impact

FUNDING SOURCE	PARTIAL IMPACT	ANNUAL IMPACT
1010 - General	\$ 1,343,300	\$ 1,840,000
2100 - Street	96,000	132,000
2130 - Parking	14,000	19,000
2180 - Community Development	10,000	14,000
2250 - Parks Development	46,000	63,000
2930 - Drug Law Enforcement Grant	16,700	23,000
5400 - Water and Sewer	159,000	218,000
5500 - Recycling and Trash Collection	98,000	134,000
5550 - Airport	15,000	21,000
9700 - Shop	32,000	44,000
Total	\$ 1,830,000	\$ 2,508,000