



**MEETING OF MARCH 7, 2023**

**TO:** Mayor Jordan and City Council  
**THRU:** Susan Norton, Chief of Staff  
**FROM:** Missy Cole, Human Resources Director  
**DATE:**  
**SUBJECT: Acceptance of the 2023 Fire and Police Pay and Benefits Study and Approval of Proposed Fire and Police Step Pay Plans**

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**RECOMMENDATION:**

Staff recommends City Council accept the 2023 Fire and Police Pay and Benefits Study conducted by JER HR Group, presented by Blair Johanson, and approve the proposed Fire and Police step pay plans. Staff also recommends City Council approve implementing the merit pay compression study results with the 2023 Employee Compensation Plan (ECP).

**BACKGROUND:**

In 2016, after a professional services selection was completed, City Council approved a contract with Johanson Group, now JER HR Group, to conduct a classification, compensation, and benefits study.

Following the implementation of the classification study, Mayor Jordan formed the 2017 City Council Ad Hoc Pay Plan Committee to make recommendations to the City Council regarding new criteria for future pay and benefits studies. The Committee consisted of Council Members, Administration, and one representative from each employee group – Fire, Police, and Merit. This Committee made the following recommendations to the City Council regarding Fire and Police pay and benefits surveys:

1. Survey data sources – Bentonville, Rogers, Springdale, Jonesboro and Lawrence, KS;
2. Survey frequency – conduct annual studies, alternating between Fire and Police (odd years) and Merit (even years);
3. Survey five benefits provided by the data sources – retirement, medical/dental, time off in excess of statutory requirements, certification pay, and longevity pay.

On February 6, 2018, the City Council approved these recommendations along with a change order to the Johanson Group contract to conduct annual pay and benefits studies.

In 2021, through RFP, Johanson Group, now JER HR Group, was selected as the City's compensation consultant to perform ongoing surveys, job grading and other compensation consulting services.

In March 2022, as part of the Employee Compensation Plan (ECP), City Council approved a pay compression study of merit staff.

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**DISCUSSION:**

The JER HR Group 2023 Fire and Police Pay and Benefits Study Report follows the staff memo. The Final Report provides a summary of the study, including a discussion of benefits. The study recommendations from JER HR Group are listed below:

- Adoption of the 2023 Proposed Fire and Police Pay Step Plans
- Continuation of current competitive employee benefits for Fire and Police uniformed personnel to meet the City's Total Rewards: Compensation and Benefits Philosophy – Competitive base pay to attract applicants within the City's market recruitment area and retain competent employees by leading market recruitment area with total rewards (base pay and benefit) offerings

Police departments locally and nationally are experiencing staffing shortages. The Fayetteville Police Department currently has 23 sworn vacancies and has experienced turnover averaging 13.8% over the past three years. As a result of these market conditions, Police pay structures in Northwest Arkansas are experiencing volatility. Due to the external market factors affecting police along with the demand to recruit and retain police officers, staff recommends amending the study recommendations for the 2023 Police Pay structure as follows:

- Adopt the 2023 Proposed Police Pay Step Plan which has been amended to match the current highest pay rates among the Northwest Arkansas survey cities.

In 2022, a pay compression study of merit positions was conducted to evaluate the impact of the upward movement of positions based on market pay study results and pay for new hires compared to existing employees by job title. Staff recommends the results of the pay compression study be implemented with the 2023 ECP.

**BUDGET/STAFF IMPACT:**

Accepting the JER HR Group Fire and Police Pay and Benefits Study and adopting the proposed pay plans will equip the City to implement updated, competitive fire and police pay structures.

A separate agenda item with Mayor Jordan's recommendation for the 2023 Employee Compensation Appropriation Authority & Step Pay Plan Structure Adjustments will be presented to City Council for consideration.

**ATTACHMENTS:** Staff Review Form, 2023 Fire and Police Pay and Benefits Study Report Cover Page, 2023 Fire and Police Benefits Study Final Report, Appendix 1 City Council Direction for Future Pay and Benefits Studies- Uniformed Positions, Appendix 2 Fire and Police Pay Range Min and Blended Max 2023 Pay Study Variance Percentages, Appendix 3 - Fire and Police Pay Range Study Min and Blended Max & Revised Position Matches, Appendix 4 - Fire and Police Study - Percentage Increases from 2021 to 2023, Appendix 5 - Fire and Police Study - Position Match Methodology, Appendix 6 - Fire and Police Pay Range Study - Full Min and Blended Pay Range Max Methodology, Appendix 7 - Fire and Police Blended Maximum Bentonville and Rogers Worksheets, Appendix 8 - Fire and Police Study - Medical and Dental Cost Shares, Appendix 9 - Fire and Police Pay and Benefits Study Summary, Appendix 10 - Fire and Police Study - Certificate Pay, Appendix 11 - Fire and Police Study - Assignments and Pay, Appendix 12 - 2023 Geographic Compensation Differential (GCD) Table, Appendix 13 - Proposed Fire Department Pay Plan 24 Hour Shift, Appendix 14 - Proposed Fire Department Pay Plan Day Shift, Appendix 15 - Proposed Police Department Pay Plan

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