



**MEETING OF MARCH 7, 2023**

**TO:** Mayor Jordan and City Council  
**THRU:**  
**FROM:** Paul Becker, Chief Financial Officer  
**DATE:**  
**SUBJECT:** **2023 Employee Compensation Appropriation Authority**

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**RECOMMENDATION:**

The Mayor's recommendation is for the City Council to appropriate funds to provide for the compensation package outlined below.

**BACKGROUND:**

As was discussed during the 2023 Budget process, the Mayor is recommending a compensation package to the City Council based on the fiscal results of 2022 operations and the Police and Fire Staff Pay and Benefits Study and the 2022 Compression pay study recently completed.

The General Fund ended 2022 operations with a budget surplus of \$7.0M.

Other operating funds such as the Street, Parks Development, Water & Sewer and Recycling & Trash Collection funds have the capacity to afford these salary increases.

**DISCUSSION:**

The Mayor's Guiding Philosophy

- The 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 for Police and Fire uniformed personnel by placing them on the new step pay plan structure at their current step effective 04/03/2023.
- The plan would provide for a one-step increase for eligible uniformed personnel (Fire only) beginning 04/03/2023, keeping everyone in a step.

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- The plan would provide for merit increases for other employees to be distributed based on merit (6.0% 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 04/03/2023.
- 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, 2022, which equals a start date before 10/16/2022.
- Uniformed personnel (Fire only) 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, 2022, which equals a start date before 04/17/2022.
- The 2023 cost of this plan is projected to be \$4,745,300 in the General Fund. The 2023 cost for all funds would be \$5,500,000.
- The on-going cost of the plan in future years will be \$6,491,200 for the General Fund and \$7,522,600 for all funds.

**BUDGET/STAFF IMPACT:**

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

**2023 - Step / Merit Payplan Impact**

FUNDING SOURCE	ANNUAL IMPACT	PARTIAL IMPACT	BUDGET ADJUSTMENT
1010 - General	\$ 6,491,200	\$ 4,745,300	\$ 3,045,300
2100 - Street	184,516	135,000	135,000
2130 - Parking	30,193	22,100	22,100
2180 - Community Development	26,884	19,700	19,700
2250 - Parks Development	104,459	76,400	76,400
2930 - Drug Law Enforcement Grant	31,847	23,500	23,500
5400 - Water and Sewer	391,187	286,000	286,000
5500 - Recycling and Trash Collection	170,715	124,800	124,800
5550 - Airport	34,673	25,400	25,400
9700 - Shop	56,926	41,800	41,800
<b>Total</b>	<b>\$ 7,522,600</b>	<b>\$ 5,500,000</b>	<b>\$ 3,800,000</b>

**ATTACHMENTS:** 2023-445 SRF Employee Compensation Plan 2023, 2023-445 BA Employee Compensation Plan 2023