



# City of Fayetteville, Arkansas

113 West Mountain Street  
Fayetteville, AR 72701  
(479) 575-8323

## Legislation Text

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**File #:** 2024-1725

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### **Acceptance of the Non-uniformed Staff Pay and Benefits Study and Approval of Proposed 2024 Non-uniformed Staff Pay Plan Structure**

A RESOLUTION TO APPROVE THE JER HR GROUP, LLC'S NON-UNIFORM STAFF PAY AND BENEFITS STUDY, TO APPROVE THE 2024 NON-UNIFORMED STAFF PAY PLAN STRUCTURE, AND TO APPROVE THE 6.34% BUDGET FOR THE PAY PLAN

**WHEREAS**, the City of Fayetteville has employed JER HR Group, LLC to conduct annual compensation and benefit studies, alternating between the City's two pay plans: Non-uniformed (Merit) Staff Pay Plan and Uniformed Step Pay Plans; and

**WHEREAS**, the City's compensation consultant, JER HR Group, LLC conducted the 2024 Non-uniformed (Merit) Staff Pay and Benefits Study and presented this study to the Fayetteville City Council; and

**WHEREAS**, staff recommends the City Council approve the proposed 2024 Non-uniformed Staff Pay Plan Structure which is recommended by JER HR Group, LLC in compliance with the City's Total Rewards Compensation and Benefits Philosophy.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:**

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby approves the 2024 Non-Uniformed Staff Pay Plan Structure increasing compensation for eligible Non-uniformed staff by 6.34%, copies of which are attached to this Resolution.



**MEETING OF MARCH 5, 2024**

**TO:** Mayor Jordan and City Council  
**THRU:** Susan Norton, Chief of Staff  
**FROM:** Missy Cole, Human Resources Director  
**SUBJECT:** **Acceptance of the Non-uniformed Staff Pay and Benefits Study and Approval of Proposed 2024 Non-uniformed Staff Pay Plan Structure**

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**RECOMMENDATION:**

Staff recommends the City Council approve the proposed 2024 Non-uniformed Staff Pay Plan Structure which is recommended by JER HR, the City's compensation consultant, as a result of the Non-uniformed Staff Pay and Benefits Study.

**BACKGROUND:**

On February 6, 2018, the City Council approved guidelines for future compensation studies. These guidelines defined the data sources, survey frequency and types of employee benefits to be evaluated. The City of Fayetteville currently conducts annual compensation and benefits studies, alternating between the City's two pay plans: Non-uniformed Staff Pay Plan and Uniformed Step Pay Plans.

**DISCUSSION:**

The JER HR 2024 Non-uniformed Staff Pay and Benefits Study Report follows this staff memo. The Report provides a summary of the study and recommendations from JER HR. The study recommendations from JER HR are:

- Adoption of the 2024 Proposed Non-uniformed Staff Pay Plan Structure
- Budget 6.34% for the 2024 non-uniformed staff pay adjustments
- Continuation of current competitive employee benefits for non-uniformed staff 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.

**BUDGET/STAFF IMPACT:**

A separate agenda item with Mayor Jordan's recommendation for the 2024 Employee Compensation Appropriation Authority and Non-uniformed Staff Pay Plan Structure Adjustment will be presented to City Council for consideration.

**ATTACHMENTS:** SRF (#3), 2024 Non-Uniformed Staff Pay and Benefits Study Report Cover Page (#4), 2024 Non-Uniformed Staff Pay and Benefits Study Final (#5), Appendix 1 Powerpoint Non - Uniformed Staff Survey

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(#6), Appendix 2 2024 Non-Uniformed Staff Study Summary of Findings and Recs (#7), Appendix 3 Geographical Compensation Differential Percentage and GCD Multiplier (#8), Appendix 4 Proposed 2024 Non-uniformed Staff Pay Plan - Hourly and Salary Ranges by Pay Grade (#9), Appendix 5 Individual Pay Study Worksheets for 98 Benchmark Position Titles (#10), Appendix 6 Rolled up Pay Study Variances Analysis Worksheet for all 98 Position Titles (#11), Appendix 7 Consolidated Benefits Study Summary Worksheets (#12)

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February 12, 2024

To: The Honorable Mayor Lioneld Jordan  
Honorable Members of the City Council

From: Blair Johanson, Managing Consultant  
Cliff Sandsmark, Senior Consultant  
JER HR Group, Inc.

Subject: 2024 Non-uniformed Staff Pay and Benefits Study Report

JER HR Group is pleased to provide this Non-uniformed Staff Pay and Benefits study report. It is based on an analysis of non-uniformed staff position classifications, actual pay and pay range comparisons with competing municipalities in the City's primary labor market (Bentonville, Rogers, and Springdale) and two benchmark cities (Jonesboro, AR and Lawrence, KS) located outside the Northwest Arkansas region. In addition, with City Council direction, we included pay and pay range comparisons with public and private organizations' data from published pay studies inclusive of the 2023 NOARK Wage and Benefits survey, DOL-BLS survey for the NWA Metro area, Compdata and CompAnalyst. This memo narrative summarizes the 2024 Non-uniformed Staff Pay and Benefits Study findings and recommendations.

#### **City Council Directives for Biennial Non-uniformed and Civil Service Pay and Benefits Studies**

- Total Rewards: Compensation & 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
- Study Data Sources include Market Area Cities (Bentonville, Rogers, Springdale, Jonesboro and Lawrence, KS) and published compensation and benefits studies: 2023 NOARK Wage and Benefits survey, DOL-BLS survey for the NWA Metro area, Compdata and CompAnalyst
- Evaluation of Employee Benefit Options – Five major prevalent benefits: Retirement, Medical/Dental, Time Off, Shift/On-Call Pay, and Tuition Reimbursement
- Frequency of surveys – Every other year (Civil Service-odd years and non-uniformed-even years)
- Financially sustainable structures for step & non-uniformed pay plans
- Apples to apples comparison on step and non-uniformed range mins and maxes

#### **DISCUSSION OF THE NON-UNIFORMED STAFF PAY PLAN STRUCTURE**

The non-uniformed staff pay grade structure was established and implemented on March 27, 2017, with the most recent revision on April 4, 2022. The 2024 non-uniformed staff pay study is based on 98 benchmark positions that were recommended by the members of the City's executive

leadership team. The selected benchmark positions represent a cross-section among the City's non-uniformed staff pay plan grades. The study included average hourly pay rates and average hourly pay range minimums, midpoints, and maximums by each benchmarked job title. In addition, average pay range spreads by job title were studied.

### **Actual Average Hourly Pay by Job Title**

As part of the market compensation study, JER HR Group asked the market study municipalities to provide average hourly pay rates by job title. JER HR Group obtained the same information from the published pay studies as requested for the non-uniformed staff pay study. The Fayetteville non-uniformed staff employees' average pay for the 98 benchmark positions is above the market pay average by 0.80%. The study summary of actual pay variance appears in Appendix 2 and the detailed market pay study worksheets for each of the 98 individual benchmark job titles are in Appendix 5.

### **Pay Range Comparisons by Job Title**

In addition to average hourly pay, the market study municipalities submitted average hourly pay range minimums, midpoints, and maximums for the 98 benchmarked positions. The Fayetteville non-uniformed staff employees' pay grade range minimums, midpoints, and maximums for the 98 benchmark positions are below the market pay range averages by -2.21%, -6.34% and -3.83% respectively. The study summary of pay range minimum, midpoint and maximum variance percentages appears in Appendix 2, and the detailed market study pay range worksheets for each of the 98 individual benchmark job titles are in Appendix 5. It is our recommendation that the City increase its current non-uniformed staff pay plan structure by 6.34%. With this proposed market pay adjustment, the City's non-uniformed staff pay plan structure will maintain its market competitiveness until the next review in 2026.

### **Market Pay Study for Employee Pay Increases for 2024**

The City of Fayetteville budgeted 5% in 2022 and 6% in 2023 of its current annual base wages for non-uniformed staff pay adjustments. This has been a non-uniformed staff competitive pay positioning and retention tool for the City of Fayetteville. A market pay study for employee pay increases for 2024 is a one-page summary document found in Appendix 2. A recommendation for a budgeted 6.34% for 2024 non-uniformed staff pay increases is based on the findings summarized in Appendix 5 document.

## **DISCUSSION OF THE EXTERNAL PREVALENT MARKET BENEFITS STUDY**

### **Retirement Plan**

The City of Fayetteville has adopted and continues to offer a 401(a)-457 retirement plan for its non-uniformed staff employees. The City contributes 12% of an employee's annual base salary; and non-uniformed staff employees can contribute 3% up to the 457 annual maximum of their respective annual base salaries. This compares to the market benefit study for retirement plans where the average city employer's annual base salary percentage contribution is 9.73% and the average employee annual base salary contribution is 4.4%. The City of Fayetteville's non-

uniformed staff retirement plan annual contribution exceeds the market average by 2.27% as noted in Appendix 2.

### **Medical and Dental Plans**

The City of Fayetteville offers several medical health insurance plan options, and the most popular plan is the High Deductible Health Plan (HDHP) with Health Savings Account contributions made by the City. The City of Fayetteville's cost share of the HDHP insurance monthly premiums and annual HSA contributions for its employees exceed the market. The City of Fayetteville offers dental and the dental insurance premiums are paid by employees. The market average cost share for dental insurance premiums is 40%. The dental premiums cost share percentage is an area for market competitiveness improvement for the City of Fayetteville. The City's HDHP with a Health Savings Account contribution creates a positive total rewards outcome for employees based on monthly employee cost share of health care insurance premiums, annual employee deductibles and out of pocket expenses as compared to market health care benefit averages as shown in Appendix 7.

The City of Fayetteville's employee wellness plan is competitive by offering flu shots, Hep B shots, well-being day, individual health coaching and wellness incentives. The five municipal cities in the non-uniformed staff benefits study offer various wellness components, but their plans are not as comprehensive as the plan offerings provided under the City's current wellness plan program.

### **Time Off Plans**

Non-uniformed staff employees' annual time off plans inclusive of holidays, vacation days, sick days and personal days are competitive with market study averages except for annual sick day accrual. The City offers 12 annual holidays, accrual for 10 to 26 annual vacation days, accrual for 12 annual sick days and 2 personal days. The market average for accrued annual sick days is 14.8 days. Market study averages for time off plans are displayed on page 2 of Appendix 2.

### **Tuition Reimbursement Plans**

Only one of the five market study municipalities offers a tuition reimbursement plan. The City of Bentonville offers a tuition reimbursement plan with an annual maximum benefit of \$1,500. If the City of Fayetteville decides to offer a tuition reimbursement plan in the near future, it is our recommendation to include an annual maximum benefit level as offered in the City of Bentonville's plan.

### **Shift/On-Call Pay**

The non-uniformed staff pay study included questions about shift differential pay and on-call pay. The five market study municipalities do not offer shift differential pay for non-uniformed staff positions based on their survey responses. The 2023 NOARK study with a higher weighting of manufacturing companies has a mode shift differential of \$1.25 per hour. The market average for On-Call pay is \$15 as compared to \$20.15 per day for the City of Fayetteville.

## RECOMMENDATIONS FOR THE NON-UNIFORMED STAFF PAY AND BENEFITS STUDY

- Adoption of the 2024 Proposed Non-uniformed Staff Pay Plan Structure
- Budget 6.34% for the 2024 non-uniformed staff pay adjustments
- Continuation of current competitive employee benefits for non-uniformed staff 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.

### List of Appendices:

2024 Non-uniformed Staff Pay and Benefits Study Report Cover Page

Appendix 1: PowerPoint Non-uniformed Staff Survey 2024

Appendix 2: Pay and Benefits Study Summary of Findings and Recommendations

Appendix 3: Geographical Compensation Differential Percentage and GCD Multiplier

Appendix 4: Proposed 2024 Non-uniformed Staff Pay Plan – Hourly and Salary Ranges by Pay Grade

Appendix 5: Individual Pay Study Worksheets for 98 Benchmark Position Titles

Appendix 6: Rolled up Pay Study Variances Analysis Worksheet for All 98 Position Titles

Appendix 7: Consolidated Benefits Study Summary Worksheets

JER HR Group would be pleased to answer any questions you have concerning this report and the recommendations for the 2024 Non-uniformed Staff Pay and Benefits Study. It has been a pleasure working with the City's Human Resources team, Administration, Chiefs and Department Directors on the 2024 Non-uniformed Staff Pay and Benefits Study.

Sincerely,



Blair Johanson  
Managing Consultant  
JER HR Group, Inc.  
Phone: 479-521-2697  
[www.jerhrgroup.com](http://www.jerhrgroup.com)

**City of Fayetteville**  
**Non-uniformed Staff Pay and Benefits Study 2024**  
**Pay and Benefits Study Summary of Findings and Recommendations**  
**February 2024**

The market pay study overall variances for actual pay and pay range minimums, midpoints, and maximums based on 98 benchmark positions are noted below.

	Market Actual Pay Avg.	Market Average Pay Range Min.	Market Average Pay Range Mid.	Market Average Pay Range Max.
<b>Overall</b>	<b>0.80%</b>	<b>-2.21%</b>	<b>-6.34%</b>	<b>-3.83%</b>

Current Non-uniformed Positions Pay Structure based on 2022 survey data.

Pay structure adjustment based on current pay structure grade midpoint values for 98 benchmark positions compared to market average pay range midpoints.

**Non-uniformed Staff Positions Pay Structure Adjustment for 2024 Pay Plan:      6.34%**

**Market Pay Study Employee Pay Increases for 2024**

- Bentonville: 3.0% Non-uniformed
- Rogers: 3.5% COLA and 1% Non-uniformed
- Springdale: Pay Step Plan Adjustment of 5.22% for 2024 and an average 2.56% Step
- Jonesboro: 4% COLA and a 2% Step
- Lawrence: 2.5% COLA and a 5% Step
- NW Arkansas – Public and Private Organizations: 3.5% to 4.5%

**Recommendation for 2024 Non-uniformed Staff Pay Adjustments: 6.34%**

**Benefits Study Results**

**Retirement Plans**

Market Study Employer Average Match	Market Study Employee Average Contribution	Fayetteville Employer Match	Fayetteville Employee Contribution
9.73%	4.4%	12%	3% up to 457 Annual Max.



**Employee Medical Premium Expense Comparison**

	Market Avg.	FYV HDHP	Variance
Employee Only	16%	14%	
	\$72/Mo.	\$64/Mo.	\$8/Mo.
Employee & Spouse	21%	15%	
	\$167/Mo.	\$146/Mo.	\$21/Mo.
Employee & Child(ren)	20%	15%	
	\$144/Mo.	\$110/Mo.	\$34/Mo.
Employee & Family	23%	15%	
	\$272/Mo.	\$204/Mo.	\$68/Mo.

**Employee Deductible and Out of Pocket Expense Comparison**

	Market OOP – HSA\$	OOP-HSA\$	Variance
Individual	\$3,405	\$2,150	\$1,255
Family	\$7,725	\$4,120	\$3,605

**Time-off Plans**

	Market Annual Accrued or Offered Days	Fayetteville - Days
Holidays	11.3	12
Vacation Days	10.2 – 22.7	10 - 26
Sick Days	14.8	12
Personal Days	1	2/yr.

**Wellness Plans**

The City’s wellness plan is competitive with market study offerings.

**Tuition Reimbursement**

Bentonville: \$1,500 maximum per year - Other study cities do not offer tuition reimbursement plans.

**Shift/On Call Pay**

Only NOARK Study information on Shift Pay: Mode of \$1.25 per hour.

On Call Pay: \$15/day for market pay study cities and \$20.15/day for City of Fayetteville.

**COMBINED PAY PLAN GRIDS**  
**PROPOSED NON-UNIFORMED STAFF PAY PLAN EFFECTIVE DATE 4/1/2024**

Annualized amounts are based on hourly rates.

GRADE/DESC		HOURS	HOURLY RATE			ANNUALIZED		
			MIN	MARKET	MAX	MIN	MARKET	MAX
<b>MERIT EMPLOYEES</b>								
J410	T1	2080	\$14.74	\$17.76	\$22.02	\$30,659.20	\$36,940.80	\$45,801.60
J411	T1	2080	\$16.17	\$19.48	\$24.16	\$33,633.60	\$40,518.40	\$50,252.80
J412	T1	2080	\$16.71	\$20.13	\$24.96	\$34,756.80	\$41,870.40	\$51,916.80
J413	T1	2080	\$17.79	\$21.43	\$26.57	\$37,003.20	\$44,574.40	\$55,265.60
J414	T1	2080	\$18.84	\$22.70	\$28.15	\$39,187.20	\$47,216.00	\$58,552.00
J415	T1	2080	\$19.92	\$24.00	\$29.76	\$41,433.60	\$49,920.00	\$61,900.80
J416	T1	2080	\$20.99	\$25.29	\$31.36	\$43,659.20	\$52,603.20	\$65,228.80
J417	T1	2080	\$22.05	\$26.57	\$32.95	\$45,864.00	\$55,265.60	\$68,536.00
J418	T1	2080	\$23.12	\$27.86	\$34.55	\$48,089.60	\$57,948.80	\$71,864.00
J419	T1	2080	\$24.19	\$29.15	\$36.15	\$50,315.20	\$60,632.00	\$75,192.00
J420	T1	2080	\$25.27	\$30.45	\$37.76	\$52,561.60	\$63,336.00	\$78,540.80
J421	T2	2080	\$25.31	\$30.49	\$37.81	\$52,644.80	\$63,419.20	\$78,644.80
J422	T2	2080	\$26.27	\$31.65	\$39.25	\$54,641.60	\$65,832.00	\$81,640.00
J423	T2	2080	\$27.28	\$32.87	\$40.76	\$56,742.40	\$68,369.60	\$84,780.80
J424	T2	2080	\$28.83	\$34.73	\$43.07	\$59,966.40	\$72,238.40	\$89,585.60
J425	T2	2080	\$30.87	\$37.19	\$46.12	\$64,209.60	\$77,355.20	\$95,929.60
J426	T2	2080	\$32.91	\$39.65	\$49.17	\$68,452.80	\$82,472.00	\$102,273.60
J427	T2	2080	\$34.95	\$42.11	\$52.22	\$72,696.00	\$87,588.80	\$108,617.60
J428	T2	2080	\$37.00	\$44.58	\$55.28	\$76,960.00	\$92,726.40	\$114,982.40
J429	T2	2080	\$39.03	\$47.03	\$58.32	\$81,182.40	\$97,822.40	\$121,305.60
J430	T2	2080	\$41.09	\$49.50	\$61.38	\$85,467.20	\$102,960.00	\$127,670.40
J431	T3	2080	\$40.89	\$49.26	\$61.08	\$85,051.20	\$102,460.80	\$127,046.40
J432	T3	2080	\$43.07	\$51.89	\$64.34	\$89,585.60	\$107,931.20	\$133,827.20
J433	T3	2080	\$45.26	\$54.53	\$67.62	\$94,140.80	\$113,422.40	\$140,649.60
J434	T3	2080	\$47.46	\$57.18	\$70.90	\$98,716.80	\$118,934.40	\$147,472.00
J435	T3	2080	\$49.64	\$59.81	\$74.16	\$103,251.20	\$124,404.80	\$154,252.80
J436	T3	2080	\$51.83	\$62.45	\$77.44	\$107,806.40	\$129,896.00	\$161,075.20
J437	T3	2080	\$54.02	\$65.09	\$80.71	\$112,361.60	\$135,387.20	\$167,876.80
J438	T3	2080	\$56.22	\$67.73	\$83.99	\$116,937.60	\$140,878.40	\$174,699.20
J439	T3	2080	\$58.41	\$70.37	\$87.26	\$121,492.80	\$146,369.60	\$181,500.80
J440	T3	2080	\$60.61	\$73.02	\$90.54	\$126,068.80	\$151,881.60	\$188,323.20
J441	T3	2080	\$62.80	\$75.66	\$93.82	\$130,624.00	\$157,372.80	\$195,145.60
J442	T3	2080	\$64.99	\$78.30	\$97.09	\$135,179.20	\$162,864.00	\$201,947.20
J443	T3	2080	\$67.76	\$81.64	\$101.23	\$140,940.80	\$169,811.20	\$210,558.40