

2014-0092

Legistar File Number

3/4/2014

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

Paul A. Becker

Finance & Internal Services /
Chief Financial Officer

Submitted By

Department / Division

Action Required:

A RESOLUTION APPROVING A BUDGET AMENDMENT IN THE AMOUNT OF \$1,216,000 TO FUND A CITY-WIDE 2014 EMPLOYEE COMPENSATION ADJUSTMENT.


Budget Impact:

XXXX.XXXX.51XX.XX	CITYWIDE
Account Number	Fund
N/A	N/A
Project Number	Project Title
Budgeted Item? Yes	Current Budget \$ 46,885,280.00
	Funds Obligated \$ 5,945,540.00
	Current Balance \$ 40,939,740.00
Does item have a cost? No	Item Cost \$ -
Budget Adjustment Attached? Yes	Budget Adjustment \$ -
	Remaining Budget \$ 40,939,740.00

Previous Ordinance or Resolution # _____

Original Contract Number: _____

Comments:

 V20140127
Paul A. Becker 2-19-14
Paul A. Becker
Jim Man 2-19-14

CITY COUNCIL AGENDA MEMO

TO: Mayor Jordan and Members of the Fayetteville City Council
THRU: Don Marr, Chief of Staff
FROM: Paul A Becker, Finance Director
DATE: 3/4/2014
SUBJECT: **Appropriation Authority for Employee Compensation Adjustments**

PROPOSAL:

As discussed during the 2014 Budget process, the Mayor is recommending a compensation package to the City Council based on the fiscal results of 2013 operations. The operating results from the fourth quarter of 2013 have been forecasted to be a net operating surplus of approximately \$862,000 in the General Fund. The budget had originally been formulated on the use of \$1.4 million of reserves.

This surplus was achieved through a combination of revenue increases and expense control. The Administration was able, through good management, to hold expenditures under budget. In addition revenues collected were over budget.

Other operating funds such as the Street, Water and Sewer and Solid Waste also showed positive numbers for the year.

The Mayor's Guiding Philosophy

- Recommendation supports on-going funding without risking future layoffs.
- Employees with at least six (6) months of service to the City qualify for an appropriate increase in compensation.

Based on these results, the Mayor is recommending the following compensation package to the Council:

- The plan would provide for step increases for uniformed personnel beginning 3/17/2014 keeping everyone in a step.
- The plan would provide for merit increases for other employees comparable to the amount provided to uniformed personnel, to be distributed based on merit.
- Amounts to merit employees will be based on performance as determined by the appropriate department/division head. These raises will go into effect beginning 3/17/2014.
- Employees at the top of their ranges will be eligible for a single year discretionary bonus.
- To be eligible merit employees must have completed at least six (6) months of service as of 03/31/2014.
- Uniformed personnel must have completed at least one year of service as of 3/31/2014 to receive a step increase.
- The 2014 cost of this plan is projected to be \$804,000 in the General Fund. The 2014 cost for all funds would be \$1,216,000.
- The on-going cost of the plan in future years will be \$1,072,000 for the General Fund and \$1,623,000 for all funds.

RECOMMENDATION:

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

BUDGET IMPACT:

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

Funding Source	Budget Adjustment
1010 - General	\$ 804,000
2100 - Street	90,000
2130 - Parking	10,500
2250 - Parks Development	36,000
2930 - Drug Law Enforcement	8,000
5400 - Water & Sewer	142,000
5500 - Solid Waste	83,000
5550 - Airport	15,000
9700 - Shop	27,500
Total	\$ 1,216,000

RESOLUTION NO. _____

A RESOLUTION TO APPROVE A BUDGET ADJUSTMENT IN THE AMOUNT OF \$1,216,000.00 TO FUND THE CITY-WIDE 2014 EMPLOYEE COMPENSATION ADJUSTMENT

WHEREAS, the most recent forecast shows that City will have a net operating surplus for the General Fund of about \$862,000.00 for 2013; and

WHEREAS, Mayor Jordan's proposed Employment Compensation Adjustment will cost the General Fund about \$804,000.00 for 2014 for General Fund employees; and

WHEREAS, including all employees (Water and Sewer, Solid Waste, etc. as well as General Fund employees), the cost will be about \$1,216,000.00 for 2014.

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 attached budget adjustment in the amount of \$1,216,000.00 to fund the city-wide 2014 Employee Compensation Adjustment.

PASSED and APPROVED this 4th day of March, 2014.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer

City of Fayetteville, Arkansas - Budget Adjustment Form

Budget Year	Division: Citywide	Adjustment Number
2014	Dept.: Citywide	
	Requestor: Kevin Springer	

BUDGET ADJUSTMENT DESCRIPTION / JUSTIFICATION

\$1,216,000 in additional funding is requested Citywide in Salary Contingency for 2014 Employee Compensation Adjustments. The \$1,216,000 will come from the Use of Fund Balance accounts Citywide.

Division Head	Date
Department Director	Date
<i>Paul A. Buh</i>	2-18-2014
Chief Financial Officer	Date
Chief of Staff	Date
Mayor	Date

REQUEST DATE: 3/4/2014

LEGISTAR ID#: 2014-0092

BUDGET & INFORMATION MANAGEMENT USE

[Signature] 2-18-2014

Budget Director Date

TYPE: A B C D E P

DESCRIPTION: _____

GLDATE: _____

POSTED: / /

Account Number	TOTAL		Project	Sub	AT	Account Name
	1,216,000	1,216,000				
	Increase / (Decrease)					
	Expense	Revenue				
1010.0001.4999.99	-	804,000			RE	Use of Fund Balance
1010.6600.5100.01	804,000	-			EX	Salary Contingency
2100.0910.4999.99	-	90,000			RE	Use of Fund Balance
2100.4100.5100.01	90,000	-			EX	Salary Contingency
2130.0913.4999.99	-	10,500			RE	Use of Fund Balance
2130.9130.5100.01	10,500	-			EX	Salary Contingency
2250.0925.4999.99	-	36,000			RE	Use of Fund Balance
2250.9250.5100.01	36,000	-			EX	Salary Contingency
2930.0993.4999.99	-	8,000			RE	Use of Fund Balance
2930.2960.5100.01	8,000	-			EX	Salary Contingency
5400.0940.4999.99	-	142,000			RE	Use of Fund Balance
5400.4000.5100.01	142,000	-			EX	Salary Contingency
5500.0950.4999.99	-	83,000			RE	Use of Fund Balance
5500.5000.5100.01	83,000	-			EX	Salary Contingency
5550.0955.4999.99	-	15,000			RE	Use of Fund Balance
5550.3940.5100.01	15,000	-			EX	Salary Contingency
9700.0970.4999.99	-	27,500			RE	Use of Fund Balance
9700.1910.5100.01	27,500	-			EX	Salary Contingency