



Legislation Text

---

**File #: 2015-0081, Version: 1**

---

**2015 EMPLOYEE COMPENSATION ADJUSTMENT**

A RESOLUTION TO APPROVE A BUDGET ADJUSTMENT IN THE AMOUNT OF \$1,375,000.00 TO FUND THE CITY-WIDE 2015 EMPLOYEE COMPENSATION ADJUSTMENT

**WHEREAS**, the most recent forecast shows that City will have a net operating surplus for the General Fund of about \$1,700.00 for 2014; and

**WHEREAS**, Mayor Jordan's proposed Employment Compensation Adjustment will cost the General Fund about \$985,000.00 for 2015 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 \$1,375,000.00 for 2015.

**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 a budget adjustment, a copy of which is attached to this Resolution and made a part hereof, in the amount of \$1,375,000.00 to fund the city-wide 2015 Employee Compensation Adjustment.



## CITY COUNCIL AGENDA MEMO

### MEETING OF MARCH 3, 2015

**TO:** Mayor and City Council  
**THRU:** Don Marr, Chief of Staff  
**FROM:** Paul A. Becker, Chief Financial Officer  
**DATE:** February 13, 2015  
**SUBJECT:** **Appropriation Authority for Employee Compensation Adjustments**

---

### RECOMMENDATION:

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

### DISCUSSION:

As discussed during the 2015 Budget process, the Mayor is recommending a compensation package to the City Council based on the fiscal results of 2014 operations. The operating results from the fourth quarter of 2014 have been forecasted to be a net operating surplus of approximately \$1.7 million in the General Fund. This is after adjusting for reserve transfers for the purchase of Mount Kessler and the parking deck.

This surplus was achieved primarily through expense control. The Administration was able, through good management, to hold expenditures under budget. Revenue was approximately as projected on an overall basis.

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 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 will incorporate a two-step movement for eligible uniformed Fire personnel keeping everyone in a step.
- The plan would provide for a one step increase for eligible Police uniformed personnel beginning 3/16/2015 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 (3.75%).
- Amounts to merit employees will be based on performance as determined by the appropriate department/division head. These increases will go into effect beginning 3/16/2015.
- 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.
- To be eligible merit employees must have completed at least six (6) months of service as of 3/31/2015.
- Uniformed personnel must have completed at least one year of service as of 3/31/2015 to receive a step increase.
- The 2015 cost of this plan is projected to be \$985,000 in the General Fund. The 2015 cost for all funds would be \$1,375,000.
- The on-going cost of the plan in future years will be \$1,281,000 for the General Fund and \$1,790,000 for all funds.

**BUDGET/STAFF IMPACT:**

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

<b>FUNDING SOURCE</b>	<b>PARTIAL IMPACT</b>	<b>ANNUAL IMPACT</b>	<b>% IMPACT</b>
1010 - General	985,000	1,281,000	4.51%
2100 - Street	79,000	103,000	3.75%
2130 - Parking	10,000	13,000	3.75%
2180 - Community Development Block Grant	5,000	7,000	3.75%
2250 - Parks Development	35,000	46,000	3.75%
2930 - Drug Law Enforcement	8,000	10,000	3.65%
5400 - Water & Sewer	129,000	168,000	3.75%
5500 - Recycling & Trash Collection	85,000	111,000	3.75%
5550 - Airport	14,000	18,000	3.75%
9700 - Shop	25,000	33,000	3.75%
<b>Total</b>	<b>1,375,000</b>	<b>1,790,000</b>	<b>3.82%</b>

City of Fayetteville Staff Review Form

2015-0081

Legistar File ID

3/3/2015

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

Paul A. Becker

2/11/2015

Chief Financial Officer /  
Finance & Internal Services Department  
Division / Department

Submitted By

Submitted Date

Action Recommendation:

A RESOLUTION APPROVING A BUDGET AMENDMENT IN THE AMOUNT OF \$1,375,000 TO FUND A CITY-WIDE 2015 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	\$ 47,902,194.00
		Funds Obligated	\$ 6,006,615.54
		Current Balance	\$ 41,895,578.46
Does item have a cost?	No	Item Cost	\$ -
Budget Adjustment Attached?	Yes	Budget Adjustment	\$ 1,375,000.00
		Remaining Budget	\$ 43,270,578.46

V20140710

Previous Ordinance or Resolution # \_\_\_\_\_

Original Contract Number: \_\_\_\_\_

Approval Date: \_\_\_\_\_

Comments: