



Communications Department

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Employee compensation plan to be presented

A proposal that would add just over \$1 million to the City of Jonesboro's employee pay plan will be presented to the City Council Finance and Administration Committee during its meeting at 4 p.m. today (Tuesday) in the Council Chambers.

As part of a 6-month study by a special committee, the city recently had a management services group review its current employee pay plan and practices to address concerns about pay related to market conditions, compression, longevity and certification.

The Johanson Group, based at Fayetteville, conducted an outside market pay analysis and concluded that the city was 6.57 percent behind base salary market. The market analysis covered cities of similar population, including Fayetteville, Fort Smith, Rogers, Springdale, Bentonville, North Little Rock, Conway, Paragould, Pine Bluff and Jackson, Tenn.

The current pay plan, adopted in 2008, set up a salary structure to include a minimum, midpoint and maximum range. As cost-of-living raises were given over the past several years, the beginning salaries (minimum) were raised, resulting in new hires in 2014 starting at the same wage of those hired in 2009. That's referred to as a compression issue.

Johanson suggested a plan to add a small amount of money to those who have served in their current position over two years and less than nine years.

In response Mayor Harold Perrin proposes allocating \$1,079,325 to the 2016 budget, an amount that would reduce the pay deficit to 3.58 percent below the market average.

This figure breaks down into four categories:

- A \$503,947 pay raise plan of \$1,000 individual pay raises would be added to each full-time employee's annual salary;
- a \$76,725 pay plan targeting employees with compression issues identified in the Johanson Group review;
- a \$364,089 longevity pay plan under which all full-time employees with more than one full year of service would receive an annual payment of \$75 per year employed, topping out at a maximum payment of 30 years; and
- \$242,078 of employee benefit cost increases for Social Security, FICA and retirement allocations associated with these pay plans.

With the recommended adjustment all city employees would be at or above the market minimum.

The proposal to be presented today does not include a certificate pay plan. The fire and police departments currently have a plan for certificate pay. When those employees earn a certificate related to their job, they receive extra pay. The city's salary committee will continue to study that issue as to other employees.

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