



City of Smyrna

City of Smyrna
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Issue Sheet

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Status: ATS Review

In Control: City Council

File Type: Authorization

Agenda Number: G.

WARD / COUNCILMEMBER: City wide

\$ IMPACT: Not to exceed \$460,000

Agenda Title:

Approval of the FY 2022 staff merit increases and an adjustment to the pay grades of 4%.

ISSUE AND BACKGROUND:

As part of the annual budgeting process an estimate for the annual merit increases effective January 1 was included. The merit amount was included in contingency pending Council approval.

Also as a part of the annual budget, funds were set aside to conduct a classification and compensation study. Over the last several months leading up to this study, staff has been looking at ways to recruit and retain employees pending the results of the study. The study with the University of Georgia-Carl Vinson Institute of Government is currently in process.

The last study was done in 2018 and included plan management recommendations for annual maintenance; annual maintenance was supposed to be based on CPI or the Employment Cost Index. The maintenance to the plan was not done which has placed the City in the position of being below the market. Based on the Employment Cost Index for state and local governments, there has been a cumulative increase of 6.8% since 2018.

The City is experiencing difficulty hiring and retaining employees that can be tied to our pay grades and the lack of maintenance over the last several years. In an effort to recruit new employees and retain our current employees while we are conducting the compensation study, we are requesting that merit raises be given effective October 1, 2021 and that we make an adjustment to the pay grades to increase them by 4%. We anticipate additional adjustment to the pay grades after the conclusion of the study.

Merit raises at January 1, 2022 were included in the contingency in the FY 2022 budget at \$264,000. To give these raises at October 1, 2021, including FICA, the amount would be approximately \$422,000. There is an additional \$172,000 in unallocated contingency that will assist in providing these raises. Staff is still finalizing these amounts and will bring a formal budget amendment to Council at a subsequent meeting.

The second piece of the request is to increase the pay grades by 4%. There are employees that would be below the new minimums once these new are in place. To get them in line with the new minimums requires approximately \$36,000 additional, including FICA.

RECOMMENDATION / REQUESTED ACTION: Approval of the FY 2022 staff merit increases and an adjustment to the pay grades of 4%.