

# City staff pushing for \$2.5M pay hike

Jump in raises, benefits linked to turnover issues

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ASHEVILLE - Senior city staff are pushing for \$2.5 million more in pay and benefits, saying it's necessary to stem turnover problems across multiple departments.

But despite the size of the increase, it's received little attention in the debate over Asheville's budget, a fact some activists have criticized as indicating a lack of transparency.

The increase would cover a cost-of-living raise, benefit increases and discretionary raises. Proponents on City Council and staff say it's necessary to retain quality employees as multiple departments face turnover issues, but the move and the issues behind it have received relatively little public discussion.

"We struggle to continue to keep salaries at a market level," says Vice Mayor or Gwen Wisler, who chairs Council's Finance Committee. "Other communities are maybe able to pay a little bit more. Police is kind of its own unique animal, but with administrative jobs, salaries are increasing and we're trying to keep up. We're not the largest pay in town by a long shot."

"It's a lot of money, but it's not very sexy," Wisler notes when asked about the relative lack of discussion about the issue. The across-the-board pay increases, she says, have been a common practice since the recession ended. "We committed that we would try to give city staff a cost-of-living increase without it being a big policy issue."

The increase was mentioned briefly in City Council's first budget work session March 14, when Mayor Esther Manheimer requested staff present more information at a later date. But while some details are included in the city's budget document, the item wasn't discussed in two May budget meetings or a public hearing.

Activist Vicki Meath criticized the budget presentations, including

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specifically the lack of discussion over the staff hike, as “the least transparent budget I’ve ever seen.”

“We haven’t made a big deal about it’

Of the \$2.5 million, \$1.25 million is devoted to a 2.5 percent pay increase for all city staff. Some level of annual pay increase for staff has occurred every year since the recession, though this is on the higher end of such increases.

The same amount, split into two pools of \$750,000 and \$500,000, is allocated to “adjustments.” City Manager Gary Jackson may use those pools to raise pay for certain positions based on merit or if a position needs more compensation to attract or retain a qualified candidate. **Wisler notes** the merit raises will likely not go to rank-and-file staffers, but to those heading up departments and programs.

“Council sort of knows what [the increase] is, you’re not really changing policies or adding new personnel,” **Wisler noted**. “It’s reflective of inflation and the health care situation. I don’t have a big concern about it.”

The hike comes in an unusually complicated budget year, due to multiple concerns about increased property values straining some homeowners, insufficient funding for social services and transit. The amount of the staff pay increase is equivalent to just under 2 cents per \$100 of property taxes. The city’s proposed budget doesn’t advocate raising taxes to cover the raises.

The budget allocates 3.5 cents of property tax funds to repaying bonds passed in last year’s referendum, and a half cent toward additional funding for transit. A proposal to put \$1 million to hiring 15 additional police officers has run into controversy, with critics saying the funds need to go to housing and social services instead. The staff pay budget line hasn’t received a similar level of discussion.

“I guess it’s because we have consensus that it’s a good idea,” Council member Cecil Bothwell says. “It’s there in the numbers but we haven’t made a big deal about it.”

The increases are partly intended to deal with turnover in multiple departments. While the vacancies and turnover in Asheville Police Department have been highlighted during this year’s budget discussions, it’s not the only department facing such issues. The city’s budget introduction notes that “turnover in some professional positions has reached 30%, and ongoing turnover in the Police



The pay increase sought at Asheville City Hall comes in an unusually complicated budget year.

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Department continues to drive high overtime costs and employee burnout, in turn driving turnover and creating an unhealthy cycle.”

“We haven’t yet caught up from the recession,” City Council member Julie Mayfield said. “It’s extremely disruptive when we have turnover, especially at senior levels.”

“When we have good employees, it’s always easier to keep them than to hire new,” adds Bothwell, the third member of the finance committee.

When asked about turnover, HR Director Peggy Rowe noted the Finance Department saw 30 percent turnover last year, and “other departments have experienced similar numbers in prior years.” When asked what those other departments were, Rowe did not respond.

“We have a fair amount of attrition,” Mayfield, who also sits on the Finance Committee, says. “People go to other

places because they can make more money. That’s a trend we should try to stem if we can.”

Asked if that reflects larger issues, Mayfield says Council usually doesn’t get involved in individual staff decisions, but that if the rates go high enough the elected officials might need to look at “if there’s another root or structural problem.”

While there’s not a wider issue “that I’ve heard about it,” Bothwell says, attributing some of the turnover to an improving economy. But he adds that as Council is limited in how much it can directly interact with staff members, “that means we may not be hearing complaints, maybe there is something wrong.”

While the overall pay increase is intended to deal with a rising cost of living, the across-the-board hikes the city has relied on since the recession also result in more of a windfall for more highly-

paid senior staff, something that’s led to controversy in past budget years. However, some on council say it’s overall a fair practice.

“Inflation affects everyone,” Wisler says.

“It’s a viable way to raise pay,” Mayfield asserts. “It’s one I’ve used often in my own organization.” Mayfield is the executive director of the environmental nonprofit Mountain True.

But Bothwell says he’s open to reconsidering the way pay increases are divided, with perhaps more of an increase going to rank-and-file staffers who might face more of a burden from Asheville’s increasing cost-of-living.

“Broadly I think that policies that tend to equalize people are better,” he said. “I’m certainly open to discussing it with other Council members.”

*David Forbes is the editor of the Asheville Blade, [ashevilleblade.com](http://ashevilleblade.com).*