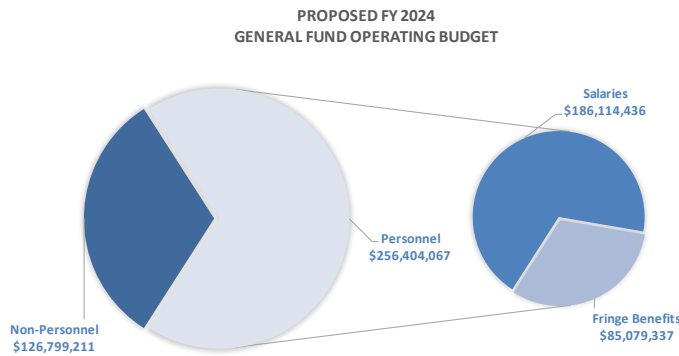




Personnel & Compensation Summary

FY 2024 INTRODUCTION & HIGHLIGHTS

The largest category of the City’s budgeted operating spending is the salaries, wages and benefits for the staff who provide needed services to the Alexandria community. When excluding debt service, interfund transfers (including to Alexandria City Public Schools for all operating costs) and capital outlays, over two-thirds (68%) of the City’s remaining core General Fund operating expenses are utilized for personnel, consisting of salaries and benefits. Salaries are provided for full-time, part-time and seasonal employees, while fringe benefits for qualifying employees include healthcare, retirement, social security, long-term disability, and life insurance.



General Fund Personnel	
Salaries	\$186,114,436
Fringe Benefits	\$85,079,337
Total Personnel	\$271,193,773

General Fund Non-Personnel	
Total Non-Personnel	\$126,799,211

Grand Total	\$397,992,984
Personnel	68%
Non-Personnel	32%

The proposed FY 2024 budget builds upon the FY 2023 enhancements to compensation approved by City Council, and includes a 2.0% increase to pay scales for General Scale employees and Sheriff’s Deputies. This increase ties directly to the Council’s priority of making Alexandria an Employer of Choice, by adjusting compensation to better reflect regional market rates. These market rate adjustments have a General Fund cost of \$3.3 million in FY 2024.

The FY 2024 Proposed Budget also includes increases to sworn Fire and Police pay scales, in accordance with the contracts negotiated through the collective bargaining process. These agreements include increases to the respective pay scales, outline annual step and merit increases, and detail market reclassifications for specific positions. The total General Fund impact of these enhancements is expected to total \$8.1 million in FY 2024, with \$3.4 million for Fire and \$4.7 million for Police.

In addition to pay scale adjustments, the FY 2024 Proposed Budget continues funding for **annual merit increases** for employees. With the addition of 3 steps to City pay scales in FY 2023, 100% of City employees will qualify for merit increases, with an average increase of 2.6%. Other compensation enhancements in the FY 2024 Proposed Budget include \$300,000 for a City-wide language stipend program.

In FY 2024, **Employee Health Insurance** premiums are expected to increase by 9.0% for United Healthcare plans and by 9.0% for Kaiser plans. The City will continue to offer lower cost employee health premium contributions for the Kaiser and United Healthcare deductible HMO plans for employees earning less than \$70,000 and employees who cover themselves and non-adult dependent(s). Dental insurance rates are projected to stay flat. Rates will be maintained for vision insurance and vital savings, resulting in no increased costs for participants.

Compared to the FY 2023 Approved Budget, **total retirement costs** for all funds increase by \$6.4 million with a \$4.9 million increase in the General Fund, primarily driven by changes to OPEB rates. The City Supplemental Retirement employer contribution rates decreased for all groups of employees primarily driven by the lump sum conversion interest rate change adopted a few years back and positive asset performance. The rate for General Schedule Employees decreased from 5.10% to 4.99%, the rate for Medics and Fire Marshals decreased from 8.32% to 7.92% and the rate for Deputy Sheriffs decreased from 7.03% to 6.61%. VRS conducts a bi-annual valuation. This is the second year of the valuation so their required employer contribution rates remained at 11.00%. The total contributions for the Firefighters and Police Officers Plan continued to decrease due to improved disability management. The Firefighters and Police Officers Pension Component increased slightly from 34.86% to 34.96% and was more than offset by the decrease in the Firefighters and Police Officers Disability Component from 1.26% to 1.01%. OPEB contributions increased from 0.16% to 1.81% because the rate now recognizes the projected amount of premiums paid during the year. Line of



Personnel & Compensation Summary

FY 2024 INTRODUCTION & HIGHLIGHTS

Duty contribution rates decreased from 3.60% to 2.47% because the fund has reached full funding and lower contributions are required to build the fund.

In addition, the City has continued providing a variety of benefits designed to enhance employees' mental and financial wellbeing. These include a behavioral health benefit that is designed to support the mental health of employees and their covered dependents. The City also continues to provide a service that helps participants and eligible dependents manage and reduce student debt through assistance with loan synchronization, consolidation, forgiveness, recertification and refinancing.

Since the launch of the **Employee Wellness Incentive Program** in July 2019 through the end of calendar year 2022, more than 1,507 City employees took part in the program. All employees in regular employment positions are eligible for the well-being incentive which encourages employees to participate in wellness program activities, events, or challenges. By completing all program requirements, employees are eligible to earn up to \$50 per month, with the potential for up to \$600 in healthcare cost savings per year. This year the City expanded program participation to a new mental health benefit ensuring access to mental and emotional health resources, as well as new financial wellbeing resources to assist employees in paying down student loan debt. To continue the program which supports the health and well-being of City employees, \$400,000 is included in the FY 2024 proposed budget.

On a net basis, the FY 2024 Proposed Budget includes an **increase of 41.00 Full-Time Equivalent (FTEs)** overall from the adjusted FY 2023 count. The majority of these positions (25.0) are in the Fire Department per the negotiated collective bargaining agreement. The FY 2024 count has been modified from the FY 2023 approved authorized levels to reflect mid-year adjustments. This brings the total approved FTE count for the City to 2,832.04 for FY 2024.

The majority of these staffing level changes are in Public Safety with the addition of 25 Firefighters to the Alexandria Fire Department to reduce the amount of overtime required to meet staffing needs; these additions are fully funded by federal SAFER grant funding. Additional changes include the creation of Climate Action Office within the City Manager's Office, with 7.00 FTE, including 5.00 FTE reallocated from the Departments of General Services, Transportation and Environmental Services, and Planning and Zoning. The Department of Community and Human Services gains 4.00 FTE for Child Welfare Services and Early Childhood programs, including a full-time Senior Therapist supporting the Parent and Infant Education Program. Other notable changes include an increase of 4.00 FTE for the Department of Recreation, Parks, and Cultural Activities for 3 Head Lifeguards at existing City pools and the upcoming Minnie Howard pool, as well as an Aquatics Recreation Manager II at the Minnie Howard Aquatics Center. The Alexandria Health Department also gains 2.00 FTE for a new Health Equity Program Manager and Teen Wellness Center support staff. Further detail on these new positions, as well as other personnel changes in the FY 2024 Proposed Budget, is available in department sections of this budget document. Please note that some new positions include salary and benefit costs only and additional funding may need to be identified within departments' budgets for any spacing or equipment needs.

The FY 2024 Proposed Budget also includes anticipated **vacancy savings** of \$10.1 million in the General Fund based on prior year spending and vacancy rates.

The approved FY 2024 budget continues the **Employee Homeownership Incentive Program (EHIP)**. This program provides down payment and closing cost assistance for City employees buying a house or a condominium in the City of Alexandria. The loan amounts would be tiered:

- \$15,000 for employees with a household income of 80% of the Area Median Income (AMI) or below;
- \$11,500 for employees with a household income between 80% and 120% of AMI;
- \$7,500 for employees with a household income greater than 120% of AMI.



Personnel & Compensation Summary

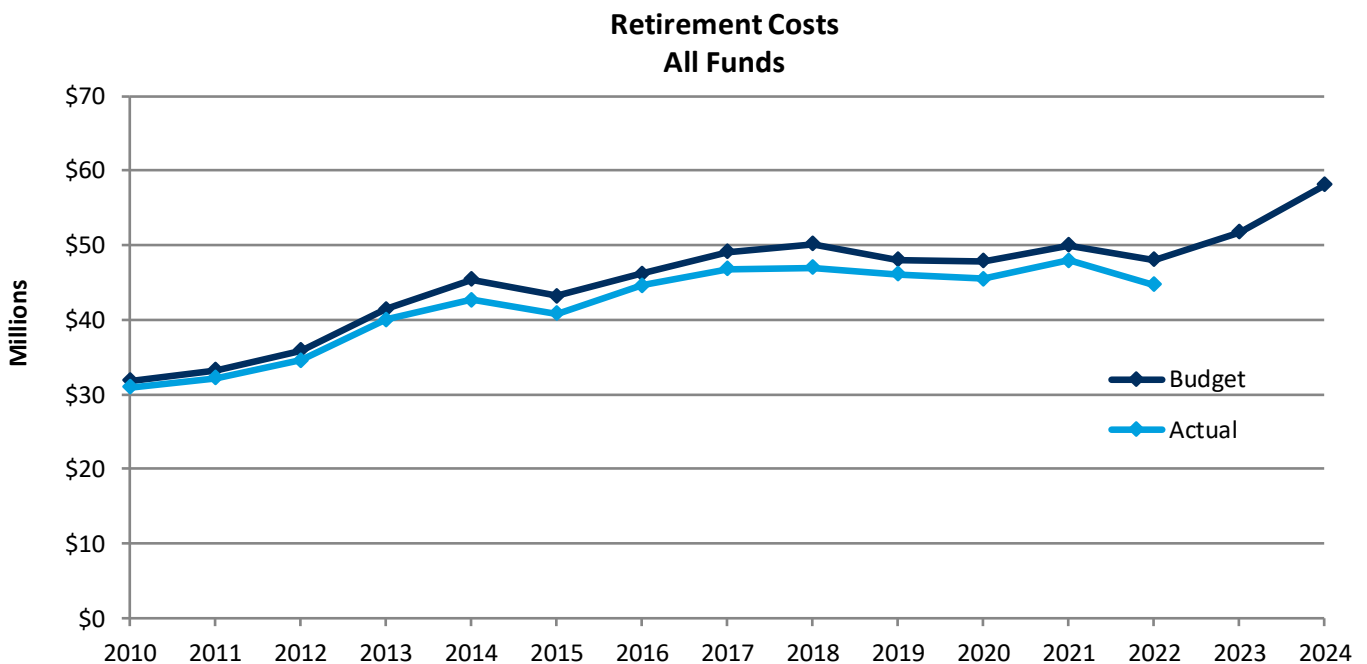
FICA & RETIREMENT

Federal Insurance Contributions Act (FICA)

This represents the City share of Social Security and Medicare taxes, which is budgeted at \$20.4 million for All Funds (excluding Schools and DASH) in FY 2024, \$13.7 million of which is General Fund related. The current Social Security tax rate is 6.20% of wages, and 1.45% of wages for Medicare. The Calendar Year (CY) 2023 maximum earnings cap increases from the CY 2021 level, by \$13,020 to \$160,020. Earnings above this cap is not be taxed for Social Security, but are still subject to Medicare tax.

Retirement

The proposed FY 2024 retirement budget represents the cost to the City to fund the employer share of the City’s employee retirement plans, including the Virginia Retirement System including VRS - Enhanced Hazardous Duty (VRS-EHD) plan for Sheriff’s Deputies; the City Supplemental Retirement Plan for General Schedule employees, Medics, Fire Marshals, and Deputy Sheriffs; and a Police and Fire pension plan for Sworn Firefighters and Police Officers. Since FY 2013, the retirement budget also includes the cost of Other Post-Employment Benefits (OPEB) and public safety Line of Duty (LOD). The chart below shows the City’s actual retirement costs from FY 2005 – 2022 and the budgeted costs for retirement from FY 2005 – 2024. City retirement, OPEB and LOD expenses are calculated as a percentage of salary. Given this, two factors impact the total retirement costs in a given year: 1) the total covered payroll and 2) the percentage contribution rates for each of the retirement plans. The decreased budgeted amounts in FY 2024 are the result of a number of factors including improved funded ratios and positive plan experience, most notably strong asset performance for all plans and the decrease in Firefighters and Police Officers Pension Plan contributions due to continued improvement in disability management.





Personnel & Compensation Summary

RETIREMENT

The City provides several defined benefit pension plans that provide lifetime income to its employees at retirement. General Schedule employees, Deputy Sheriffs, Medics and Fire Marshals participate in the Commonwealth of Virginia’s VRS plans as well as the City’s Supplemental Retirement Plan. Firefighters and Police Officers participate in the Firefighters and Police Officers Pension Plan. The City has historically funded its pension plans with all the City’s retirement plans being over 80% funded. In addition to the pension plans, City employees can prepare for retirement by electing to contribute into the City’s 457 deferred compensation and Roth IRA plans.

The table below provides a comparison of the contribution rates that were used to develop the FY 2024 retirement budget.

Retirement Plan	FY 2023	FY 2024	Change
VRS	11.00%	11.00%	0.00%
City Supplemental - General Schedule	5.10%	4.99%	-0.11%
City Supplemental - Medic & Fire Marshal	8.32%	6.61%	-1.71%
City Supplemental - Deputy Sheriff	7.03%	7.92%	0.89%
Firefighters and Police Officers Pension	34.86%	34.96%	0.10%
Firefighters and Police Officers Disability	1.26%	1.01%	-0.25%
OPEB	0.16%	1.81%	1.65%
Line of Duty	3.60%	2.47%	-1.13%

OPEB & LINE OF DUTY

Other Post-Employment Benefits (OPEB)

Other Post-Employment Benefits (OPEB) include retiree healthcare and retiree life insurance. In FY 2024, the contribution rate will increase to 1.81%. The amount budgeted is inclusive of the ongoing premiums for retiree health and life insurance and meets the actuary’s recommended total contributions to the plan in this fiscal year. The OPEB fund is currently 99.0% funded.

Line of Duty (LOD)

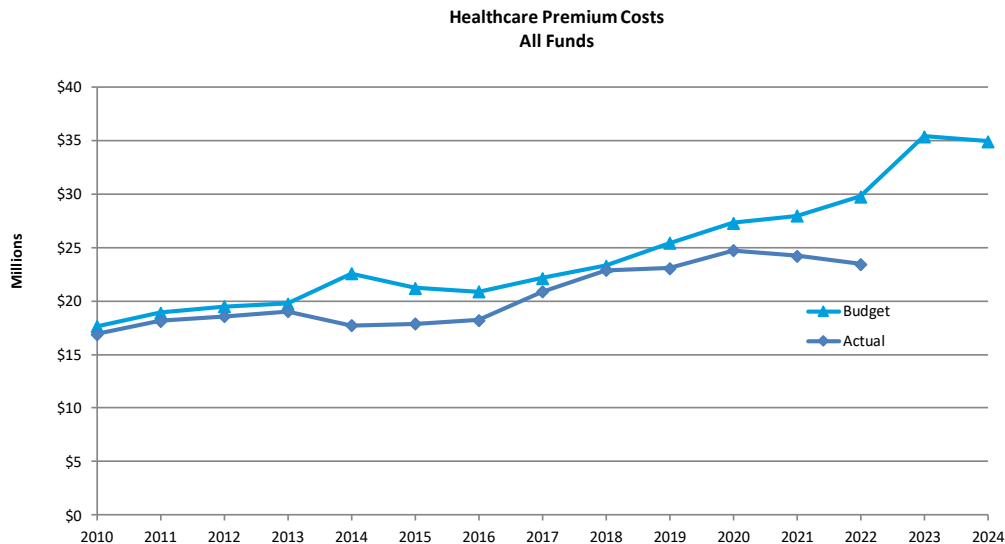
A State mandated and administered program, the Line of Duty Act (LODA) provides benefits to local government employees and volunteers who hold specific hazardous duty positions. More specifically, it requires by State statute that the City pay the full cost of benefits for eligible public safety employees who die or become disabled in the line of duty. Health coverage is provided to the disabled employee, their surviving spouse and dependent children. If disabled, healthcare benefits terminate upon the disabled person's death, recovery, or return to full duty. The City’s FY 2024 contribution decreased from 3.60% to 2.47% of eligible public safety employee salaries due to City’s commitment to continue the Plan’s funding. The City’s LOD fund is currently 111.6% funded.

Personnel & Compensation Summary



HEALTHCARE

Healthcare represents the share that the City pays for employee healthcare benefits. The chart below shows actual healthcare premium costs from FY 2012 – FY 2022, and the budgeted amount for healthcare from FY 2012 – FY 2024. For all funds, health insurance premium costs are anticipated to decrease by approximately \$0.5 million primarily due to a change in cost projections for vacant positions.



COVID-19 continues to affect City employees. The pandemic has delayed many preventative services and elective procedures which has resulted in higher claim utilization. In February 2023, the City’s consultants provided recommended Employee Health Insurance renewal rates for United Healthcare at an increase of 9.0%. Kaiser premiums are estimated to increase at a rate of 9.0%.

Three years ago, the City began to offer lower cost employee health premium contributions for the Kaiser and United Healthcare deductible HMO plans for employees earning less than \$70,000 and employees who cover themselves and non-adult dependent (s). The City will maintain these lower cost plan options.

To help employees mitigate costs, the City will continue to encourage employees to utilize the health selection tool, which will help employees identify the most cost-effective health plans for their needs while promoting participation in the City’s Employee Wellness Incentive Program to save \$600 per year in healthcare costs.

Dental

Dental insurance rates are projected to remain flat in FY 2024.

Employee Assistance Program and Mental Health Services

The City has upgraded the Employee Assistance Program (EAP) to a new, comprehensive, and effective solution for mental wellbeing, allowing for personalized mental healthcare with mental health resources, care navigation, coaching, in-app wellness exercises, virtual therapy, and crisis support.

Student Loan Financial Wellbeing

The City’s new student loan financial wellbeing tool helps employees identify and enroll in optimal student loan repayment plans, save employees on student loan payments, access personal guidance from a team of student loan advisors, and provide savings options above and beyond refinancing only.



Personnel & Compensation Summary

LIFE INSURANCE, DISABILITY COVERAGE, PAID LEAVE

Group Life Insurance Benefit

Regular full and part-time employees are provided basic group term life insurance at one- or two-times base salary depending on the employee’s date of hire. Employees also have the option to purchase supplemental group term life insurance coverage and dependent life insurance coverage at their own expense. Police officers and firefighters are offered additional life insurance coverage for death or disability occurring in the Line of Duty. The table below provides information on the specific coverage available to employees.

Group Life Insurance	
Group Life and Accidental Death & Dismemberment Coverage:	
Basic - City Funded (hired before 7/1/2009)	2x Annual Salary
Basic - City Funded (hired after 7/1/2009)	1x Annual Salary
Supplemental - Employee Paid	1 or 2x Annual Salary
Dependent Life - Employee Paid	3 options for Spouse and Child(ren) coverage
Line of Duty Coverage:	
Police Officers and Firefighters Only - City Funded Group Life Insurance	\$200,000

For FY 2024, Life Insurance rates for City-funded Basic Life coverage for active employees and eligible retirees will remain the same. Supplemental Life Insurance paid for by active employees will stay the same.

Long-Term Disability (LTD)

General Schedule employees hired after January 1, 2014 are typically placed in the VRS Hybrid plan unless they are already participating in VRS from previous employment. The VRS Hybrid plan does not offer disability benefits as part of its core provisions. Since the City of Alexandria has opted out of the VLDP (Virginia Local Disability Plan), the City provides a comparable LTD plan with equal or greater value. Benefits eligible employees are covered at 60% of their base salary up to \$5,000 per month after 180 days of disability with an optional employee-paid buy-up to begin a benefit after 90 days of disability. Effective July 1, 2020, sworn police officers and firefighters are eligible for LTD.

Annual and Sick Leave

City employees are eligible for accrual of annual and sick leave. The table below outlines the rates at which new employees accrue annual and sick leave. The annual leave accrual rate was increased from 3.69 to 4.0 hours per pay period (for full-time employees working 80 hours per pay period) in FY 2010 to provide employees with one additional day of annual leave.

Annual and Sick Leave*	
Annual Leave	New employees accrue 4.0 hours of leave per pay period, totaling 13 days of annual leave earned per year. For length of service spanning from 1 year to 11 years, the employee earns an additional day of annual leave per year of service with the City; at year 12 and beyond, the employee reaches the max of 25 days of annual leave per year, or 7.72 hours accrued per pay period.
Sick Leave	All employees accrue 3.69 hours of leave per pay period

*For full-time employees working 80 hours per pay period; prorated for part-time employees.



Personnel & Compensation Summary

CITY WORKFORCE BY FULL-TIME EQUIVALENT (FTE)

As shown below by Focus Area, the FY 2024 Proposed Budget includes a net increase of 41.00 FTEs compared to the FY 2023 Amended total and an increase of 66.70 FTEs compared to the FY 2023 Approved Budget. The FY 2023 Amended column shows any FTE changes since the FY 2023 Adopted Budget. Additionally, the Amended column is based on an analysis of actual position count, which is performed by Human Resources and the Office of Management and Budget.

	FY 2022 Approved	FY 2023 Approved	FY 2023 Amended*	FY 2024 Proposed	FTE Impact
Accountable, Effective, & Well-Managed Government					
City Council	1.00	1.00	1.00	1.00	0.00
City Manager	13.75	15.75	22.75	22.75	0.00
Office of Management & Budget	11.00	12.00	12.00	12.00	0.00
Performance Analytics	4.00	5.00	5.00	5.00	0.00
Independent Community Policing Review Board	1.00	1.00	1.00	1.00	0.00
Information Technology Services	76.00	77.00	77.00	77.00	0.00
Internal Audit	3.00	3.00	3.00	3.00	0.00
Communications & Public Information	11.00	12.00	12.00	12.00	0.00
Office of Organizational Excellence	1.00	1.00	0.00	0.00	0.00
City Clerk & Clerk of Council	3.00	3.00	3.00	3.00	0.00
Finance	107.25	109.25	109.25	107.25	(2.00)
Human Resources	27.00	27.00	28.00	28.00	0.00
City Attorney	19.00	20.00	20.00	20.00	0.00
General Services	57.83	62.83	59.83	60.83	1.00
Registrar	6.60	6.60	6.60	6.60	0.00
<i>Subtotal Accountable</i>	342.43	356.43	360.43	359.43	(1.00)
Healthy & Thriving Residents					
Community and Human Services	610.43	610.63	616.63	619.63	3.00
Health	18.25	20.25	20.25	22.25	2.00
Recreation & Cultural Activities	156.46	158.46	161.66	167.66	6.00
Library	66.11	66.11	66.11	66.11	0.00
<i>Subtotal Healthy</i>	851.25	855.45	864.65	875.65	11.00
Livable, Green, & Prospering City					
Planning & Zoning	52.50	53.50	52.50	53.50	1.00
Project Implementation	29.00	31.00	31.00	31.00	0.00
Transportation & Environmental Services	249.00	255.00	260.00	260.00	0.00
Code	52.00	52.00	52.00	52.00	0.00
Housing	15.00	16.00	16.00	16.00	0.00
Historic Alexandria	35.33	36.33	36.33	36.33	0.00
<i>Subtotal Livable</i>	432.83	443.83	447.83	448.83	1.00
Safe, Secure, & Just Community					
Circuit Court Judges	12.00	12.00	12.00	12.00	0.00
Commonwealth's Attorney	29.00	29.00	34.00	37.00	3.00
Sheriff	204.00	205.00	205.00	205.00	0.00
Clerk of the Circuit Court	22.00	23.00	23.00	23.00	0.00
Court Services	8.00	10.00	10.00	10.00	0.00
Human Rights	6.00	6.00	6.00	6.00	0.00
Fire	301.50	321.50	321.50	347.50	26.00
Police	419.63	432.63	436.63	436.63	0.00
Emergency & Customer Communications	62.50	62.50	62.50	62.50	0.00
Other Public Safety & Justice Services	6.00	8.00	8.00	9.00	1.00
<i>Subtotal Safe</i>	1,070.63	1,109.63	1,118.63	1,148.63	30.00
GRAND TOTAL	2,697.14	2,765.34	2,791.54	2,832.54	41.00

*Amended count represents mid-year adjustments.



Personnel & Compensation Summary

FTE ADDITIONS AND REDUCTIONS

Department	Position	FTE Decrease
Finance	Business Tax Supervisor	-1.00
Finance	IT Coordinator	-1.00
Office of Organizational Excellence	Director of OOE	-1.00
General Services	Energy Manager	-1.00
General Services	EV Coordinator	-1.00
General Services	Energy Management Analyst	-1.00
Transportation & Environmental Services	Sustainability Coordinator	-1.00
Community and Human Services	Resident Support Counselor	-1.00
Planning & Zoning	Green Building Manager	-1.00
TOTAL REDUCTIONS		-9.00

Department	Position	FTE Increase
General Services	Parts Expeditor	1.00
Human Resources	Senior HR Analyst	1.00
Commonwealth Attorney	Assistant Attorney	1.00
Criminal Justice Services	Deputy Director	1.00
Health	Health Equity Program Manager	1.00
Health	Teen Wellness Center Administrative Support II	1.00
Fire	Administrative Assistant	1.00
Planning & Zoning	Senior Planning Technican	1.00
Recreation & Cultural Activities	Administrative Support V	1.00
Recreation & Cultural Activities	Head Lifeguard	3.00
Recreation & Cultural Activities	Urban Forester	1.00
Recreation & Cultural Activities	Aquatics Recreation Manager II	1.00
Community and Human Services	Management Analyst	1.00
Community and Human Services	Senior Therapist	1.00
Community and Human Services	Support Coordinator	1.00
Community and Human Services	Coordinated Enrollment Specialist	1.00
Commonwealth Attorney	Paralegal	2.00
Fire	Firefighters	25.00
City Manager	Environmental Program Manager/Energy Manager	1.00
City Manager	EV Planner	1.00
City Manager	Energy Management Analyst	1.00
City Manager	Green Building Manager	1.00
City Manager	Sustainability Coordinator	1.00
TOTAL ADDITIONS		50.00

TOTAL REDUCTIONS	-9.00
TOTAL ADDITIONS	50.00
NET FTE CHANGE	41.00

FY 2023 AMENDED FTE COUNT	2,791.54
NET FTE CHANGE	41.00
FY 2024 PROPOSED FTE COUNT	2,832.54

Note: 1.00 FTE represents a position working full-time at 80 hours per pay period. An FTE less than 1.00 represents a position that works less than full-time.

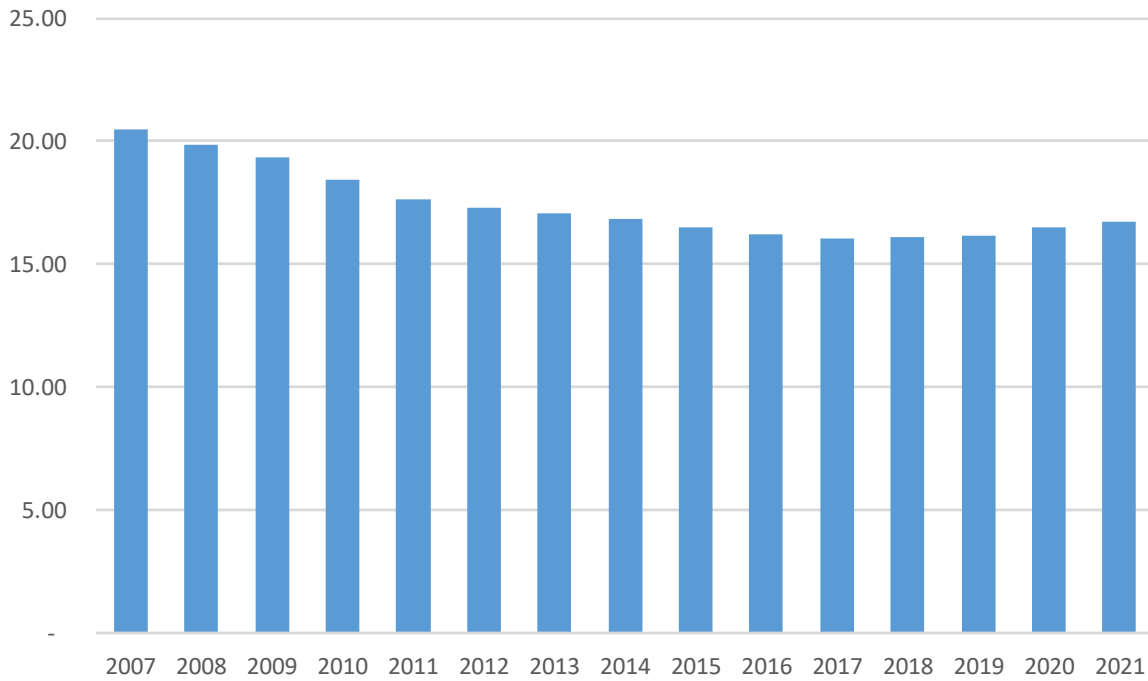
Personnel & Compensation Summary



FTE TRENDS

The following chart and table show the FTE per capita trends over the last 17 years.

City of Alexandria FTEs per 1,000 Population



	2007	2008	2009	2010	2011	2012	2013	2014	2015
City FTE Count	2,642	2,637	2,661	2,577	2,546	2,543	2,558	2,551	2,538
Alexandria Population	129,175	132,949	137,523	139,966	144,219	147,291	149,637	151,375	153,654
FTE per 1,000	20.46	19.84	19.35	18.41	17.65	17.27	17.09	16.85	16.52

	2016	2017	2018	2019	2020	2021	2022	2023	2024
City FTE Count	2,543	2,552	2,565	2,579	2,629	2,671	2,697	2,765	2,833
Alexandria Population	156,698	159,215	159,069	159,428	159,467	159,706	-	-	-
FTE per 1,000	16.23	16.03	16.12	16.17	16.49	16.72	-	-	-

FTE data is for fiscal years. Population data is for calendar years.
 2007-2009 population data source: Intercensal Estimates
 2010 and 2020 population data source: Decennial Census
 2011-2019, 2021 population data source: American Community Survey 1-Year Estimates



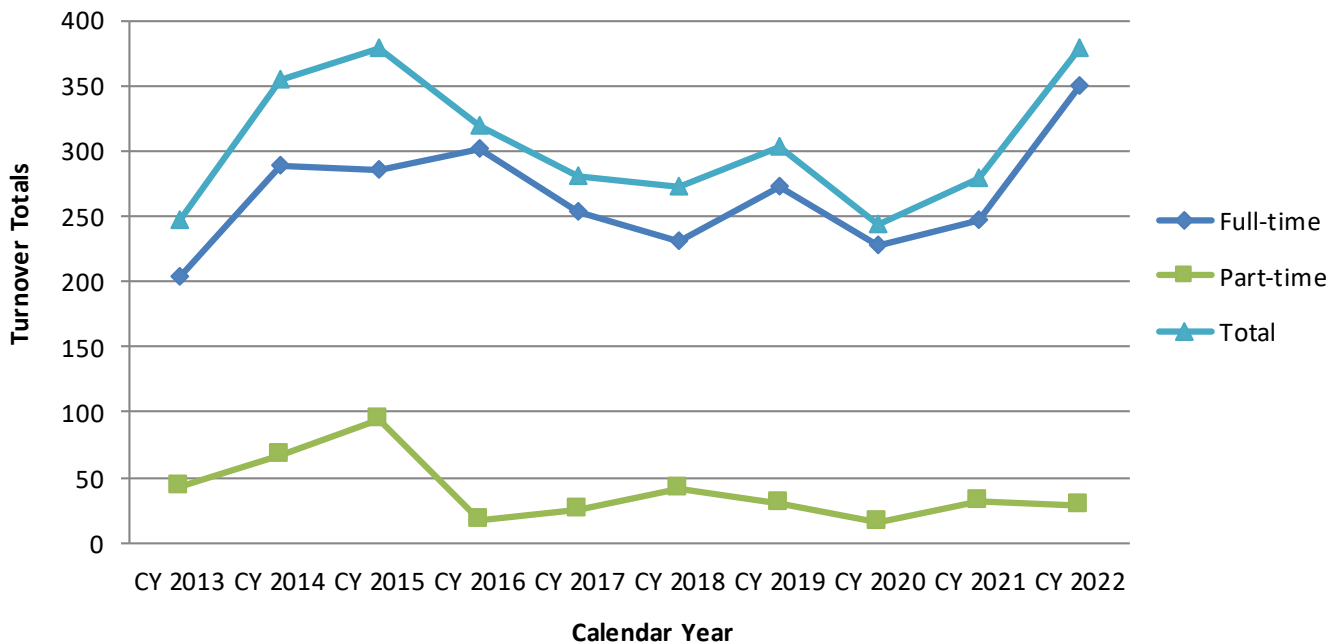
Personnel & Compensation Summary

CALENDAR YEAR 2022 TURNOVER

In Calendar Year (CY) 2022, overall employee turnover increased by 35% (from 279 to 378 employees), including 63 employees who retired from City service. Voluntary turnover increased by 41% (from 202 to 284) when compared to the previous calendar year.

CY 2022 Employee Turnover Totals			
	General Scale & Public Safety Full-Time	General Scale Part-Time	Overall
Voluntary Turnover	262	22	284
Involuntary Turnover	26	5	31
Retirement	61	2	63
Total Turnover CY 2022	349	29	378
Total Turnover CY 2021	247	32	279

Total Employee Turnover by Calendar Year





Personnel & Compensation Summary

SALARY DISTRIBUTION & AVERAGES

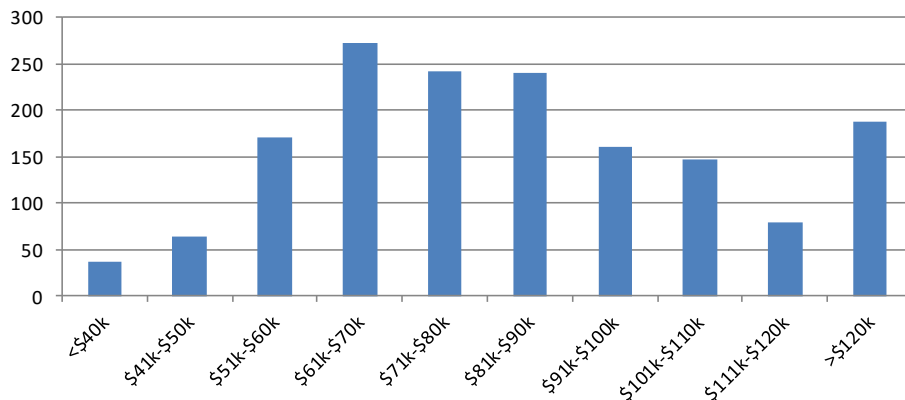
The following table shows the average annual pay for City full-time and part-time employees:

	As of February 2, 2022	As of January 9, 2023	% Difference 2021-2022
General Schedule (FT)	\$84,177	\$83,371	-1.0%
Public Safety (FT)	\$80,887	\$85,469	5.7%
General Schedule (PT)	\$26/hr*	\$27.41/hr*	5.4%

*Due to the nature of part-time work, wages are calculated on an hourly rather than an annual basis.

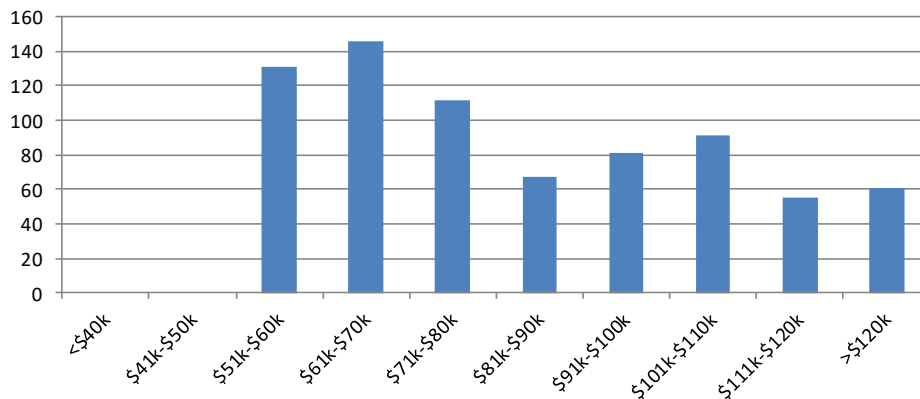
Most General Schedule full-time employees (75%) earn between \$41,000 and \$100,000 annually, with 45% earning more than the average salary for General Schedule full-time employees (\$83,371) and 23% earning more than \$100,000.

Full-Time/Regular General Schedule Employees Salary



Approximately 45% of all sworn Public Safety employees earn more than the average salary of the group (\$85,469); about 29% earn more than \$100,000.

Full-Time/Regular Public Safety Employees Salary





YEARS OF SERVICE

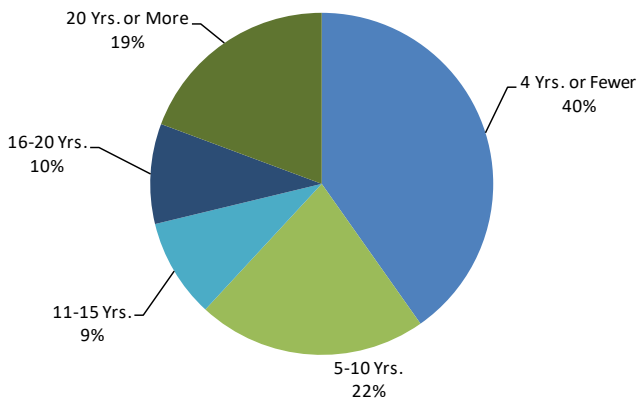
General Scale

More than half of the current General Schedule workforce (62%) has been employed with the City for 10 years or less; 19% have worked for the City for 20 years or more.

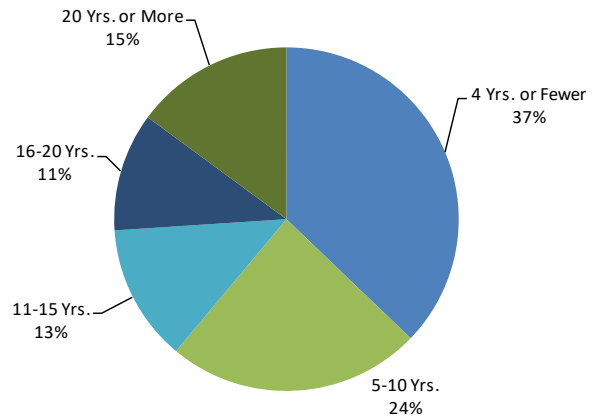
Public Safety

Similar to General Schedule employees, more than half (61%) of the current Public Safety workforce has been employed with the City for 10 years or less; 15% have worked for the City for 20 years or more.

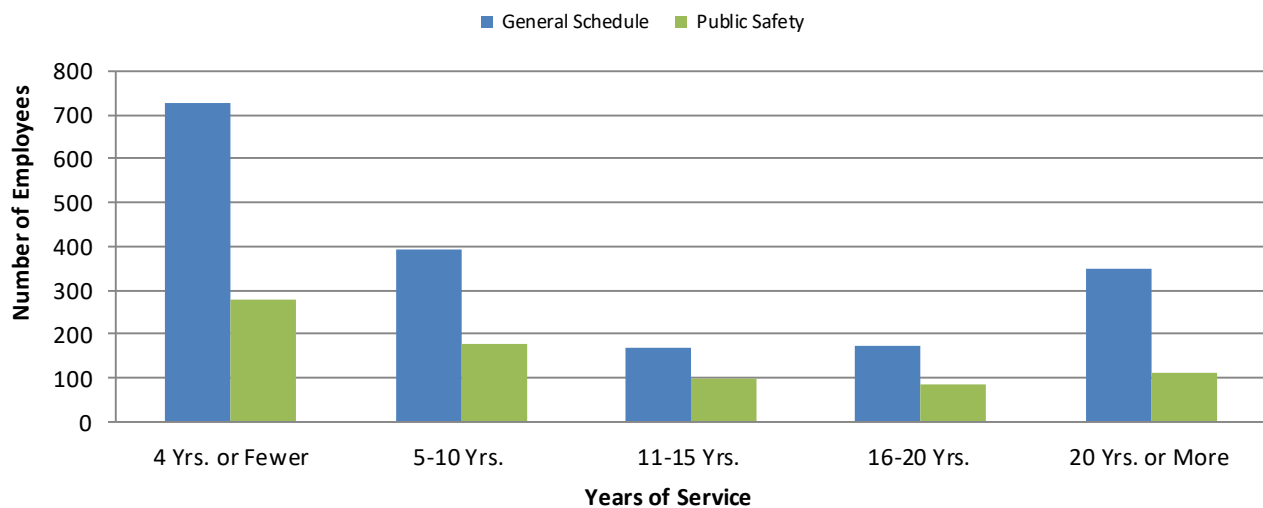
**Full-Time General Schedule
Years of Service**



**Full-Time Public Safety
Years of Service**



**Full Time- Employees
Years of Service**



Personnel & Compensation Summary



EMPLOYEE DEMOGRAPHICS

A little over three-quarters (76.7%) of the City's workforce fall within the ages of 30 and 59 years old.

Regular Employees by Age Distribution

