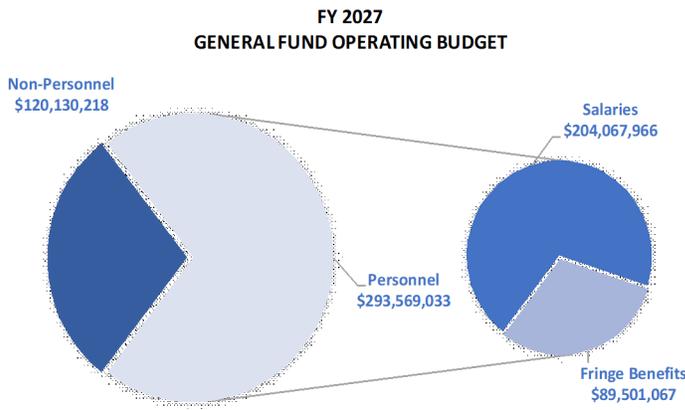




Personnel & Compensation Summary

FY 2027 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 (71.0%) of the City’s remaining core General Fund operating expenses are allocated for personnel. 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	\$204,067,966
Fringe Benefits	\$89,501,067
Total Personnel	\$293,569,033

General Fund Non-Personnel	
Total Non-Personnel	\$120,130,218

Grand Total	\$413,699,251
Personnel	\$293,569,033
Non-Personnel	\$120,130,218

FY 2027’s \$293.6 million General Fund personnel budget represents an increase of \$6.3 million from FY 2026. Year-over-year increases in personnel funding are primarily a result of the following factors:

- **Salary enhancements for employees, including standard step and benefit rate adjustments and a 1.5% pay-scale increase for non-collectively bargained employees:**
 - Standard step and benefit rate adjustments for eligible non-collectively bargained employees
 - A 1.5% adjustment to pay scales for eligible non-collectively bargained employees * and merit increases for employees on the senior executive pay scale
 - The cost of these pay scale adjustments are offset by savings resulting from lower-than-projected contribution rates to the Virginia Retirement System (VRS), a vacancy savings factor of \$14.1 million in the General Fund, and cuts in personnel and department efficiency reductions

**Subject to change based on number of employees ineligible for inclusion in the bargaining unit at the time of budget adoption.*

- **Collective bargaining agreements, including the newly adopted Administrative and Technical bargaining unit:**
 - The Police, Fire, and Administrative and Technical bargaining units negotiated throughout FY 2026, and City Council approved the resulting agreements for the FY 2027-2029 term
 - Standard collective bargaining agreement step increases and scheduled pay scale adjustments for the Police, Fire, Administrative and Technical, and Labor and Trades collective bargaining agreements total \$6.37 million to the General Fund
 - See the “Collective Bargaining Details” section on the next page for more information on each agreement’s costs in FY 2027
- **FTEs added or removed during FY 2026 or through the FY 2027 budget process:**
 - There is a net increase of 1.00 FTE in FY 2026 due to mid-year adjustments. The FY 2027 budget also includes two departmental reorganizations. The Department of Project Implementation (DPI) will move all 28.00 FTEs to the Department of Transportation and Environmental Services (TES) at the start of FY 2027.



Personnel & Compensation Summary

FY 2027 INTRODUCTION & HIGHLIGHTS

(cont.) FTEs added or removed during FY 2026 or through the FY 2027 budget process:

- The Other Public Safety and Justice Services Department moved all 16.00 FTEs to the newly created Department of Community Justice Services (DCJS) during FY 2026
- In order to manage costs within the available revenue, City staff conducted an evaluation of vacant positions to identify opportunities for savings. The FY 2027 budget process eliminated 38.06 vacant FTEs and five over hire FTEs totaling 43 total positions.
- In addition, 3.00 vacant FTEs were placed on a partial-year position freeze. See below for a list of these positions:
 - Vacant Energy Management Analyst, City Manager's Office
 - Vacant Communications Manager, Office of Communications and Community Engagement
 - Vacant Community Engagement Specialist, Office of Communications and Community Engagement

See page 8 of this section for more detailed information on the vacant positions removed in the FY 2027 budget

• Changes in benefit and retirement rates, including health insurance:

- Insurance premiums increased \$2.8 million from the FY 2026 approved budget. This increase is due to employee healthcare election changes, employee turnover, and insurance companies' increased premium rates
- Total retirement costs for all funds have decreased by \$2.8 million from the FY 2026 approved budget, from \$60.0 million to \$57.2 million, primarily driven by asset performance in previous years and strong funding ratios of all plans. These savings are partially offset due to scheduled pay scale adjustments for collective bargaining agreements

FY 2027 Collective Bargaining Agreement Details

- **Police Bargaining Unit:**
 - The Police bargaining unit negotiated a pay scale change for all ranks. The ongoing costs of their agreement, including the pay scale change, merit increases, longevity bonuses, overtime adjustments, and special pays totals \$3.64 million across all funds in FY 2027
- **Fire Bargaining Unit:**
 - Fire's bargaining unit negotiated a 1% cost of living adjustment (COLA). The ongoing costs of their agreement, including the 1% COLA, merit increases, longevity bonuses, overtime adjustments, and premium pays totals \$1.31 million across all funds for FY 2027
 - The Fire bargaining unit also negotiated an increase in staffing to support the reduction of fire fighter work schedules from 49 hours per week to 46 hours per week. The unit will receive 4.0 Fire Fighter FTEs starting in January 2027 totaling \$0.21 million across all funds for FY 2027
- **Administrative and Technical Bargaining Unit:**
 - The newly adopted Administrative and Technical bargaining unit is the City's largest bargaining unit and spans several City departments
 - The bargaining unit negotiated a 3% COLA. The ongoing costs of their agreement, including the 3% COLA, merit increases, overtime adjustments, and special pays totals \$2.11 million across all funds in FY 2027
- **Labor and Trades Bargaining Unit:**
 - The Labor and Trades bargaining unit's current agreement expires at the end of FY 2027 and the group will negotiate a new contract for FY 2028-FY 2030. For this fiscal year, the unit negotiated a 3% COLA. The ongoing costs of their agreement, including the 3% COLA, merit increases, overtime adjustments and special pays totals \$0.81 million across all funds in FY 2027



Personnel & Compensation Summary

SALARY DISTRIBUTION & AVERAGES

Employee salaries account for 69.5% of the City’s General Fund personnel costs, with individual employees receiving standard step adjustments based on performance. In addition to these annual increases, personnel expenditure increases are driven by benefit rate adjustments and pay scale adjustments for collectively bargained employees based on agreements. The FY 2027 budget includes a 1.5% pay scale increase for all non-collectively bargained employees*. This pay scale increase is not yet reflected in the visuals below as the funds are budgeted for in the Non-Departmental section of the budget.

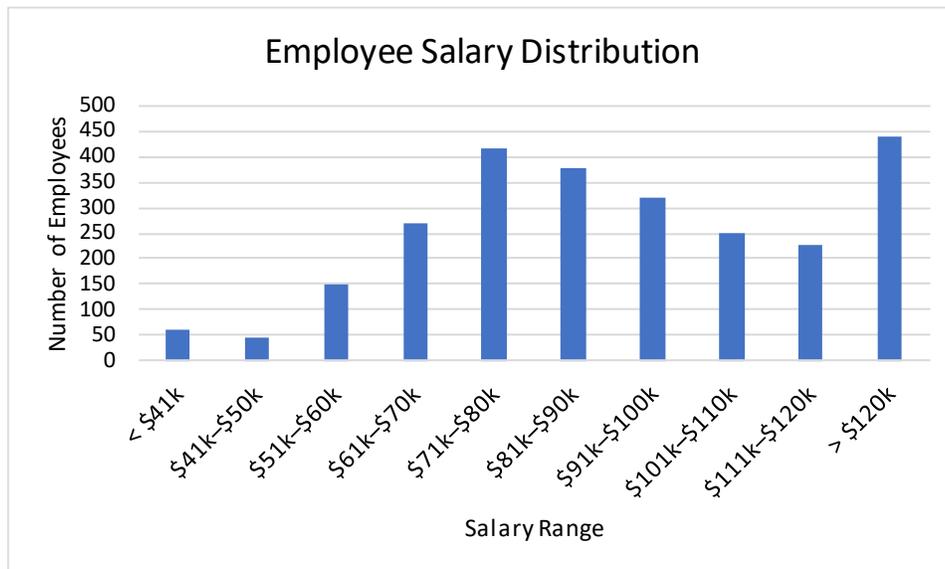
The following table shows the average annual pay for City full-time (FT) and part-time (PT) employees. The General Schedule group includes all non-Executive City employees. The Public Safety group includes all non-Executive, public safety focused City employees (examples include collectively bargained Police and Fire units, Police and Fire Captains, Fire Marshals, and EMS employees).

**Subject to change based on number of employees ineligible for inclusion in the bargaining unit at the time of budget adoption.*

	As of January 8, 2025	As of February 15, 2026	% Difference 2025-2026
General Schedule (FT)	\$89,795	\$91,642	2.06%
Public Safety (FT)	\$94,270	\$102,061	8.26%
General Schedule (PT)	\$30.18/hr*	\$28.39/hr*	-2.62%

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

64.1% of full-time, non-Executive City employees earn between \$41,000 and \$100,000 annually, with 48.4% earning more than the average full-time General Schedule salary (\$91,642), and 35.9% earning more than \$100,000 annually. These statistics and the graph below use salary data for all full-time, non-Executive level employees.



Personnel & Compensation Summary

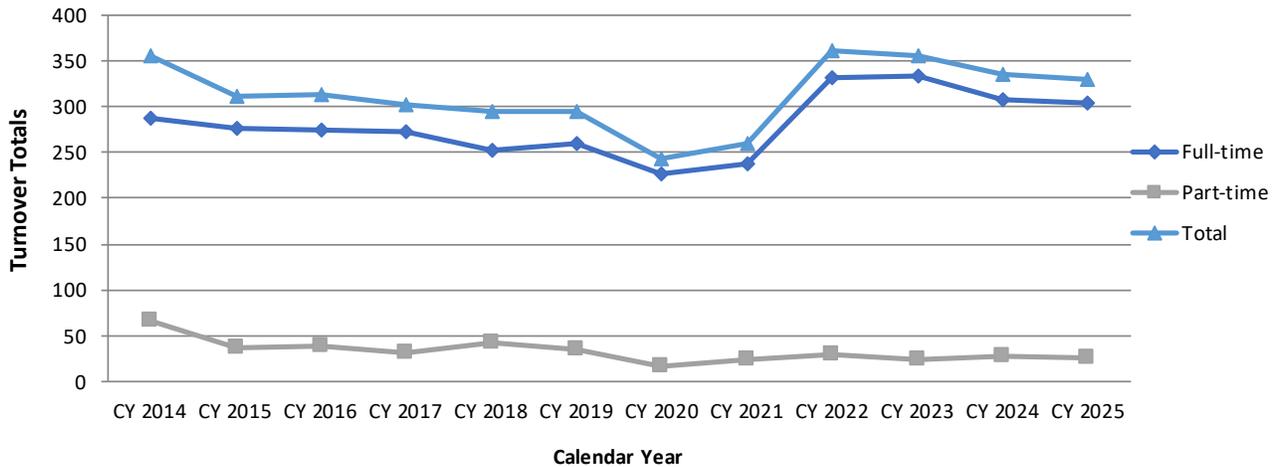


CALENDAR YEAR 2025 TURNOVER

In Calendar Year (CY) 2025, overall employee turnover decreased from 335 in CY 2024 to 330 in CY 2025 (including 68 employees retiring from City service). Voluntary turnover decreased by 2.6% compared to the previous year, from 238 to 232. This data originates from the Office of Analytics, Innovation, and Data’s dashboard that tracks turnover and vacancies throughout the City.

CY 2025 Employee Turnover Totals			
	Full Time	Part Time	Overall
Voluntary Turnover	209	23	232
Involuntary Turnover	29	1	30
Retirement	66	2	68
Total Turnover CY 2025	304	26	330
Total Turnover CY 2024	307	28	335

Total Employee Turnover by Calendar Year



Personnel & Compensation Summary



CITY WORKFORCE BY FULL-TIME EQUIVALENT (FTE)

As detailed below by Functional Area, the FY 2027 budget includes a net decrease of 38.06 FTEs compared to the FY 2026 Amended total, and a decrease of 37.06 FTEs compared to the FY 2026 Approved total. The FY 2026 Amended column shows any FTE changes made since the FY 2026 Approved Budget.

	FY 2025 Approved	FY 2026 Approved	FY 2026 Amended*	FY 2027 Proposed	FTE Impact
Accountable, Effective, & Well-Managed Government					
City Council	1.00	1.00	1.00	1.00	0.00
City Manager	24.00	25.00	25.00	24.00	(1.00)
Office of Management & Budget	12.00	12.00	12.00	12.00	0.00
Analytics, Innovation, and Data	5.00	6.00	6.00	7.00	1.00
Independent Community Policing Review Board	3.00	3.00	3.00	3.00	0.00
Information Technology Services	79.00	79.00	84.00	86.00	2.00
Internal Audit	3.00	3.00	3.00	3.00	0.00
Communications & Public Information	16.00	17.00	15.00	14.00	(1.00)
City Clerk & Clerk of Council	3.50	3.50	3.50	3.50	0.00
Finance	110.00	109.00	109.00	107.80	(1.20)
Human Resources	28.00	30.00	30.00	30.00	0.00
City Attorney	21.00	21.00	21.00	21.00	0.00
General Services	63.40	63.40	64.40	62.40	(2.00)
Registrar	7.60	7.60	7.60	7.60	0.00
<i>Subtotal Accountable</i>	376.50	380.50	384.50	382.30	(2.20)
Healthy & Thriving Residents					
Community and Human Services	622.63	624.61	624.61	615.51	(9.10)
Health	22.25	21.25	20.25	20.25	0.00
Recreation & Cultural Activities	173.66	177.66	177.66	172.20	(5.46)
Library	67.61	67.74	67.74	66.74	(1.00)
<i>Subtotal Healthy</i>	886.15	891.26	890.26	874.70	(15.56)
Livable, Green, & Prospering City					
Planning & Zoning	53.50	60.50	60.50	59.50	(1.00)
Project Implementation	31.00	31.00	31.00	0.00	(31.00)
Transportation & Environmental Services	260.00	255.00	255.00	279.50	24.50
Code	53.00	53.00	53.00	53.00	0.00
Housing	16.00	18.00	18.00	18.20	0.20
Historic Alexandria	36.33	36.33	36.33	36.33	0.00
<i>Subtotal Livable</i>	448.83	453.83	453.83	446.53	(7.30)

Personnel & Compensation Summary



CITY WORKFORCE BY FULL-TIME EQUIVALENT (FTE)

	FY 2025 Approved	FY 2026 Approved	FY 2026 Amended*	FY 2027 Proposed	FTE Impact
Safe, Secure, & Just Community					
Circuit Court Judges	12.00	13.00	8.00	8.00	0.00
Commonwealth's Attorney	41.00	40.00	40.00	40.00	0.00
Sheriff	205.00	203.00	203.00	202.00	(1.00)
Clerk of the Circuit Court	23.00	23.00	24.00	24.00	0.00
Court Services	11.00	0.00	0.00	0.00	0.00
Human Rights	6.00	6.00	6.00	6.00	0.00
Fire	347.50	348.50	348.50	352.50	4.00
Police	437.63	436.63	438.63	423.63	(15.00)
Emergency & Customer Communications	62.50	62.50	62.50	61.50	(1.00)
Other Public Safety & Justice Services	10.00	16.00	0.00	0.00	0.00
Department of Community Justice Services	0.00	0.00	16.00	16.00	0.00
<i>Subtotal Safe</i>	1,151.13	1,148.63	1,146.63	1,133.63	(13.00)
GRAND TOTAL	2,862.61	2,874.22	2,875.22	2,837.16	(38.06)

*Amended count represents mid-year adjustments.



Personnel & Compensation Summary

MID-YEAR FTE ADDITIONS AND REDUCTIONS

Note*: Position titles for the department reduction with an asterisk are included in the FTE increase portion of the table

Department	Position	FTE Decrease
Health Department	Health Equity Program Manager	-1.00
Circuit Court Judges	Comprehensive Judicial Info System Coordinator	-1.00
Circuit Court Judges	Information Tech Support Engineer II	-1.00
Circuit Court Judges	Computer Programmer Analyst II	-1.00
Circuit Court Judges	Database Administrator I	-1.00
Circuit Court Judges	Information Tech Support Engineer III	-1.00
Communications and Public Information	Public Information Officer	-2.00
Other Public Safety and Justice Services	Department*	-16.00
TOTAL REDUCTIONS		-24.00

Department	Position	FTE Increase
General Services	Senior Technical Project Manager	1.00
Police	Public Information Officer	2.00
Information Technology Services	Comprehensive Judicial Info System Coordinator	1.00
Information Technology Services	Information Tech Support Engineer II	1.00
Information Technology Services	Computer Programmer Analyst II	1.00
Information Technology Services	Database Administrator I	1.00
Information Technology Services	Information Tech Support Engineer III	1.00
Clerk of the Circuit Court	Deputy Court Clerk	1.00
Department of Community Justice Services	Inmate Class Counselor/Probation Officer	4.00
Department of Community Justice Services	Director, Probation and Parole	1.00
Department of Community Justice Services	Administrative Support	1.00
Department of Community Justice Services	Senior Therapist	3.00
Department of Community Justice Services	Gang Prevention and Intervention Coordinator	1.00
Department of Community Justice Services	Probation Officer	3.00
Department of Community Justice Services	Court Services I Supervisor	1.00
Department of Community Justice Services	Therapist Supervisor	1.00
Department of Community Justice Services	Deputy Director, Probation and Parole	1.00
TOTAL ADDITIONS		25.00

TOTAL REDUCTIONS	-24.00
TOTAL ADDITIONS	25.00
NET FTE CHANGE	1.00

FY 2026 APPROVED FTE COUNT	2,874.22
NET FTE CHANGE	1.00
FY 2026 AMENDED FTE COUNT	2,875.22

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



FY 2027 FTE ADDITIONS AND REDUCTIONS

Note*: Position titles for the department reduction with an asterisk are included in the FTE increase portion of the table on the following page

Department	Position	FTE Decrease
TOTAL REDUCTIONS		-74.26
City Manager's Office	Strategic Initiatives Officer	-1.00
Finance	Fiscal Officer III	-1.00
Finance	Management Analyst I	-0.20
Library	Library Assistant II	-0.50
Library	Librarian I	-0.50
Communications	Community Engagement Specialist	-1.00
Community and Human Services	Senior Therapist	-2.00
Community and Human Services	Fiscal Analyst	-3.00
Community and Human Services	Therapist Supervisor	-1.00
Community and Human Services	Administrative Support	-1.00
Community and Human Services	Program Aide	-0.30
Community and Human Services	Cook	-1.80
Emergency Communications	Human Resources Technician I	-1.00
General Services	Project Manager	-1.00
General Services	Administrative Support IV	-1.00
Health Department	Environmental Health Outreach Specialist	-1.00
Planning & Zoning	Management Analyst I	-1.00
Project Implementation	Director	-1.00
Project Implementation	Management Analyst I	-1.00
Project Implementation	Deputy Director	-1.00
Project Implementation	Department*	-28.00
Sheriff	Deputy Sheriff III	-1.00
Transportation and Environmental Services	Administrative Support V	-1.00
Transportation and Environmental Services	Management Analyst III	-1.00
Transportation and Environmental Services	Transportation Planner	-0.50
Transportation and Environmental Services	Principal Planner	-1.00
Police	Parking Enforcement Officer	-6.00
Police	Police Officer	-9.00
Recreation & Cultural Activities	Custodian	-0.98
Recreation & Cultural Activities	Recreation Leader I	-0.48
Recreation & Cultural Activities	Regional Program Director	-1.00
Recreation & Cultural Activities	Recreation Leader III	-3.00

Personnel & Compensation Summary



FY 2027 FTE ADDITIONS AND REDUCTIONS

Department	Position	FTE Increase
Office of Analytics, Innovation and Data	Strategic Initiatives Officer	1.00
Fire	Fire Fighter I	4.00
Housing	Management Analyst I	0.20
Health Department	Community Engagement Manager	1.00
Information Technology Services	Network Engineer III	1.00
Information Technology Services	Computer Programmer Analyst IV	1.00
Transportation and Environmental Services	Associate Technical Project Manager	2.00
Transportation and Environmental Services	Fiscal Officer	2.00
Transportation and Environmental Services	Technical Project Manager	9.00
Transportation and Environmental Services	Transportation and Environmental Services Inspector	4.00
Transportation and Environmental Services	Portfolio Manager	3.00
Transportation and Environmental Services	Deputy Director - Project Implementation	1.00
Transportation and Environmental Services	Management Analyst	1.00
Transportation and Environmental Services	Senior Technical Project Manager	1.00
Transportation and Environmental Services	Non-Technical Project Manager	1.00
Transportation and Environmental Services	Division Chief - Capital Improvement Projects	1.00
Transportation and Environmental Services	Civil Engineer	1.00
Transportation and Environmental Services	Capital Procurement Specialist	1.00
Transportation and Environmental Services	Associate Director - Project Implementation	1.00
TOTAL ADDITIONS		36.20
TOTAL REDUCTIONS		-74.26
TOTAL ADDITIONS		36.20
NET FTE CHANGE		-38.06
FY 2026 AMENDED FTE COUNT		2,875.22
NET FTE CHANGE		-38.06
FY 2027 PROPOSED FTE COUNT		2,837.16

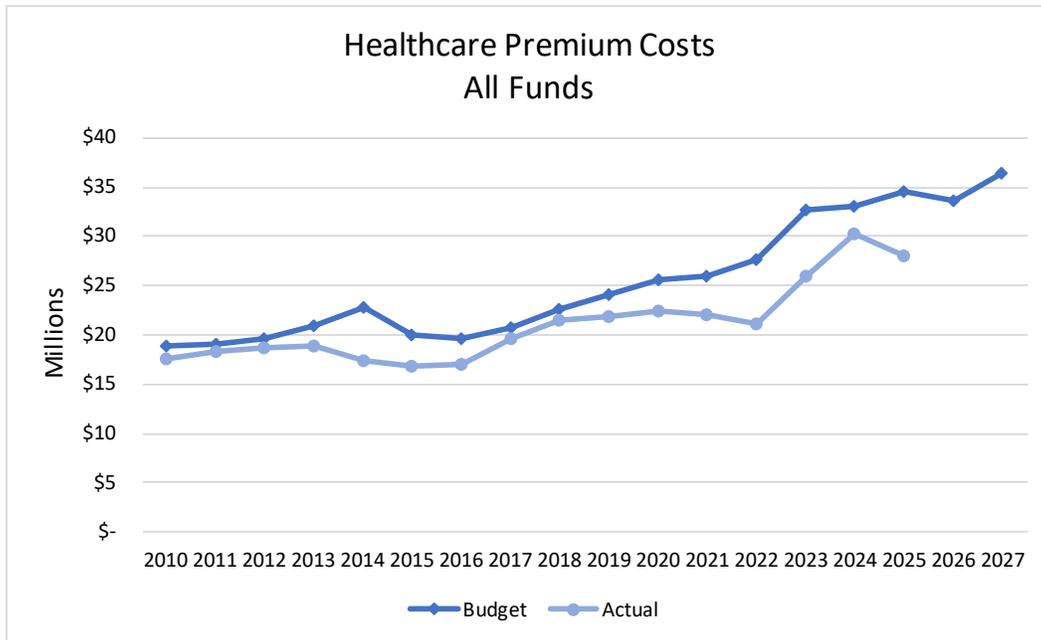
Note: 1.00 FTE represents a position working full-time at 80 hours per pay period. An FTE less than 1.00 represents a position that works less than full-time.

Personnel & Compensation Summary



HEALTHCARE

Healthcare expenditures represent the share that the City pays for employee healthcare benefits. The chart below shows actual healthcare premium costs from FY 2010 to FY 2025, as well as budgeted amounts through FY 2027. For all funds, health insurance premiums are expected to increase by \$2.8 million in FY 2027. This increase is due to employee healthcare election changes, employee turnover, and insurance companies' increased premium rates. Final rates for Kaiser and United plans will be included in the FY 2027 approved budget.



Five years ago, the City started offering lower cost employee health premiums for both Kaiser and United Healthcare deductible HMO plans for employees earning less than \$70,000, as well as employees with plans covering non-adult dependent(s). The City maintains these lower cost options.

To help employees mitigate costs, the City engages in a number of communications and engagement events throughout the year, from learning sessions to the annual Health Fair. Through these efforts, employees can identify the most cost-effective health plans for their needs. Additionally, by participating in the City's Employee Wellness Incentive Program, employees can save \$600 in annual healthcare costs.



Personnel & Compensation Summary

LIFE INSURANCE, DISABILITY, AND PAID LEAVE

Group Life Insurance Benefit

Regular full- and part-time employees are provided with 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 2027, Life Insurance rates for City-funded Basic Life coverage for active employees and eligible retirees will not change. Additionally, Supplemental Life Insurance paid for by active employees will remain competitive.

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



OTHER BENEFITS

Dental

Dental insurance rates are projected to remain flat in FY 2027.

Employee Assistance Program and Mental Health Services

The City is continuing their partnership with a comprehensive and effective solution for mental wellbeing, allowing for personalized mental healthcare with mental health resources, care navigation, in-app wellness exercises, virtual therapy, and crisis support. Through this partnership, employees and their covered spouses and dependents are allotted 6 free therapy sessions annually.

Employee Wellness Programs

The City continues to see high utilization of our employee wellness programs, with two new services added in the last year to provide weight loss management, diabetes prevention management, and dependent care resources. These programs encourage healthy habits and offer employees resources in support of their mental, physical, emotional, and financial health.

Student Loan Financial Wellbeing

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

Employee Homeownership Incentive Program

The FY 2027 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:

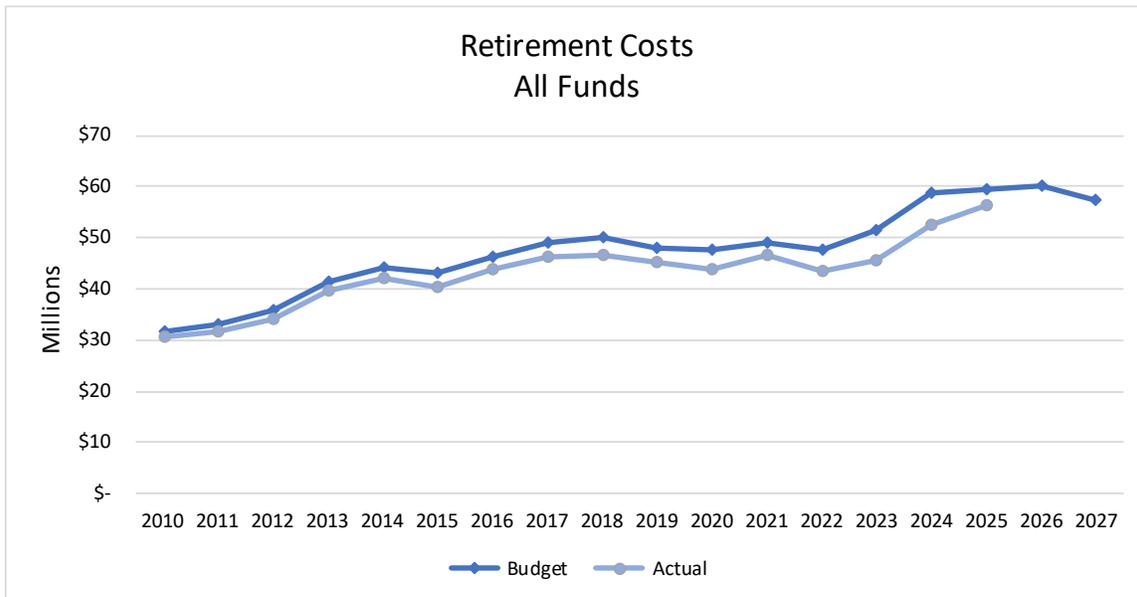
- \$15,000 for employees with a household income of 80% of the Area Median Income (AMI) or below;
- \$11,500 for employees with a household income between 80% and 120% of AMI;
- \$7,500 for employees with a household income greater than 120% of AMI.



Personnel & Compensation Summary

FICA & RETIREMENT

Compared to the FY 2026 Approved Budget, total retirement costs for all funds decrease by \$2.8 million and decrease by \$1.8 million in the General Fund. The City’s Supplemental Retirement Plan employer contribution rates increased for all groups of employees. These changes are primarily driven by lower than expected asset returns and higher than expected salary increases, primarily driven by collective bargaining. The rate for General Schedule Employees increased from 4.28% to 4.38%, the rate for Medics and Fire Marshals increased from 6.53% to 6.95%, and the rate for Deputy Sheriffs increased from 5.17% to 5.61%. VRS conducts a bi-annual valuation and the recommended employer contribution rates decreased to 8.30%. Beginning in FY 2025, VRS implemented a rate split for the Defined Contribution contributions for hybrid participants. In the past year, the Hybrid Defined Contribution employer contributions were \$2.0 million. Staff project that these employer contributions will increase slightly in FY 2027. The total contributions for the Firefighters and Police Officers Plan increased due to higher than expected cost of living adjustments, asset returns below assumptions, and salary increases primarily driven by collective bargaining agreements. Both the Firefighters and Police Officers Pension Component and the Disability Component increased. The Pension Component increased from 36.30% to 38.37% and the Disability Component increased from 1.64% to 1.69%. Other Post-Employment Benefits (OPEB) contributions decreased from 1.81% to 1.21%. Line of Duty (LOD) contribution rates decreased from 1.11% to 0.63%. LOD changes are primarily driven by the change in funding methodology where these benefits are now paid from the City’s growing trust fund.



FICA

This represents the City’s share of Social Security and Medicare taxes. Excluding Schools and DASH, the FY 2027 All Funds budget for FICA is \$21.9 million. \$15.7 million of this budget is allocated to the General Fund. The current Social Security tax rate is 6.20% of wages, and 1.45% of wages for Medicare. The Calendar Year (CY) 2026 maximum earnings cap increases to \$184,500, up from CY 2025’s cap of \$176,100. Earnings above this cap are not taxed for Social Security but are still subject to Medicare taxes.

Retirement

The graph above displays the City’s actual retirement costs from FY 2010 – 2025 and the budgeted costs from FY 2010 – 2027. The FY 2027 retirement budget represents the cost to the City to fund the employer share of the City’s employee retirement



Personnel & Compensation Summary

FICA & RETIREMENT

plans, including the Virginia Retirement System - 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). City retirement, OPEB and LOD expenses are calculated as a percentage of salary. Given this, two factors impact the total retirement costs each year: 1) the total covered payroll and 2) the percentage contribution rates for each of the retirement plans. The change in budget in FY 2027 is primarily driven by asset performance in previous years and strong funding ratios of all plans. These changes are partially offset due to scheduled pay scale adjustments for collective bargaining agreements.

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 Virginia Retirement System (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 and all City retirement plans continue to be over 85% funded. In addition to the pension plans, City employees can prepare for retirement by electing to contribute to the City’s 457 deferred compensation and Roth IRA plans.

Other Post-Employment Benefits (OPEB)

Other Post-Employment Benefits (OPEB) include retiree healthcare and retiree life insurance. The contribution rate decreased from 1.81% to 1.21% for FY 2027. The amount budgeted is based on the actuary’s recommended contributions which decreased due to claims adjustments, trend assumptions, and higher than expected asset returns.

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 2027 contribution decreased from 1.11% to 0.63% of eligible public safety employee salaries due to higher than expected asset returns. The City’s LODA fund is currently over 100% funded.

The table below provides a comparison of the contribution rates that were used to develop the FY 2027 Retirement budget:

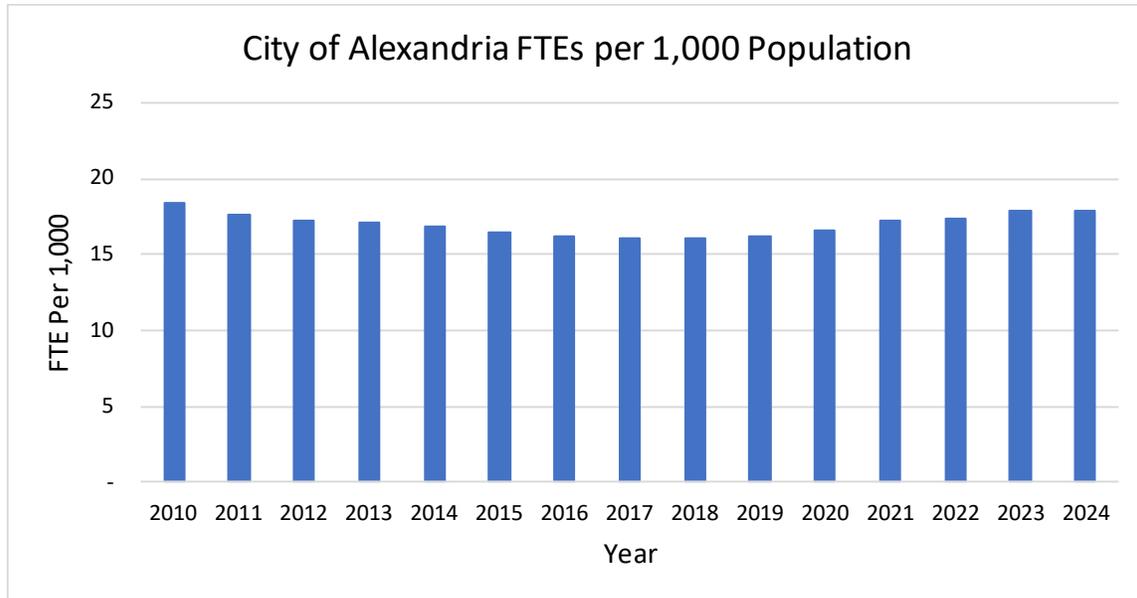
Retirement Plan	FY 2026	FY 2027	Change
VRS	10.54%	8.30%	-2.24%
City Supplemental - General Schedule	4.28%	4.38%	0.10%
City Supplemental - Medic & Fire Marshal	6.53%	6.95%	0.42%
City Supplemental - Deputy Sheriff	5.17%	5.61%	0.44%
Firefighters and Police Officers Pension	36.30%	38.37%	2.07%
Firefighters and Police Officers Disability	1.64%	1.69%	0.05%
OPEB	1.81%	1.21%	-0.60%
Line of Duty	1.11%	0.63%	-0.48%



Personnel & Compensation Summary

FTE TRENDS

The following chart and table show the FTE per capita trends since Calendar Year 2010



	2010	2011	2012	2013	2014	2015	2016	2017	2018
City FTE Count	2,577	2,546	2,543	2,558	2,551	2,538	2,543	2,552	2,565
Alexandria Population	139,966	144,219	147,291	149,637	151,375	153,654	156,698	159,215	159,069
FTE per 1,000	18.41	17.65	17.27	17.09	16.85	16.52	16.23	16.03	16.12
	2019	2020	2021	2022	2023	2024	2025	2026	2027
City FTE Count	2,579	2,629	2,671	2,697	2,765	2,841	2,868	2,876	2,837
Alexandria Population	159,428	159,125	155,203	155,525	155,230	159,102	-	-	-
FTE per 1,000	16.17	16.52	17.21	17.34	17.81	17.85	-	-	-

FTE data is for fiscal years. Population data is for calendar years, published by the Census Bureau on a 2-calendar year lag.

2009 population data source: Intercensal Estimates

2010 and 2020 population data source: Decennial Census

2011-2019, 2021-2024 population data source: American Community Survey 1-Year Estimates

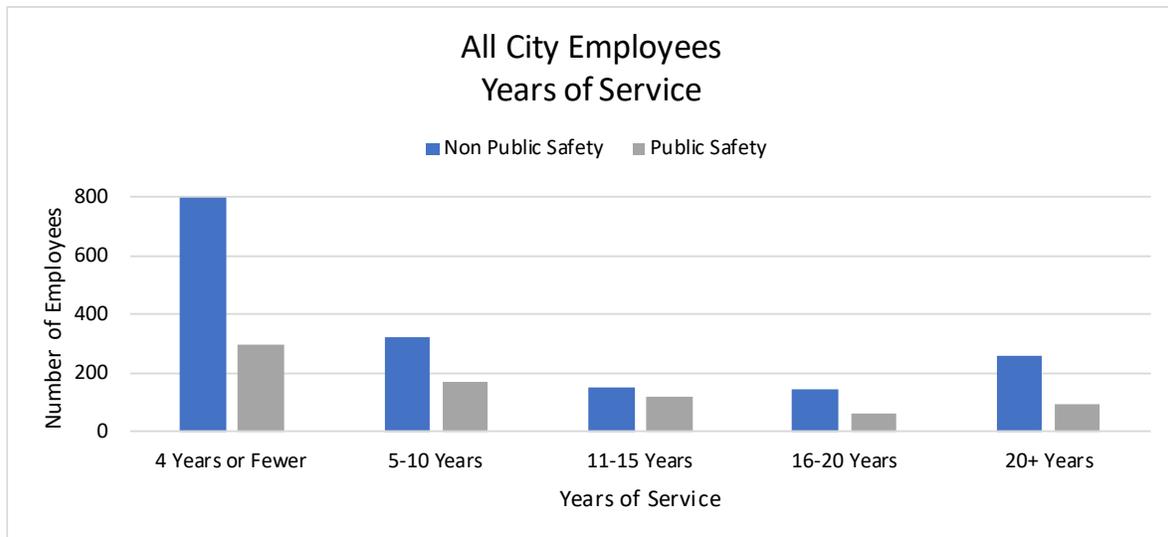
Personnel & Compensation Summary



YEARS OF SERVICE AND EMPLOYEE DEMOGRAPHICS

Years of Service

65.56% of current City employees have been employed with the City for 10 years or less, while 23.36% have been City employees for 16 years or more. This data demonstrates the City's commitment to recruiting, retaining, and developing their employees. This is also a core City Council priority that the Department of Human Resources supports in their strategic plan to improve and maintain the City's workforce.



Demographics

53.78% of City employees fall between 30 and 49 years of age.

