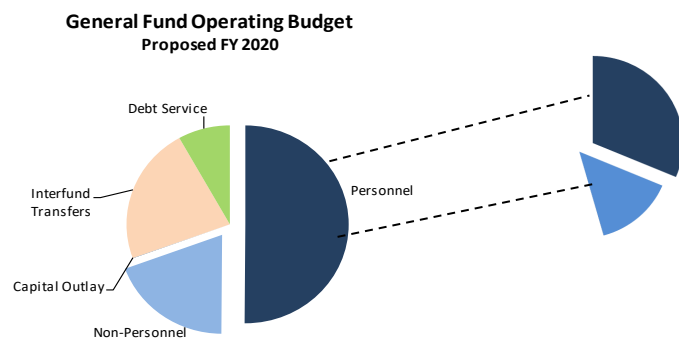




Personnel & Compensation Summary

FY 2020 INTRODUCTION & HIGHLIGHTS

The City of Alexandria continues to invest in its workforce in order to recruit and retain the best talent. 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	\$157,795,694
Fringe Benefits	\$75,599,834
Total Personnel	\$233,395,528

General Fund Non-Personnel	
Total Non-P	\$90,145,562

Grand Total	\$323,541,090
Personnel	72%
Non-Personnel	28%

Other personnel and compensation highlights from the FY 2020 budget include:

- Employees other than those at the end of the pay scale are eligible for a **merit-based pay** increase ranging from 2.3% to 5.0% of salary grade and step. Additionally, funding is allocated for career ladder elevations. Currently, the City has 27 general scale and public safety career ladders. The FY 2020 Budget includes approximately \$4.5 million to fund the merit-based pay increases and 88 unique career elevations, offset by vacancy savings resulting from turnover.
- In order to support the health and well-being of City employees, \$150,000 is included in the FY 2020 budget to implement an **Employee Well-being Incentive Program**. All employees in regular employment positions will be eligible for the well-being incentive. The program will encourage employees to participate in wellness program activities, events or challenges. By completing all program requirements, employees will be eligible to earn up to \$50 per month. Wellness incentive earnings will begin in January of 2020 for those who qualify.
- In order to position the City of Alexandria in closer alignment with comparator jurisdictions, retain current employees, and attract new qualified candidates, the budget is funding a \$1.00 per hour pay supplement for **Commercial Drivers License (CDL)** employees. Additionally, funding in the amount of \$296,038 is added to adjust the City’s current **shift differential pay rates**. This change would increase the second (evening) shift rate from \$0.45 per hour to \$1.00 and the third (night) shift rate from \$0.63 to \$1.50.
- Currently, a study is underway of the pay competitiveness of general schedule employees, and it appears an overall pay scale adjustment will not be justified when comparing the general schedule pay ranges by positions titles with that of other regional jurisdictions with whom we compare.
- While City pay scales are competitive, it takes longer for a City employee to move up the pay scale than in our comparator jurisdictions. A study will be undertaken during 2019, which will result in proposed solutions that could start to be addressed as early as the FY 2021 budget.



Personnel & Compensation Summary

FY 2020 INTRODUCTION & HIGHLIGHTS

- The FY 2020 Proposed Budget includes an expansion of the executive pay scale for bands I and II (Deputy City Managers and Department Directors). The pay scale for band I increased 12% and the pay scale for band II increased 5%. This expansion moved the pay bands from near the bottom to near the middle of our comparator local governments' scales. Expansion of the pay band does not propose any across the board salary increase for these positions in FY 2020, but rather an increase in merit-based pay opportunity.
- The proposed budget includes a retirement contingent of \$720,000 for a proposed partial financing, starting in October 2019 for the transfer of uniformed Sheriff's personnel to the Virginia Retirement System (VRS) Hazardous Duty Plan (formerly labeled LEOs). The purpose of the transfer is to allow earlier retirement for Sheriff's uniformed personnel. This issue will be studied in the coming months with the goal of bringing a recommendation to Council for action in October 2019.
- In February, the City received **Employee Health Insurance** renewal rates from United Healthcare which maintained (i.e., a 0% rate increase) the current monthly premium per employee and therefore no increase was needed. However, Kaiser premiums are anticipated to increase by 10.71%, and this increase results in a net increase of \$1.57 million in health insurance.
- On a net basis, the FY 2020 budget includes an increase of 26.50 Full-Time Equivalents (FTEs) overall from the Adjusted FY 2019 count. The FY 2019 count has been modified from the FY 2019 approved figures to reflect mid-year adjustments. This brings the total FTE count for the City to 2,621.09 in FY 2020, which is 28.46 FTEs less than the peak of 2,649.55 FTEs in FY 2009.
- Compared to FY 2019 Approved Budget, total retirement for all funds decreases by \$5.1 million of which \$5.0 million occurs in the General Fund. This is partly driven by decreases in Line of Duty (LOD) rates, which decreased from 9.93% to 7.00%. The decrease is related to the assumption that the City will continue to increase the plan's funding over time and thus are able to assume a higher discount rate.
- A Racial and Social Equity position (1.00 FTE) has been added and will be responsible for leading the development and implementation of the City's diversity, equity and inclusion initiatives. This position will collaborate with City leadership and community stakeholders to establish equity as a shared value across the organization and the community. Additionally, this position will focus on educating and engaging the community in meaningful way to facilitate a more inclusive community.
- In order to create a permanent resource within the Finance Department to manage the monthly utility billing for all City Services, the budget includes the conversion of a temporary Utility Billing Technician to a permanent, benefited City employee position.
- In an effort to improve the quality and sustainability of technology services and solutions, while enhancing strategic relations with departments, an analysis of ITS contract temporary positions identified positions that support long-term departmental needs. A total of 7.00 FTEs have been added as a result of ITS analyzing all current contract temporary positions that support long-term departmental needs. Converting these contract temporary positions to permanent, benefited City employee positions will result in improvements to the quality and sustainability of technological services and solutions while enhancing strategic relationships with departments. The following positions are being converted: Project Manager (2.00 FTE), Junior Business Analyst (1.00 FTE), Computer Programmer Analyst III (1.00 FTE), Administrative Analyst (1.00 FTE), IT Support Engineer I (1.00 FTE), and IT Support Engineer II (1.00 FTE). Of the 7.00 FTEs, 4.50 are funded through the Capital Improvement Program with no impact to the operating budget (CIP cost \$464,916, operating cost \$254,917).

Personnel & Compensation Summary



FY 2020 INTRODUCTION & HIGHLIGHTS

- The governance committee of the Customer Relationship Management (CRM) project recently selected a new CRM subscription service to better equip and advance the City's Alex311 initiative and funding has been allocated for a new CRM software. The new CRM will include a resident portal, which allows residents to submit requests through multiple channels (social media, text, chat, web etc.), and a public-facing knowledge base that will improve the overall customer experience. The CRM and 3-1-1 number are scheduled for deployment in September 2019. A total of 3.00 FTEs have been added to support the new CRM: A Computer Programmer Analyst IV position (1.00 FTE) to support the data architecture design, development and ongoing refinement of the CRM platform for the Alex311 program and other enterprise system goals. In addition to supporting the Alex311 program, this FTE will develop citywide implementation strategy (including establishing data infrastructure), perform trainings, and expand the application within the City as a client and customer database management tool. A Knowledge Base Coordinator position (1.00 FTE) has been added to coordinate and facilitate knowledge sharing throughout all end users to create a culture of information sharing and high-performance knowledge management. Lastly, two Call Taker positions (2.00 FTE) have been added to answer non-emergency calls and process customer inquiries for information, services, programs or events and provide coverage for the extension of hours that will occur as a result of Alex311.



Personnel & Compensation Summary

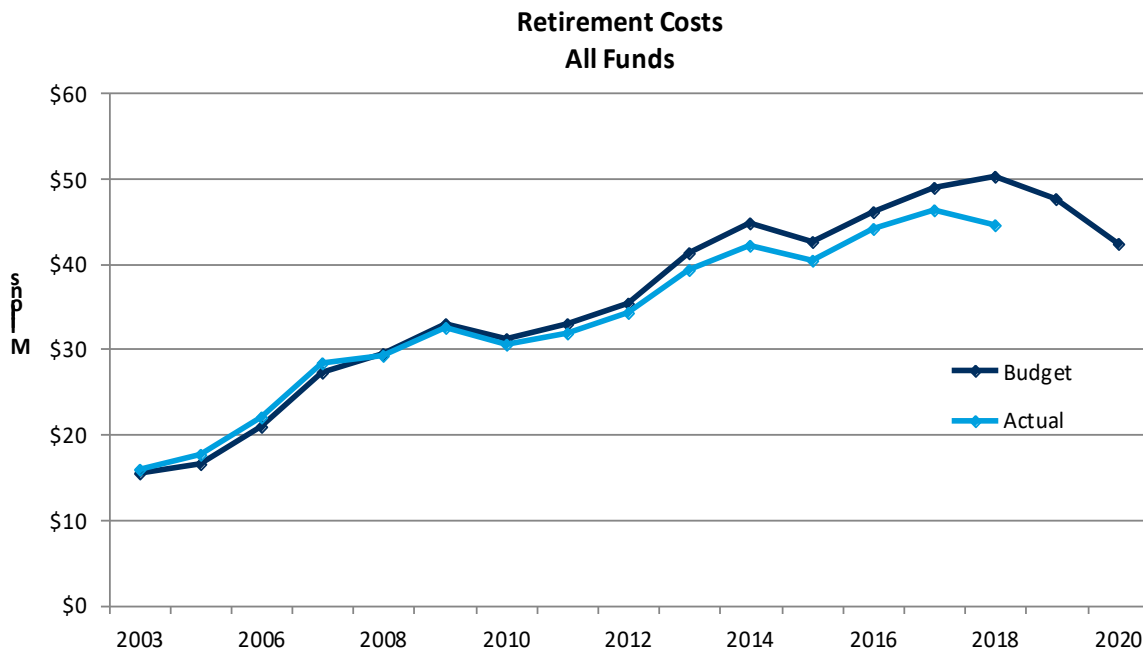
FICA & RETIREMENT

Federal Insurance Contributions Act (FICA)

This represents the City share of Social Security and Medicare taxes, which is budgeted at \$16.5 million for All Funds (excluding Schools and DASH) in FY 2020, \$11.9 million of which is General Fund related. The current Social Security tax rate is 6.20% of wages, and 1.45% for Medicare. The Calendar Year (CY) 2019 maximum earnings cap increases from the CY 2018 level, by \$4,500 to \$132,900. Earnings above this cap will not be taxed for Social Security, but are still subject to Medicare tax.

Retirement

The FY 2020 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, the City Supplemental Retirement Plan for General Schedule employees, Sheriff's Deputies, Medics, and Fire Marshals; 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 2003 – 2018 and the budgeted costs for retirement from FY 2003 – 2020. 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 declining budgeted amounts beginning in FY 2018 are the result of a number of factors, most notably cultural changes related to Police and Fire Disability that began in 2013. More recent changes to the calculation of lump sum payments from the Supplemental Retirement plan are also a contributor.





Personnel & Compensation Summary

RETIREMENT

The table below provides a comparison of the contribution rates that were used to develop the FY 2020 Retirement budget. It should be noted that VRS is calculated in two-year cycles, and FY 2020 represents year two. New rates will be provided for FY 2021 and FY 2022.

Retirement Plan	FY2019	FY2020
VRS	7.74%	7.74%
City Supplemental - General Schedule	6.22%	6.16%
City Supplemental - Uniformed	10.42%	10.50%
Firefighters and Police Officers Pension	26.34%	33.75%
Firefighters and Police Officers Disability	11.84%	4.55%
OPEB	0.96%	0.35%
LOD	9.93%	7.00%

OPEB & LINE OF DUTY

Other Post-Employment Benefits (OPEB)

Other post-employment benefits (OPEB) include retiree healthcare and retiree life insurance. In FY 2020, the contribution rate is decreasing from 0.96% to 0.35% due in part to the City's demonstrated commitment to making the actuarially determined contribution. The City's OPEB fund is currently 50.8% funded and is still projected to be fully funded by 2024, assuming the City continues to make the actuarially determined contribution. The City currently has an unfunded liability for OPEB of \$53.7 million.

Line of Duty (LOD)

A State mandated, but City-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 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 currently has an unfunded liability of \$19.5 million for LOD. The City's FY 2019 contribution decreased from 9.93% to 7.00% of eligible public safety employee salaries due to the assumption that the City will continue to increase the Plan's funding over time and thus are able to assume a higher discount rate.

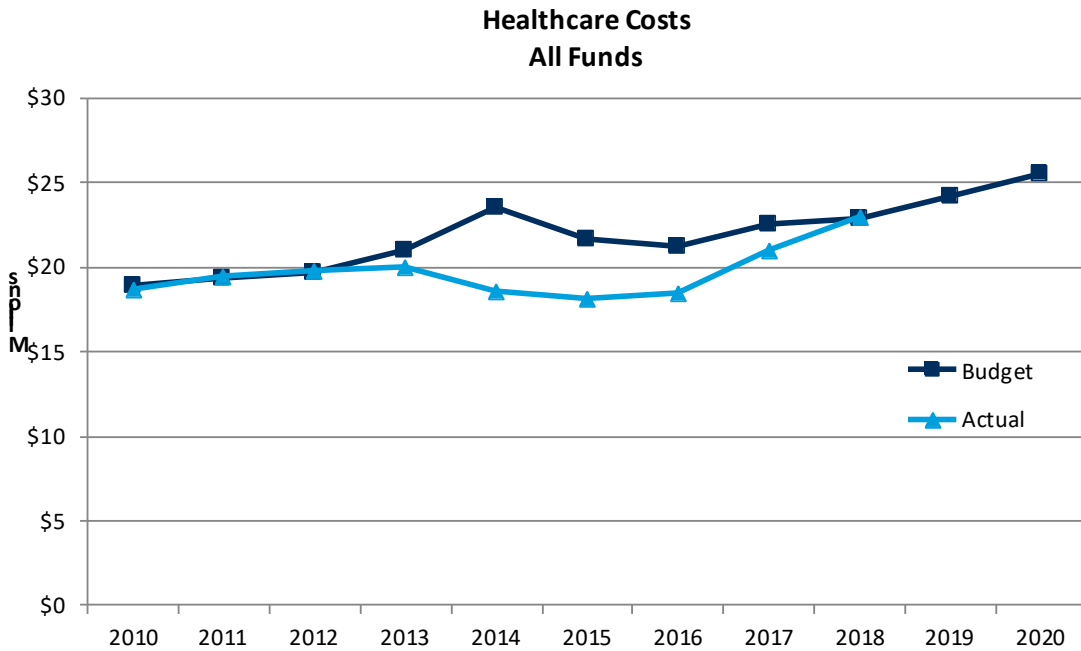
Personnel & Compensation Summary



HEALTHCARE

Healthcare

Healthcare represents the share that the City pays for employee healthcare benefits. The chart below shows actual healthcare costs from FY 2010 – FY 2020, and the budgeted amount for healthcare from FY 2010 – FY 2020. For all funds, health insurance costs are anticipated to increase slightly by approximately \$1.3 million of which \$794,772 occurs in the General Fund.



The anticipated rate increase for Kaiser plans is 10.7%, but United Healthcare plans will remain constant with a 0.0% rate increase with FY 2019 levels. There is no change to the current employer/employee premium cost sharing formula in which employees pay a minimum 20% share in HMO plans.



Personnel & Compensation Summary

LIFE INSURANCE, DISABILITY COVERAGE, AND PTO

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. Long term disability coverage is also provided to benefit eligible employees (excluding police officers and firefighters due to the Line of Duty benefit). Employees also have the option to purchase supplemental group term life insurance coverage and dependent life insurance coverage at their own expense. The table below provides information on the specific coverage available to employees. The FY 2020 budget does not include a rate adjustment for City Paid Basic Life Insurance.

Standard Insurance Company	
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
Line of Duty Coverage:	
Police Officers and Firefighters Only - City Funded	\$200,000

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), this benefit provides a comparable disability plan with equal or greater value.

Standard Insurance Company	
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

Paid Time Off (PTO)

City employees are eligible for eleven paid holidays per year in addition to their 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 in order to provide employees with one additional day of annual leave. This action was taken in response to a study which found that the City was ranked low in the category of paid time off when compared to our comparator jurisdictions.

Paid Time Off*	
Holidays	11 Holidays Annually
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 2020 budget includes a net increase of 26.50 FTEs compared to the FY 2019 Amended total and an increase of 42.50 FTEs compared to the FY 2019 Approved Budget. The FY 2019 Amended column shows any FTE changes since the FY 2019 Adopted budget, such as transfers or reclassifications. 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. Additions in 2019 include 7.65 adjustments in the Department of Community and Human Services for various grants and 9.00 firefighters in Fire for the SAFER grant.

	FY 2018 Amended	FY 2019 Approved	FY2019 Amended	FY 2020 Proposed	FTE Impact
Accountable, Effective, & Well-Managed Government					
City Council	1.00	1.00	1.00	1.00	0.00
City Manager	10.00	11.00	10.50	11.50	1.00
Office of Management & Budget	10.00	10.00	10.00	11.00	1.00
Performance & Accountability	3.00	3.00	3.00	3.00	0.00
Information Technology Services	61.00	63.00	63.00	72.00	9.00
Internal Audit	3.00	3.00	3.00	3.00	0.00
Communications & Public Information	8.00	8.00	8.00	9.00	1.00
City Clerk & Clerk of Council	3.00	3.00	3.00	3.00	0.00
Finance	102.50	103.75	104.25	108.25	4.00
Human Resources	25.00	25.00	26.00	26.00	0.00
City Attorney	15.00	16.00	16.00	16.00	0.00
General Services	71.60	73.60	73.83	73.83	0.00
Registrar	6.60	6.60	6.60	6.60	0.00
<i>Subtotal Accountable</i>	319.70	326.95	328.18	344.18	16.00
Healthy & Thriving Residents					
Community and Human Services	585.15	581.95	589.60	590.10	0.50
Health	16.63	16.63	16.75	16.75	0.00
Recreation & Cultural Activities	152.40	154.15	154.15	155.15	1.00
Library	68.96	67.21	67.21	67.21	0.00
<i>Subtotal Healthy</i>	823.14	819.94	827.71	829.21	1.50
Livable, Green, & Prospering City					
Planning & Zoning	46.50	48.50	48.50	50.50	2.00
Project Implementation	24.00	24.00	24.00	24.00	0.00
Transportation & Environmental Services	213.00	215.00	215.00	217.00	2.00
Code	51.62	51.62	51.62	51.62	0.00
Housing	15.00	15.00	15.00	15.00	0.00
Historic Alexandria	27.20	27.20	27.20	28.20	1.00
<i>Subtotal Livable</i>	377.32	381.32	381.32	386.32	5.00
Safe, Secure, & Just Community					
18th Circuit Court	12.00	12.00	12.00	12.00	0.00
Commonwealth's Attorney	27.00	27.00	27.00	28.00	1.00
Sheriff	210.00	210.00	209.00	209.00	0.00
Clerk of the Circuit Court	22.00	22.00	22.00	22.00	0.00
Court Services	8.00	8.00	8.00	8.00	0.00
Human Rights	6.00	6.00	6.00	6.00	0.00
Fire	277.00	277.50	285.50	285.50	0.00
Police	425.00	427.38	427.38	427.38	0.00
Emergency Communications	60.50	60.50	60.50	63.50	3.00
<i>Subtotal Safe</i>	1,047.50	1,050.38	1,057.38	1,061.38	4.00
GRAND TOTAL	2,567.66	2,578.59	2,594.59	2,621.09	26.50

Personnel & Compensation Summary



FTE REDUCTIONS

The following table shows the reductions (-3.50 FTEs) of positions in the FY 2020 budget.

Department	Position	FTE Decrease
Community and Human Services	Therapist Supervisor	-1.00
Community and Human Services	Residential Counselor	-1.00
Community and Human Services	Senior Therapist	-0.50
Police	Police Captain	-1.00
TOTAL REDUCTIONS		-3.50

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 ADDITIONS

The following table shows the additions (+26.50 FTEs) of positions in the FY 2020 budget and net FTE change.

Department	Position	FTE Increase
City Manager's Office	Racial and Equity Officer	1.00
Commonwealth Attorney	Assistant Commonwealth Attorney IV	1.00
Community and Human Services	Family Service Specialist	2.00
Community and Human Services	Senior Therapist	1.00
Communications & Public Outreach	Web Editor	1.00
Emergency Communications	Knowledge Base Coordinator	1.00
Emergency Communications	Call Takers	2.00
Finance	Utility Billing Technician	1.00
Finance	Financial Systems Analyst	1.00
Finance	Revenue Analysts	2.00
Historic Alexandria	Administrative Division Chief	1.00
Information Technology Services	Security Analyst	1.00
Information Technology Services	Computer Programmer Analyst II	1.00
Information Technology Services	Project Manager	2.00
Information Technology Services	Junior Business Analyst	1.00
Information Technology Services	Computer Programmer Analyst III	1.00
Information Technology Services	Administrative Analyst	1.00
Information Technology Services	IT Support Engineer I	1.00
Information Technology Services	IT Support Engineer II	1.00
Office of Management & Budget	Budget & Management Analyst	1.00
Police	Human Resources Division Chief	1.00
Planning & Zoning	Zoning Inspector	1.00
Planning & Zoning	Civic Engagement Outreach Coordinator	1.00
Recreation, Parks, and Cultural Activities	Public Information Specialist	1.00
Transportation and Environmental Services	Civil Engineer III	2.00
TOTAL ADDITIONS		30.00

TOTAL REDUCTIONS	-3.50
TOTAL ADDITIONS	30.00
NET FTE CHANGE	26.50

FY 2019 AMENDED FTE COUNT	2,595.99
NET FTE CHANGE	26.50
FY 2020 PROPOSED FTE COUNT	2,622.49

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.

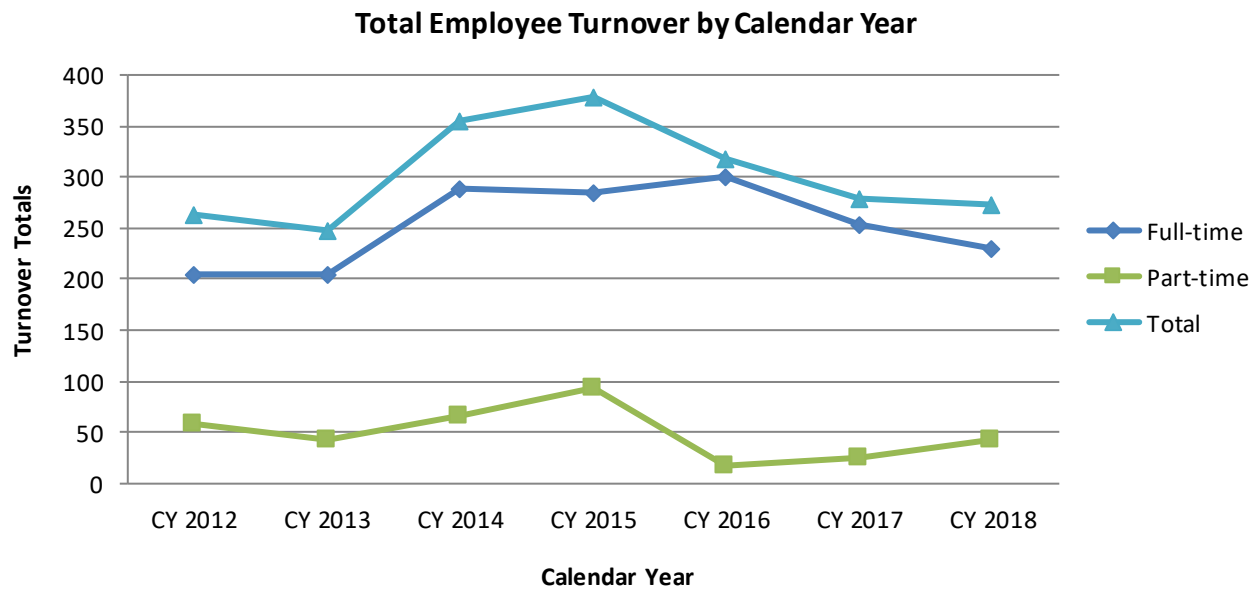
Personnel & Compensation Summary



CALENDAR YEAR 2018 TURNOVER

In Calendar Year (CY) 2018, overall employee turnover decreased by 2.5% (from 280 to 273 employees), while a total of 46 employees retired from City service, a decrease from 106 or 57% in CY 2017. Voluntary turnover increased by 39 or 24%.

CY 18 Employee Turnover Totals			
	General Scale & Public Safety Full-Time	General Scale Part-Time	Overall
Voluntary Turnover	169	31	200
Involuntary Turnover	22	5	27
Retirement	40	6	46
Total Turnover CY 2018	231	42	273
Total Turnover CY 2017	254	26	280





Personnel & Compensation Summary

SALARY DISTRIBUTION & AVERAGES

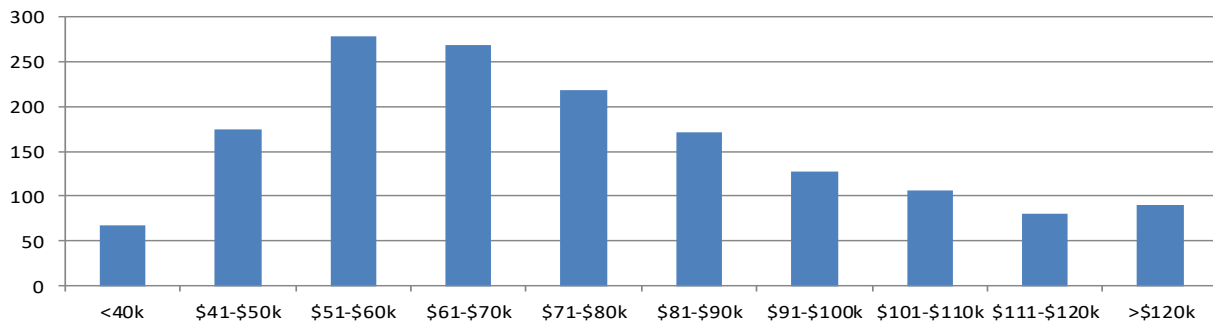
The following table shows the average annual pay for City full-time and part-time employees:

	As of January 4 2018	As of January 1 2019	% Difference 2018-2019
General Schedule (FT)	\$76,038	\$76,721	0.89%
Public Safety (FT)	\$76,516	\$80,950	5.48%
General Schedule (PT)	\$23/hr*	\$25/hr*	8.00%

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

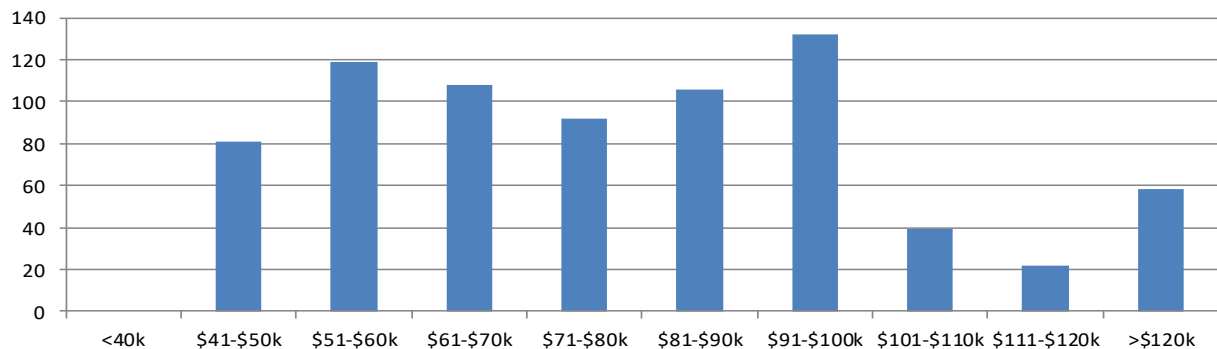
The majority of current General Schedule full-time employees (78%) earn between \$41,000 and \$100,000 annually, with 42% earning more than the average salary for General Schedule full-time employees (\$76,721) and 17% earning more than \$100,000.

Full-Time/Regular General Schedule Employees Salary



Approximately 47% of all sworn Public Safety employees earn more than the average salary of the group (\$80,950); about 16% earn more than \$100,000.

Full-Time/Regular Public Safety Employees Salary





YEARS OF SERVICE

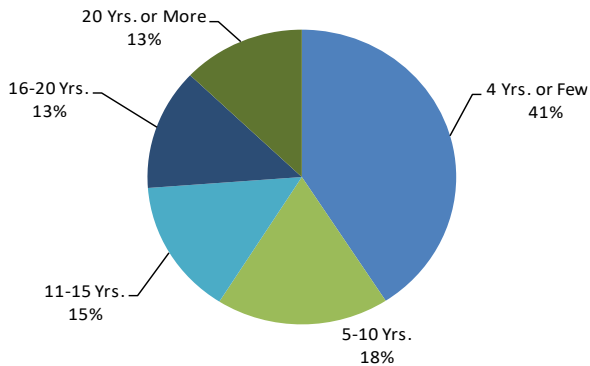
General Scale

More than half of the current General Schedule workforce (59%) has been employed with the City for 10 years or less; 13% have worked for the City for 20 years or more.

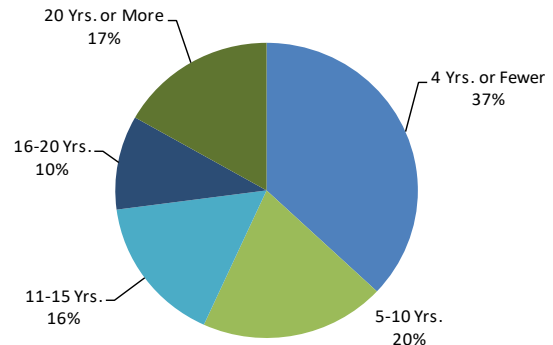
Public Safety

Similar to General Schedule employees, more than half (57%) of the current Public Safety workforce has been employed with the City for 10 years or less; 17% have worked for the City for 20 years or more.

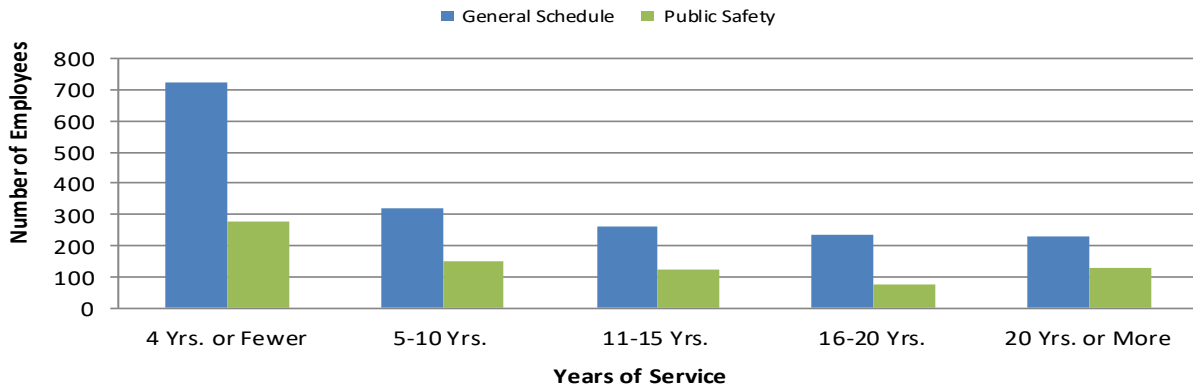
**Full-Time General Schedule
Years of Service**



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



**Full Time- Employees
Years of Service**



Personnel & Compensation Summary



EMPLOYEE DEMOGRAPHICS

A little over three-quarters (77.1%) of the City's workforce fall within the ages of 30 and 59 years old.

Regular Employees by Age Distribution

