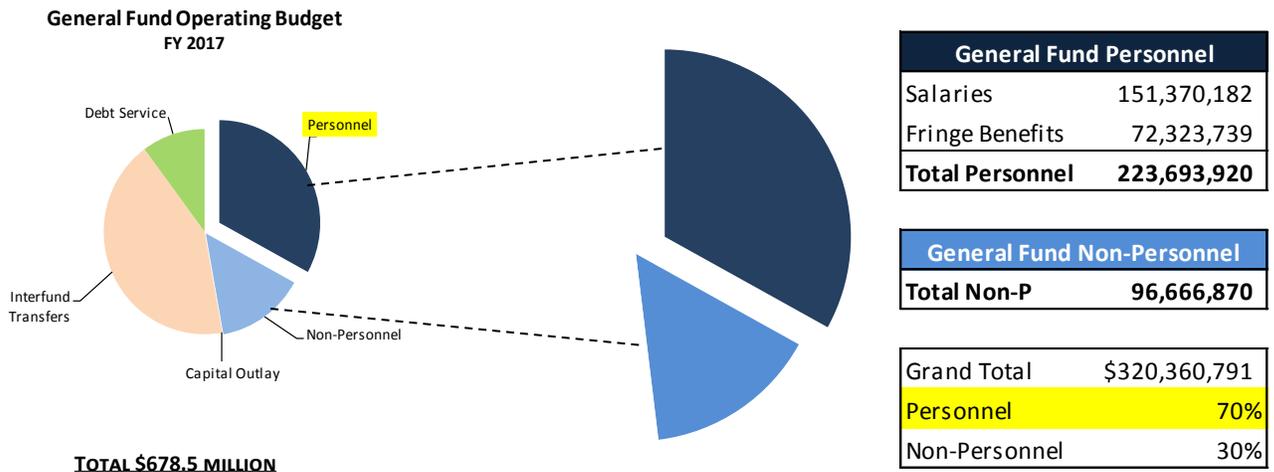




Personnel & Compensation Summary

FY 2017 INTRODUCTION & HIGHLIGHTS

The City of Alexandria continues to invest a large amount of resources in its workforce. When excluding debt service, interfund transfers (including to Alexandria City Public Schools) and capital outlays, more than two-thirds (70%) 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.



Other personnel and compensation highlights from the FY 2017 budget include:

- Employees are eligible for a merit-based pay increase ranging from 2.3% to 5.0% of salary grade and step. Approximately \$4.8 million is included for merit-based pay increases in FY 2017, as well as \$270,630 for merit-based variable pay increases for Deputy City Managers, Department Directors, and Deputy and Assistant Directors. The FY 2017 budget does not include a top-of-grade bonus for employees at the top step of the pay scales.
- Since FY 2013, City Council has allocated approximately \$2.0 million to fund career ladder elevations within the City's 23 general scale and public safety career ladders resulting in 586 unique elevations. This trend continues in the FY 2017 budget.

(continue on next page)

Personnel & Compensation Summary



FY 2017 INTRODUCTION & HIGHLIGHTS

- The Approved FY 2016 budget included \$167,500 to fund the expansion of the Fire Departments career ladder program. In FY 2017, City Council approves completion of the Fire career ladder expansion to include the Firefighter III and Medic III levels, with a total cost of approximately \$272,000. Expanding the career ladder moves pay closer to the market average as called for by the City's compensation philosophy and provides career advancement opportunities to employees who develop their skills.
- In addition to completing the Fire career ladder program in the FY 2017 budget, City Council approved a 2.5% Market Rate Adjustment (MRA) to the Fire pay scale to bring it to the average of the market. The total cost of the Fire pay scale MRA is \$491,000. City Council also approved a one-grade increase (5%) for all Fire Lieutenants, Captains, Battalion Chiefs, and Deputy Chiefs to bring the job classes to or near the market average. Previously, the Fire supervisory job classes were between 7% to 11% behind the comparator market average. The total cost of the fire reclassifications is \$448,000.
- The FY 2017 budget includes \$270,000 for a Living Wage adjustment of \$1.00 per hour, increasing the City's Living Wage from \$13.13 to \$14.13 per hour. This includes \$170,000 for City employees and \$100,000 for service contract employees. This proposal highlights the City's continued commitment to offer competitive wages that reflect the cost of living for all who are directly employed by or indirectly work for the City of Alexandria.
- On a net basis, the FY 2017 budget includes a decrease in FY 2017 of -0.05 Full-Time Equivalents (FTEs) overall from the FY 2016 count. This brings the total FTE count for the City to 2,551.81 in FY 2017, which is 112.19 FTEs less than the peak of 2,664 FTEs in FY 2009. During the Add/Delete Process, Council added three positions to the Police Department, including two Motor Officers and a Motor Officer Sergeant, to improve traffic enforcement across the City. Additionally, during the Add/Delete Process City Council added an Energy & Sustainability Project Manager position to the Department of Transportation and Environmental Services to be funded by capital projects and assist the City in achieving the Environmental Action Plan. The IT Business Analyst Position that was included as a new position in the Proposed FY 2017 budget was eliminated in the Approved FY 2017 Budget.
- Implementation of the Years of Service Alignment Model (YOSAM) for public safety was not included in the budget due to cost, potential retirement impact, and concerns of equity.
- To encourage transit use and vanpooling, and in order to meet the region's air quality standards, the City will continue to offer its transit incentive program to employees in FY 2017. In the budget, regular City employees will be eligible to receive up to \$100 per month on a pre-tax basis, unchanged from FY 2016. Given the large number of City employees who commute to Alexandria from outside jurisdictions each day, this benefit helps to offset commuting costs.



Personnel & Compensation Summary

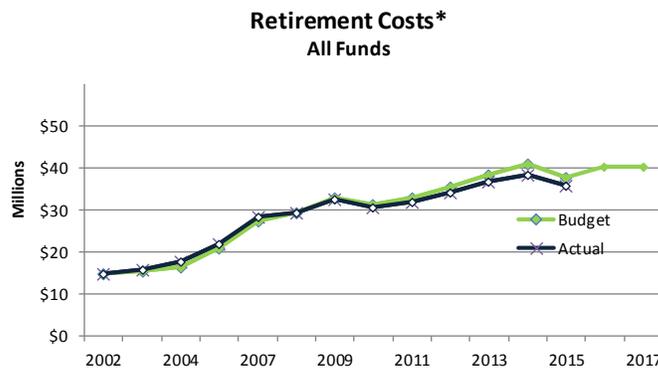
FICA & RETIREMENT (INCLUDING VRS)

Federal Insurance Contributions Act (FICA)

This represents the City share of Social Security and Medicare taxes, which is budgeted at \$15.54 million for All Funds (excluding Schools) in FY 2017, \$11.0 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) 2016 maximum earnings cap stays at the CY 2015 level, \$118,500. Earnings above this cap will not be taxed for Social Security, but are still subject to Medicare tax.

Retirement

The FY 2017 retirement budget represents the contribution that the City pays toward employee retirement plans, including the Virginia Retirement System (VRS) and City Supplemental Pension Plan for General Schedule employees, Sheriff’s Deputies, Medics, and Fire Marshalls; and a Police/Fire pension plan for Sworn Fire Fighters 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 City’s VRS contribution remained flat from FY 2016 to FY 2017 at a rate of 9.81% of salary. Additionally, the Supplemental Pension Plan for General Schedule employees and for Sheriff, EMT, and Fire Marshalls, and Police/Fire pension rates have decreased. The decrease in retirement rates has been offset by a planned increase to address other long term liabilities related to OPEB and LOD. Increasing the rate in FY 2017 from 2.10% to 3.13% of salary for OPEB and from 4.06% to 4.87% of salary for LOD will enable the City to make progress to reach 100% of required contribution for these obligations. The chart below shows the City’s actual retirement costs from FY 2002 – 2015 and the budgeted costs for retirement from FY 2002 – 2017. All City retirement plans, OPEB and LOD are a percentage of salary. While the percent of funds used to pay retirement, OPEB, and LOD is unchanged from FY 2016, salaries have increased due to merit adjustments and recent public safety pay scale and job class adjustments, impacting retirement costs.



**OPEB and LOD were removed from FY 2013-FY2017 because they were previously not budgeted in the Retirement Budget.*

Virginia Retirement System (VRS)

- In April 2012, the Virginia General Assembly passed legislation impacting contribution rates for the Virginia Retirement System (VRS). The employee share can no longer be paid by the employer, but must be contributed by the employee.
- The City has phased in the shift of the contribution rates over a 5-year period until all employees participating in VRS are contributing at least 5% of their annual salary towards their retirement. FY 2017 is the fifth and final year of this 5-year phase in.
- Until FY 2017, for City employees hired *before* July 2010, the City paid a portion of the scale. In FY 2017, all VRS-participating employees will be responsible for paying the full 5% employee share of VRS Contributions.
- Beginning in FY 2013, a 1% salary increase each year for five years has been applied to the City’s pay scales for General Schedule employees, Deputy Sheriffs, Fire Marshals and Medics in order to offset the 5% VRS contribution from employees. FY 2017 is the last year that the 1% salary increase is applied to the aforementioned pay scales as the 5% employee contribution will be offset by a total increase of 5% in the pay scales over 5 years, from FY 2013 to FY 2017.

Personnel & Compensation Summary



OPEB & LINE OF DUTY

Other Post-Employment Benefits (OPEB)

Other post-employment benefits include retiree healthcare and retiree life insurance. Currently, the City has an unfunded liability for OPEB of \$63 million. The total liability has grown by \$13 million since 2010, but the City's unfunded liability has decreased by \$5 million as we gradually move toward contributing 100% of the Annual Required Contribution (ARC). The City has increased its OPEB contribution rate from 2.10% to 3.13% of employee salary as part of an intentional plan to get to 100% of the ARC. These requirements and the City's response will influence the credit and bond ratings of City issued debt. The FY 2017 budget provides approximately \$1.9 million in new funding above current expenditures for the City's OPEB obligations, or a total of \$5.8 million.

Line of Duty

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 first responders 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 \$28 million for LOD. Similar to OPEB, the City's contribution to LOD increased from 4.06% to 4.87% of employee salary as part of an intentional funding plan to make progress toward 100% of required contribution. The FY 2017 budget provides approximately \$0.5 million in new funding above current expenditures for the City's Line of Duty obligations, or a total of \$2.8 million.

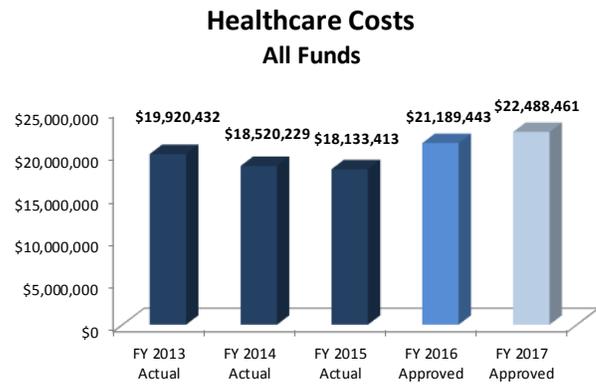
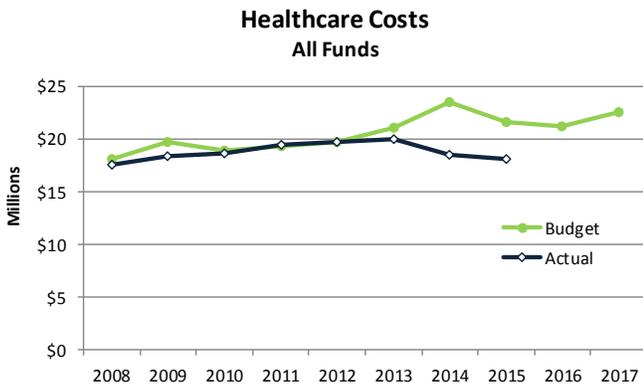
Personnel & Compensation Summary



HEALTHCARE

Healthcare

Healthcare represents the share that the City pays for employee healthcare benefits. The chart below shows actual healthcare costs from FY 2008 – FY 2015, and the budgeted amount for healthcare from FY 2008 – FY 2017.



The FY 2017 budget assumes premiums will continue to grow by 7% and that enrollment will be steady. The budget does not recommend a 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 & Long Term Disability Coverage

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). 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.

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*

| | |
|--------------------------------------|--|
| 120 Day Plan - City Funded | City Pays 0.266% of Insured Earnings |
| 90 Day Plan - City & Employee Funded | Employee Pays 0.10% of Insured Earnings; City Pays Remaining Cost |

**Rates are effective as of 03/1/2015*

Generally, full-time regular new hires in General Schedule positions have been placed into the VRS Hybrid plan since January 1, 2014 (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. VRS has offered the VLDP (Virginia Local Disability Plan) for jurisdictions who do not elect to opt out. However, the City of Alexandria has opted out of the VLDP plan, and provides a comparable disability plan with equal or greater value.

Paid Time Off (PTO)

City employees are eligible for 11 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 1 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 2017 budget includes a net decrease of –0.05 FTEs from the FY 2016 Approved total, which is a slight decrease in the overall City workforce.

| | FY 2015 Actual | FY 2016 Approved | FY 2016 Amended* | FY 2017 Approved |
|---|-------------------|---------------------|---------------------|---------------------|
| Accountable, Effective & Well-Managed Government | | | | |
| City Council | 1.00 | 1.00 | 1.00 | 1.00 |
| City Manager | 15.50 | 14.50 | 14.50 | 14.50 |
| Office of Management & Budget | 11.00 | 11.00 | 11.00 | 11.00 |
| Performance & Accountability | 4.00 | 4.00 | 4.00 | 4.00 |
| Information Technology Services | 58.00 | 58.00 | 58.00 | 56.00 |
| Internal Audit | 2.00 | 2.00 | 2.00 | 2.00 |
| Communications & Public Information | 7.00 | 7.00 | 7.00 | 7.00 |
| City Clerk & Clerk of Council | 3.00 | 3.00 | 3.00 | 3.00 |
| Finance | 105.50 | 104.50 | 104.50 | 104.50 |
| Human Resources | 24.00 | 24.00 | 24.00 | 23.00 |
| City Attorney | 14.00 | 14.00 | 14.00 | 14.00 |
| General Services | 69.80 | 69.20 | 69.20 | 70.60 |
| Registrar | 6.60 | 6.60 | 6.60 | 6.60 |
| <i>Subtotal Accountable</i> | 321.40 | 318.80 | 318.80 | 317.20 |
| Healthy & Thriving Residents | | | | |
| Community and Human Services | 563.23 | 573.98 | 573.98 | 570.23 |
| Health | 15.43 | 15.43 | 15.43 | 15.63 |
| Recreation & Cultural Activities | 156.20 | 154.20 | 154.20 | 149.30 |
| Library | 71.50 | 71.50 | 72.00 | 69.50 |
| <i>Subtotal Healthy</i> | 806.36 | 815.11 | 815.61 | 804.66 |
| Livable, Green & Prospering City | | | | |
| Planning & Zoning | 43.50 | 45.50 | 45.50 | 45.50 |
| Project Implementation | 22.50 | 24.00 | 24.00 | 24.00 |
| Transportation & Environmental Services | 220.00 | 217.00 | 217.00 | 222.50 |
| Code | 51.00 | 54.00 | 53.50 | 53.50 |
| Housing | 16.00 | 15.00 | 15.00 | 15.00 |
| Historic Alexandria | 26.50 | 25.50 | 25.45 | 26.45 |
| <i>Subtotal Livable</i> | 379.50 | 381.00 | 380.45 | 386.95 |
| Safe, Secure & Just Community | | | | |
| 18th Circuit Court | 13.00 | 13.00 | 13.00 | 13.00 |
| Commonwealth's Attorney | 27.00 | 27.00 | 28.00 | 28.00 |
| Sheriff | 210.00 | 210.00 | 210.00 | 210.00 |
| Clerk of the Circuit Court | 22.00 | 22.00 | 22.00 | 22.00 |
| Court Services | 7.00 | 7.00 | 7.00 | 8.00 |
| Human Rights | 6.00 | 6.00 | 6.00 | 6.00 |
| Fire | 276.00 | 276.00 | 278.00 | 278.00 |
| Police | 419.00 | 418.00 | 418.00 | 425.00 |
| Emergency Communications | 55.00 | 55.00 | 55.00 | 53.00 |
| <i>Subtotal Safe</i> | 1,035.00 | 1,034.00 | 1,037.00 | 1,043.00 |
| GRAND TOTAL | 2,542.26 | 2,548.91 | 2,551.86 | 2,551.81 |

Personnel & Compensation Summary



FTE REDUCTIONS

The following table shows the reductions (-25.60 FTEs) of positions in the FY 2017 budget.

| Department | Position | FTE Decrease |
|--------------------------|--|-----------------|
| DCHS | Chief Officer for Strategic Initiatives & Communications | -1.00 |
| DCHS | Human Services Benefits Supervisor | -1.00 |
| DCHS | Facility Maint. Specialist | -1.00 |
| DCHS | Admin. Support IV | -1.00 |
| DCHS | Management Analyst II | -1.00 |
| DCHS | Family Services Specialist | -1.00 |
| DCHS | Caseworker | -1.00 |
| DCHS | Clinical Psychologist | -0.75 |
| Emergency Communications | PS Communication Officer I | -1.00 |
| Emergency Communications | PS Communication Officer I | -1.00 |
| Finance | Financial Operations Engineer | -1.00 |
| General Services | Fleet Svcs Tech II | -1.00 |
| Health | Management Analyst II | -1.00 |
| Human Resources | HRIS Manager | -1.00 |
| ITS | Administrative Analyst | -1.00 |
| ITS | Computer Programmer Analyst II | -1.00 |
| Library | Library Assistant II | -0.75 |
| Library | Library Assistant II | -0.75 |
| Library | Library Assistant II | -0.75 |
| Library | Library Assistant I | -1.00 |
| Police Department | Capital Projects Manager | -1.00 |
| RPCA | Recreation Coordinator | -1.00 |
| RPCA | Division Chief | -1.00 |
| RPCA | Recreation Leader II | -0.60 |
| RPCA | Park Manager | -1.00 |
| RPCA | Custodian | -0.50 |
| RPCA | Custodian | -1.00 |
| T&ES | Equipment Operator II | -0.50 |
| TOTALS REDUCTIONS | | -25.60 |

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 FT.

Personnel & Compensation Summary



FTE ADDITIONS

The following table shows the additions (+25.55 FTEs) of positions in the FY 2017 budget and net FTE change. The positions in bold were added by City Council to the Approved FY 2017 Budget during the Add/Delete Process. Additionally, an IT Business Analyst was removed from the Additions List during the Add/Delete Process.

| Department | Position | FTE Increase |
|-------------------------------|--|--------------|
| Court Service Unit | Probation Officer | 1.00 |
| DCHS | Children Youth Master Plan Project Manager | 1.00 |
| DCHS | Senior Therapist | 1.00 |
| DCHS | Senior Therapist | 1.00 |
| DCHS | Senior Therapist | 1.00 |
| General Services | SNAP/EBT Coordinator (PT) | 0.40 |
| General Services | Building Engineer I | 1.00 |
| General Services | Purchasing Technician | 1.00 |
| Finance | Special Revenue Analyst | 1.00 |
| Health | Healthcare Technician | 1.00 |
| Health | Nurse Practitioner (PT to FT) | 0.20 |
| Library | Library Assistant II (Passport Services) | 0.75 |
| Office of Historic Alexandria | Records Clerk (PT) | 0.50 |
| Office of Historic Alexandria | Research Historian (PT to FT) | 0.50 |
| Police Department | Parking Enforcement Officer I | 1.00 |
| Police Department | Parking Enforcement Officer I | 1.00 |
| Police Department | Parking Enforcement Officer I | 1.00 |
| Police Department | Parking Enforcement Officer I | 1.00 |
| Police Department | Parking Enforcement Officer I | 1.00 |
| Police Department | Police Officer III/IV (Motor Officer) | 1.00 |
| Police Department | Police Officer III/IV (Motor Officer) | 1.00 |
| Police Department | Police Sergeant (Motor Officer Sergeant) | 1.00 |
| RPCA | At-Risk Outreach Leader (PT to FT) | 0.20 |
| T&ES | Parking Planner | 1.00 |
| T&ES | Civil Engineer IV (Stormwater Utility Implementation) | 1.00 |
| T&ES | Civil Engineer III (Stormwater Utility Implementation) | 1.00 |
| T&ES | Management Analyst III (Stormwater Utility Implementation) | 1.00 |
| T&ES | Traffic Engineer | 1.00 |
| T&ES | Energy & Sustainability Project Manager | 1.00 |
| TOTALS ADDITIONS | | 25.55 |

| | |
|-------------------------|---------------|
| TOTAL REDUCTIONS | -25.60 |
| TOTAL ADDITIONS | 25.55 |
| NET FTE CHANGE | -0.05 |

| | |
|-----------------------------------|-----------------|
| FY 2016 AMENDED FTE COUNT | 2,551.86 |
| NET FTE CHANGE | -0.05 |
| FY 2017 APPROVED FTE COUNT | 2,551.81 |

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 FT.

Personnel & Compensation Summary

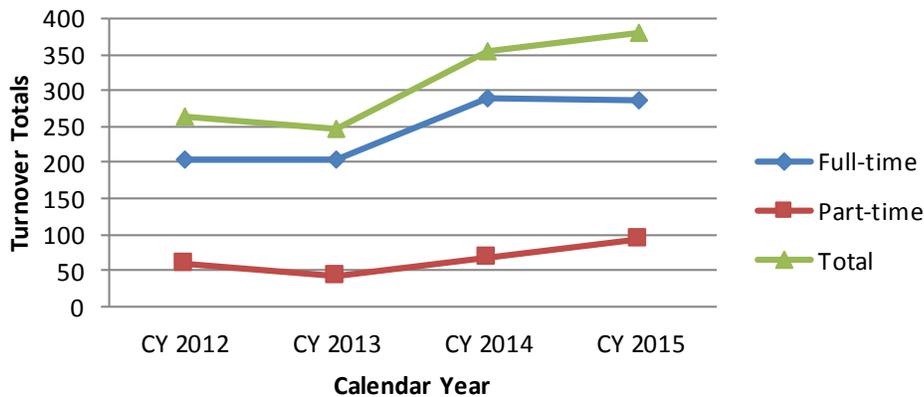


CALENDAR YEAR 2015 TURNOVER

In Calendar Year (CY) 2015, overall employee turnover increased by 7% (from 355 to 379 employees), while a total of 79 employees retired from City service, a decrease of 24% from CY 2014.

| | CY 2015 Employee Turnover Totals | | |
|-------------------------------|----------------------------------|-----------|------------|
| | GS & PS FT | GS PT | Overall |
| Voluntary Turnover | 194 | 88 | 282 |
| Involuntary Turnover | 11 | 4 | 15 |
| Retirement | 78 | 1 | 79 |
| Other | 2 | 1 | 3 |
| Total Turnover CY 2015 | 285 | 94 | 379 |
| Total Turnover CY 2014 | 288 | 67 | 355 |

Total Employee Turnover by Calendar Year



Personnel & Compensation Summary



SALARY DISTRIBUTION & AVERAGES

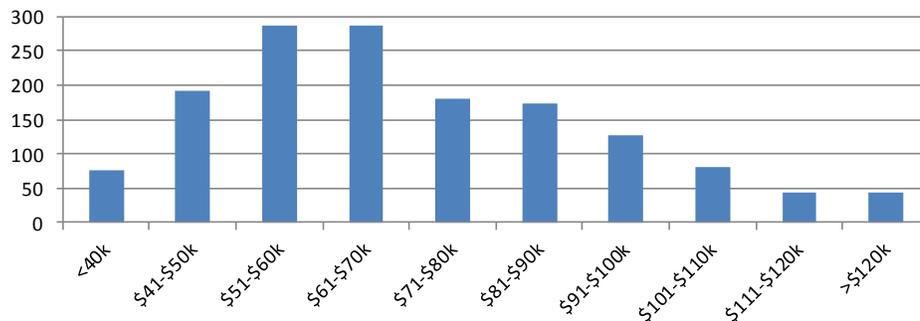
The following table shows the average annual pay for City full-time and part-time employees:

| | As of 2/25/15 | As of 1/27/2016 | % Increase |
|-----------------------|---------------|-----------------|------------|
| General Schedule (FT) | \$69,706 | \$70,797 | 1.60% |
| Public Safety (FT) | \$73,066 | \$74,000 | 2.20% |
| General Schedule (PT) | \$23,890 | \$24/hr* | - |

*Due to the nature of part-time wages being calculated on an hourly basis, data moving forward will reflect the average hourly pay rate rather than average salary.

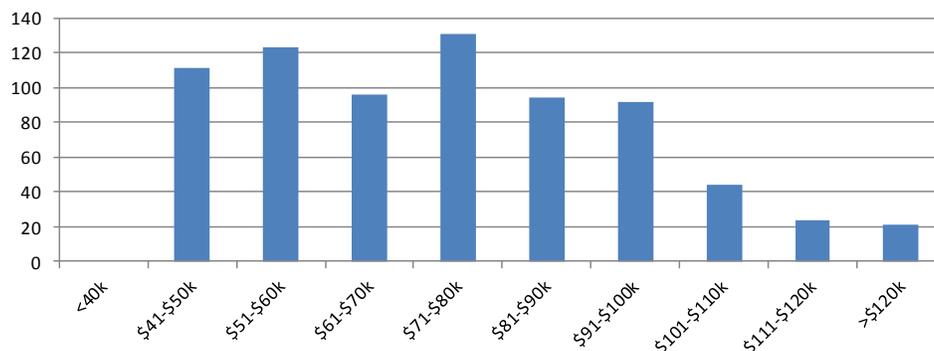
The majority of current General Schedule full-time employees (nearly 84%) earn between \$41,000 and \$100,000 annually, while a little under half earn more than the average salary for GS full-time employees (\$70,796), and about 11% earn more than \$100,000.

Full-Time/Regular General Schedule Employees Salary



Approximately half of all sworn Public Safety employees earn more than the average salary of the group (\$74,000); about 12% earn more than \$100,000.

Full-Time/Regular Public Safety Employees Salary





YEARS OF SERVICE

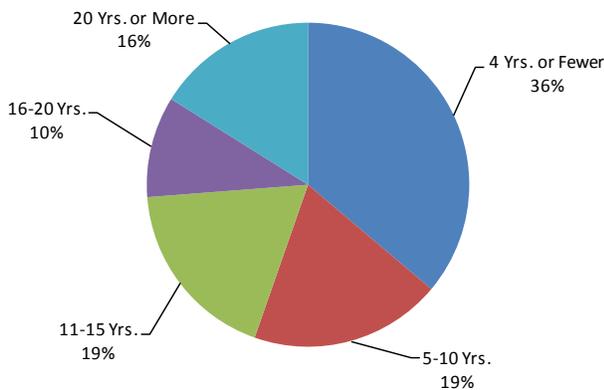
General Scale

More than half of the current General Schedule workforce (55%) has been employed with the City for 10 years or fewer. 16% have worked for the City for 20 years or more.

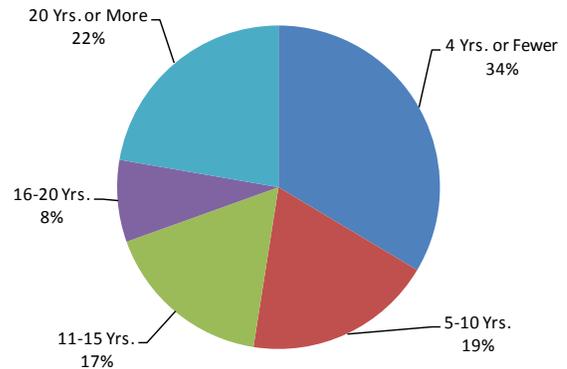
Public Safety

Similar to General Scale employees, approximately half (53%) of the current Public Safety workforce has been employed with the City for 10 years or less. 22% have worked for the City for 20 years or more.

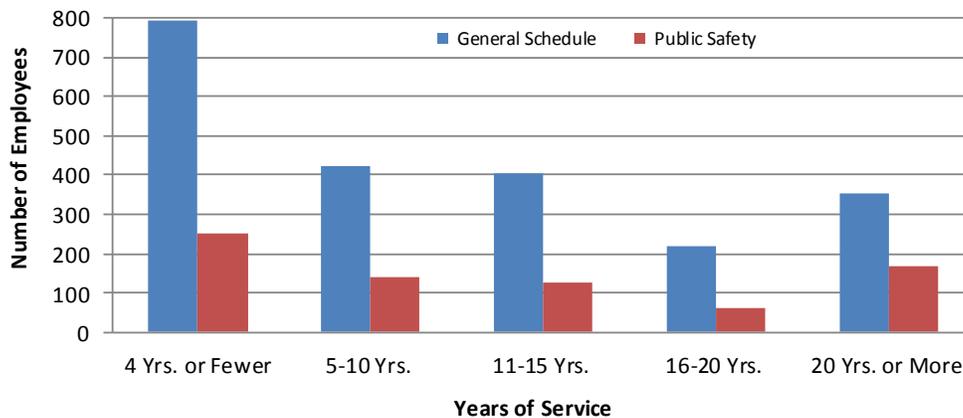
**Full-Time General Schedule
Years of Service**



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



**Full Time- Employees
Years of Service**





EMPLOYEE DEMOGRAPHICS

Almost three-quarters (71%) of the City's workforce is between the ages of 30 and 59 years old.

Regular Employees by Age Distribution

