



ARLINGTON
VIRGINIA

Total Compensation

**COUNTY MANAGER'S
PROPOSED FY 2023 BUDGET**

County Board Work Session
Tuesday, March 15, 2022



Mission Statement

To provide leadership and expertise to attract, develop, and retain a high performing and diverse workforce.

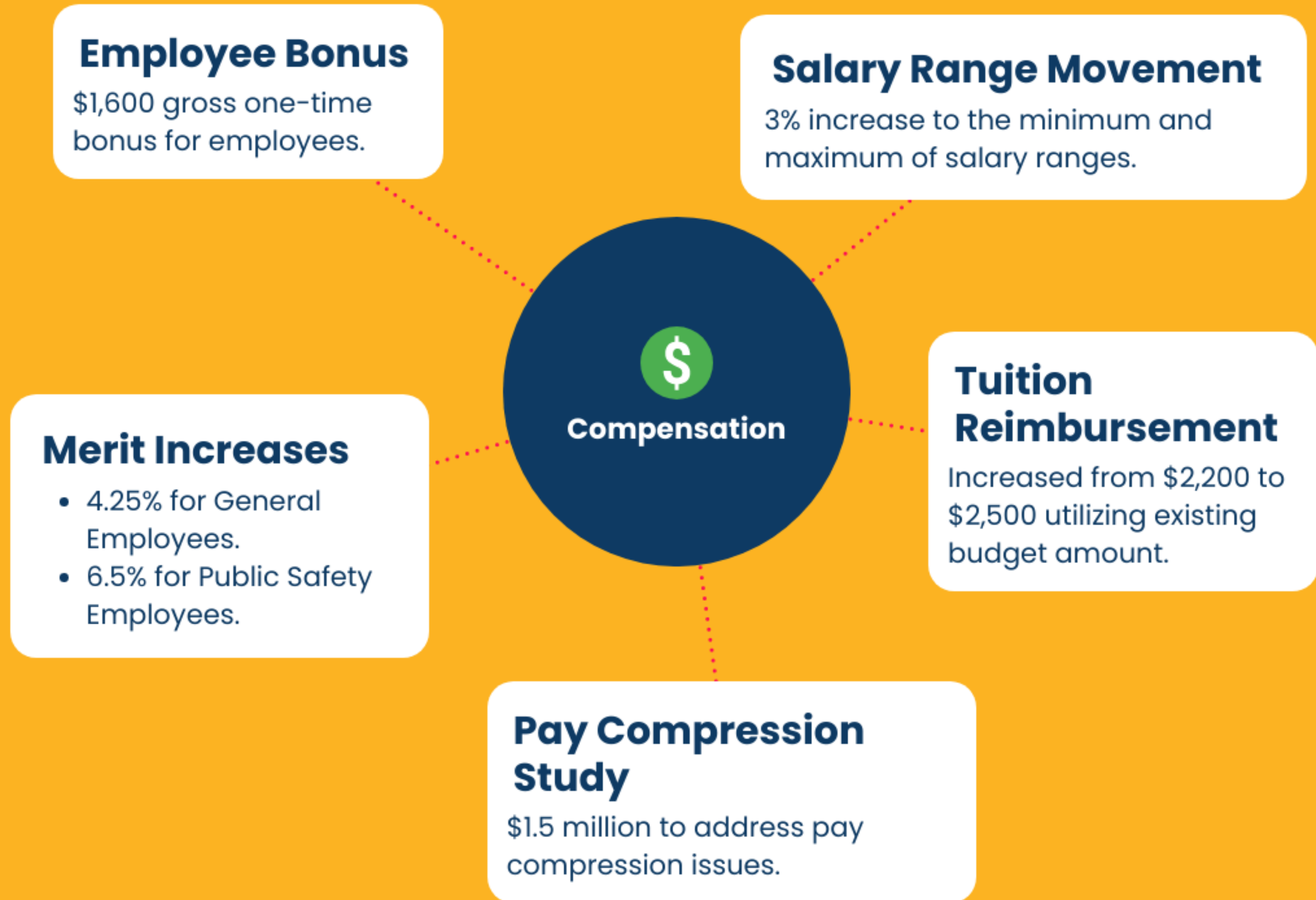


Total Compensation Philosophy

Arlington County recognizes our employees are the foundation of our success. We strive to offer a meaningful, well-rounded total compensation package that provides employees with fair, competitive pay, benefits and retirement options.



FY 2023 Proposed Budget Items



Comparison of Proposed FY 2023 Compensation Adjustments in the Region



Jurisdiction	COLA	Merit Increases
Arlington	None	4.25% (General) 6.5% (PS –below MAP)
Alexandria	6% (Fire) 5% (Police & Sheriff) 4% (General)	2.3% - 5.0% Step
Fairfax	4.01% (General) 4.01% (PS)	1.25% - 3.0% (General) 5% Step (PS)
Prince William	1% (General)	3% (General) 3% (PS)



Compensation Concerns

✓ Range Movement and Job Family Studies

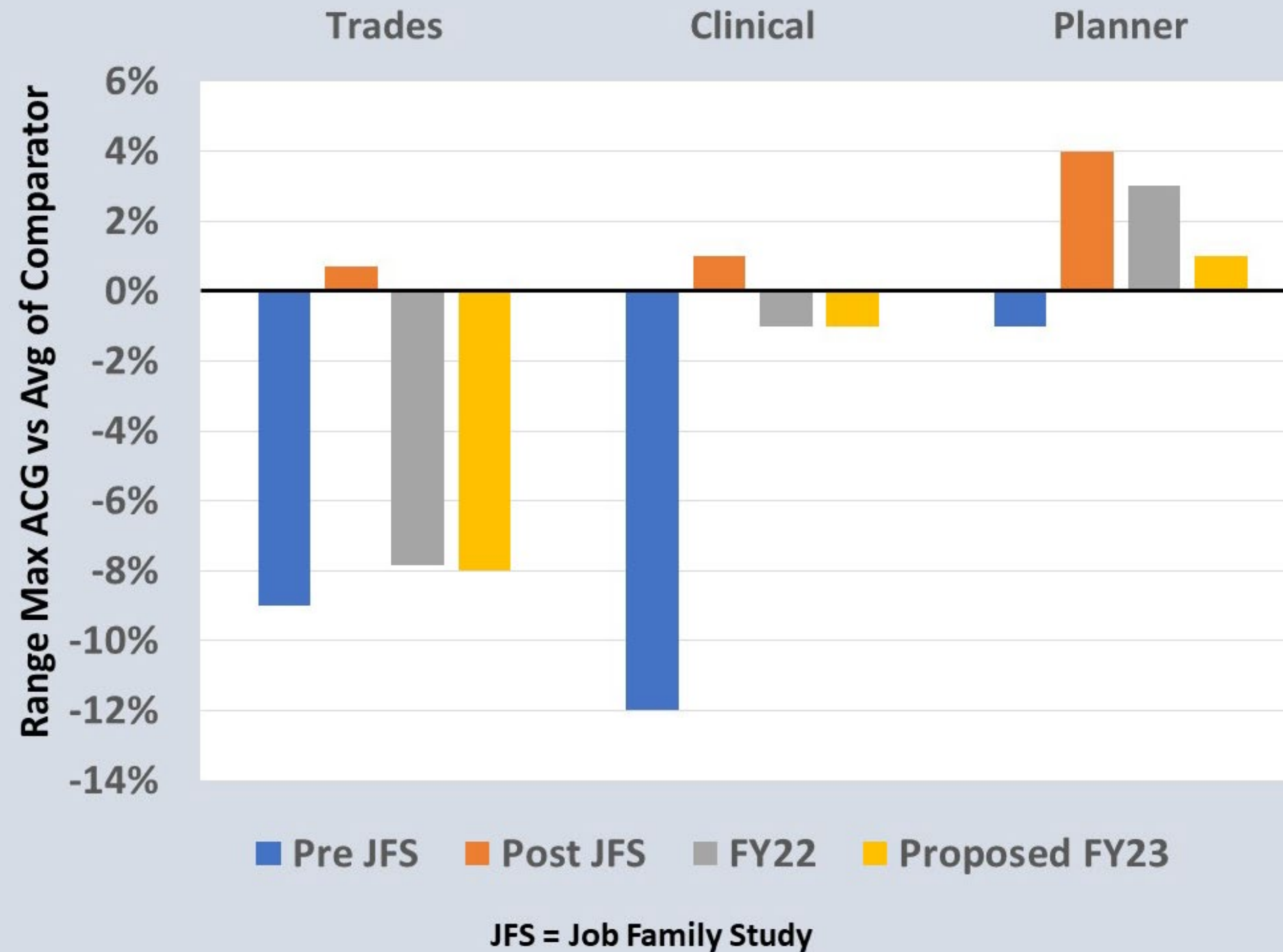
- Pay improvements from Job Family Studies typically followed by similar changes in comparator jurisdictions
- Comparator jurisdictions continue to move ranges and provide COLAs/MPAs
- Average ten-year total range maximum increase for comparators is 18% vs 12% for Arlington

✓ Compression and Competitiveness

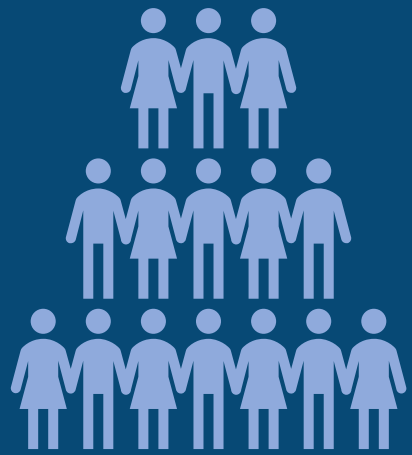
- New hires are requiring higher salaries, causing compression with current employees
- 100% increase in requests for pay exceptions compared to same time period last year
- Proposed compression review will help address these issues, but will take resources and time
- Started offering hiring bonuses for critical jobs (clinical, police)

Job Family Studies Impact

Loss of Market Competitiveness at Range Maximum



Recruitment



Tight Labor Market

- Nationally, job openings outnumber applicants by 2 to 1
- In calendar year 2021, 423 employees (or 11 %) left our organization, 37% of which were retirements
- In the first six months of FY 22, number of job announcements are up 61 percent over the same time period in FY 19*, while average applications per announcement are down 46 percent.
 - Vacancies are taking longer to fill, putting a strain on the organization and impacting services.

* FY 19 was the last “typical recruiting year.”

Recruitment

Increased Active Recruiting Strategies



- Creating pipelines by partnering with universities to create apprenticeships and expand internships
- Developed multimedia resources for hiring managers to streamline process and implement best practices
- Proactively reaching out to candidates for specific hard-to-fill jobs

Expanded Blind Screening Pilot

- Redact personal information before resumes are shared with hiring managers.
- Pilot expanded from 1 department to 11 departments.

Compensation Maintenance Plan

- Ensure competitive salary ranges
- Provide affordable salary improvement

Job Family Studies

FY 2023

Implementation

Admin & Support Services

Communications

Libraries

Parks & Programming

Future

MAPs

Human Resources

Accounting & Financial

Judicial & Legal Services



Health Benefits



	Arlington	Alexandria	Fairfax	Prince William
Vendors	Cigna Kaiser	United Healthcare Kaiser	Cigna Kaiser	Anthem
Number of Plans	4	5	4	3
Consumer Driven Health Plan	Yes with HSA	Yes with HSA	Yes with HSA	N
Cost Sharing - Individual	80% Cty / 20% Emp	80/20	85/15	varies by plan
Cost Sharing - Dependents	75% Cty / 25% Emp	80/20	75/25	varies by plan
FY2023 Proposed Premium Inc	0% Cigna 4% Kaiser	15.6% UHC 12.13% Kaiser	5% for all plans	7%

Retiree Medical



Introduced United Healthcare Medicare Advantage Plan

- Savings to retirees — avg. contribution dropped 59%
- Savings to County — project \$9M in first three years of contract

Retiree Medical



	Arlington	Alexandria	Fairfax	Prince William*
Monthly Subsidy	\$960 (retired before 1/15/2012) \$600 (hired before 7/1/2008; retired on/after 1/15/2012) \$300 (hired on/after 7/1/2008)	\$260	\$230	\$210

*Prince William — Health insurance “credit”

- \$165 from County and \$45 from VRS for 30 yr career
- No post-Medicare benefits

Retirement Benefits



General Employees	Arlington	Alexandria (VRS Plan 4* + Supp)	Fairfax (Plan E)	Prince William (VRS Plan 4* – Hybrid)
Income Replacement (25 years of service, pension only)	42.5%	45% +	50%	25% +
Employee Contribution	4%	5% + 2%	5.33%	5%
Normal Retirement Eligibility	Age + Service = 80 30 yrs of service or Age 62 with 5 yrs	Age + Service = 90 Soc Sec Age with 5 years	Age + Service = 85 Age 55 + 30 years	Age + Service = 90 Soc Sec Age with 5 years
Final Average Salary	Highest 3 12-consecutive months	Highest 60 consecutive months	Highest 36 consecutive months	Highest 60 consecutive months
Multiplier	1.7%	1% + 0.8%	2.0%	1.0%
Additional Plans	4.2% County contribution to 401a Vesting at 20% per year	*Hybrid plan incl pension + defined contrib		*Hybrid plan incl pension + defined contrib

Retirement Benefits



Uniformed Public Safety	Arlington	Alexandria Fire & Police	Fairfax Police (Plan C)	Fairfax Unif (Plan F)	Prince William (VRS + Supp)
Income Replacement (25 years of service, pension only)	67.50%	62.50%	70%	62.50%	46.25% +
Employee Contribution	7.5%	8.00%	8.65%	7.08%	5% + 1.44%
Normal Retirement Eligibility	25 years of svc Age 52 with 5 yrs	Age 50 with 25 yrs Age 55 with 5 yrs	25 years of svc Age 55	25 years of svc Age 55 with 6 years	20 years of svc (VRS Hazardous Duty)
Final Average Salary	Highest 3 12-month periods	Highest 48 consecutive months	Highest 36 consecutive months	Highest 36 consecutive months	Highest 60 consecutive months
Multiplier	2.7%	2.5%	2.8%	2.5%	1.85%



Live Where You Work



This program was redesigned for FY2022 with increased grant amount and income/household size qualifying criteria.

Purchase Grants

- Amount determined by income and household size
- Max grant of \$25,000
- Commit to stay for 5 years
- 3 of 9 grants in FY 2022 went to first responders

Rental Grants

- \$2,000 for employees earning less than \$72,240
- All others eligible for \$1,000 grant
- 10 of 22 grants in FY 2022 went to first responders

	# of Unif Staff	# Live in Arlington	% Live in Arlington
Fire	351	40	11%
Police	334	*119	36%
Sheriff	216	21	10%
Total	901	180	20%

* 9 police officers are living in the Barcroft complex

HRD's Commitment to Equity

By focusing our training efforts online during the pandemic, we were able to reach those who usually didn't access training.

Organizational Development

Accessibility

- 28% increase in online courses taken
- Improvements to training approval process

Development

- Developed mandatory training for all new managers
- Racial Equity Training Series

Engagement

- Employee Resource Groups held 21 virtual events with over 2,600 attendees
- New ERGs (NextGen and Chavurah)



1

Continue compensation maintenance plan



2

Review current pay for compression



3

Plan for Collective Bargaining



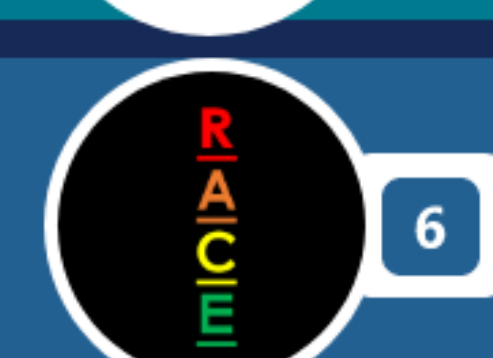
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ERP Upgrade



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Continued focus on Employee Resource Groups



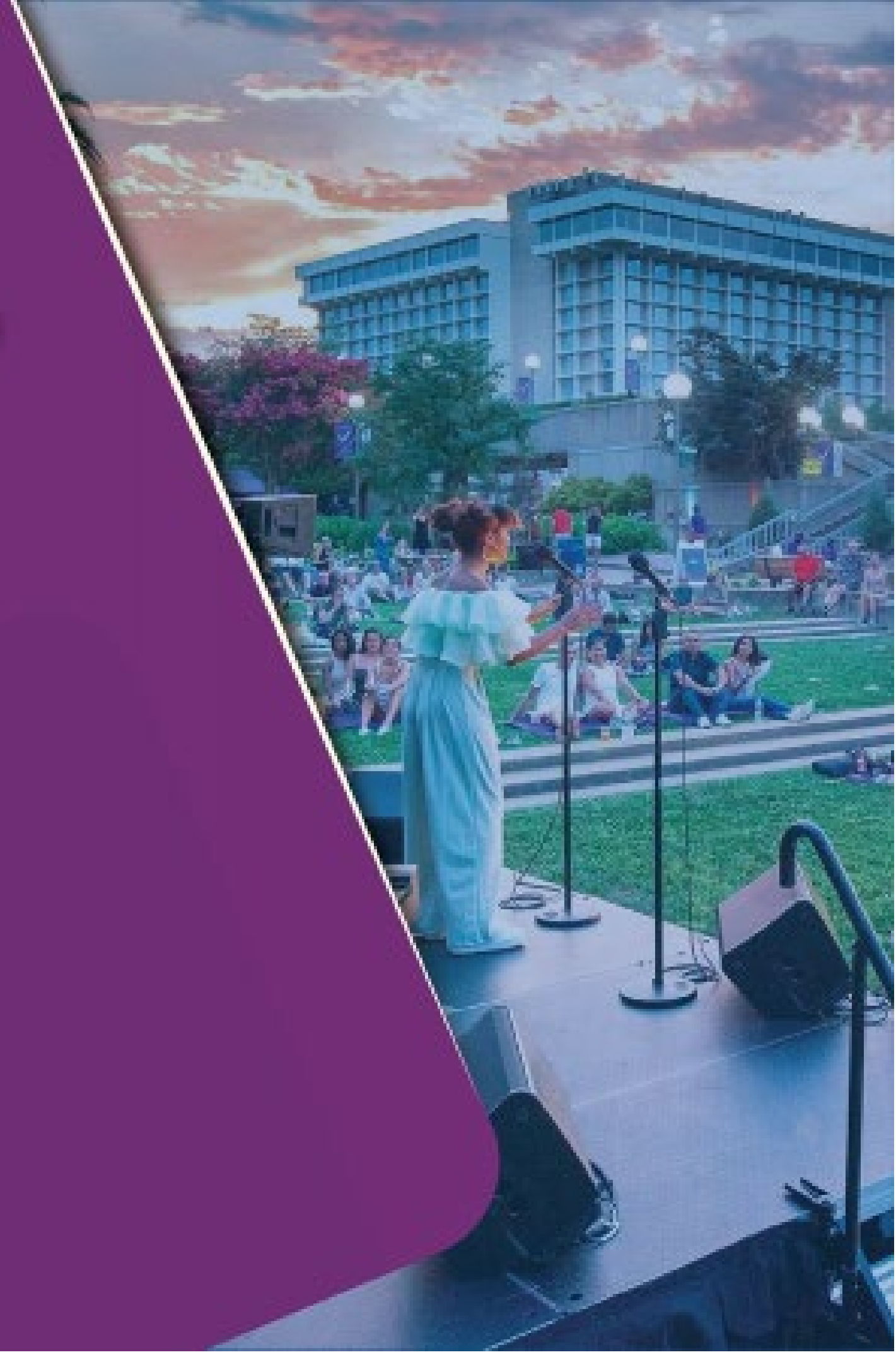
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Leading with RACE Training

Looking Ahead



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Total Compensation

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Total Compensation Principles

- A. Provide salaries that are competitive in our target market. Our target market consists of those jurisdictions and organizations of similar size, service, and structure that are identified as our competitors for employee talent.
 - For most positions, this includes Alexandria City, and Fairfax and Prince William Counties. Additional organizations that share our recruitment base may be factored into our target market as appropriate, during the four or five-year job studies of each position, to address recruitment and retention issues.
 - The market position goal for the County is to:
 - Provide competitive annual merit increases which consider the annual Employment Cost Index in addition to comparators;
 - Benchmark pay range maximums at or above the average maximum of our comparators and adjust pay ranges as appropriate;
 - Assure pay range minimums for entry-level public safety positions lead among comparators
- B. Provide employees with leave and/or disability benefits that assist in replacing a portion of income lost so that employees care for themselves and their family members during qualifying periods of illness or absence.
- C. Provide a retirement program that encourages longevity and offers defined benefit, defined contribution, and deferred compensation options that will assist employees in achieving their individual retirement goals and retain employees.
- D. Provide affordable healthcare that offers employees the ability to choose the option that best fits their needs.
- E. Encourage, support and reward employees at all levels of the organization by offering learning and development opportunities to promote professional growth and monetary awards to recognize employee performance.
- F. Enhance work-life balance through offerings such as: alternative work schedules, employee wellness programs and ancillary benefits. G. Foster a positive work environment that provides meaningful work and encourages employee productivity, innovation and creativity.