

WORKFORCE INVESTMENT

The FY 2018 Proposed Budget continues our commitment to provide a comprehensive total compensation package for our workforce. In FY 2017, the Board provided merit pay increases and additional pay for those employees at the lower end of the pay scale, in particular by increasing the living wage from \$13.13/hour to \$14.50/hour. In addition, the Board provided a variety of smaller but meaningful program investments to help and attract and retain our highly valued employees. An open range pay plan was adopted; this provides a more equitable distribution of pay increases for those newer to our workforce and our long-tenured employees. Modest enhancements to parental leave, tuition reimbursement, and Live-Where-You-Work grants were also provided; an additional day of service was added to the wellness clinic that helps reduce employees' time out of work for health issues. These investments in our workforce are crucial to the success of our organization and the services they deliver to the community. For FY 2018 the Proposed Budget includes the following:

Compensation & Benefits – The proposed budget includes merit-based compensation increases for eligible employees of approximately 3.25 percent. We also have fully funded our actuarially-required pension and retiree health care obligations, a key reason for our triple-AAA bond ratings and a commitment to our existing and former employees. Each year we evaluate our compensation and benefits packages for competitiveness and workforce demands. Over the last few years, we underwent a major initiative studying various employee pay classifications and instituted a co-insurance health benefit program to assist in consumer choice to reduce health care costs. In the current fiscal year, a compensation and benefits study is underway to evaluate competitiveness and changes in the broader marketplace. We expect to report results as part of the FY 2019 budget process. Other near-term initiatives include:

- *Early Retirement Incentive* - As part of the proposed budget, we have offered an early retirement incentive with the dual goals of budget savings and providing flexibility to management to restructure programs. The proposed FY 2018 budget includes modest budget savings as we try to restructure and enhance the workforce.
- *Transit Incentive* - The transit subsidy will increase by \$50, from \$130/month to \$180/month to help balance the cost of commuting to Arlington County. This represents an almost 40% increase.
- *Dependent Care FSA* - The County will match up to \$500 in employee contributions to the Dependent Care FSA to offset the cost of childcare and/or dependent adult care. We consistently hear from employees about the challenges of daycare costs and availability, and offering this benefit will continue our commitment to being a family friendly workplace.

As part of our commitment to providing a well-rounded total rewards package we are conducting a comprehensive benefits study to look at our retirement, health and other benefits. A survey was given to all employees for their input and focus groups were conducted consisting of employees from across the organization. Results are currently being analyzed, and recommendations will be provided for the first phase of this multi-year study. Funding for this multi-year effort was provided by the County Board in FY 2017.

The Proposed FY 2018 budget maintains excellent benefits for employees, and provides additional targeted investment in our workforce. We will also continue to fund compensation increases, retirement contributions and health insurance for employees. Our employees are one of our highest priorities and work/life balance is important to ensure all employees are satisfied and successful in their jobs.