



Healthcare



Pay



Clinic

TOTAL COMPENSATION FY17



Tuition
Reimbursement



Mobility &
Flexibility



Live Where
You Work

Total Compensation Goals

Pay, Benefits and Retirement options that attract, retain, reward and motivate current and future employees.

We want to maintain our:

- Competitiveness
- Affordability
- Sustainability

The Changing Environment

Changing Workforce

- Millennials
- Multi-generational
- Skilled labor shortage
- Desire for flexibility & mobile work options

Change in Environment

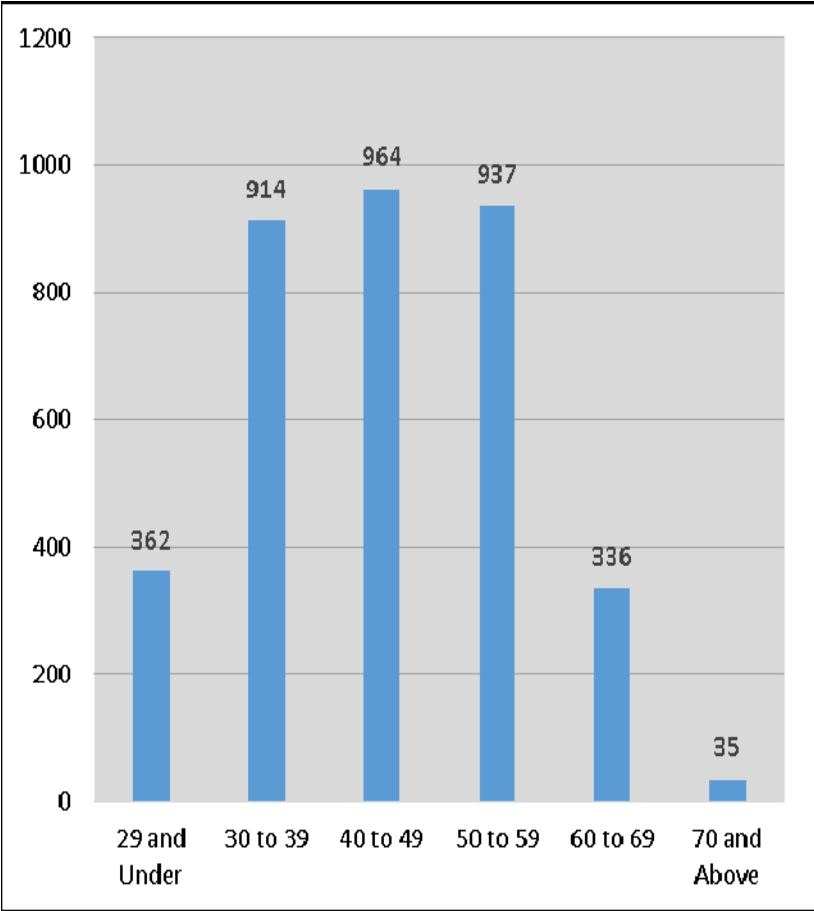
- This region has highest average salaries in Virginia
- Low unemployment rate
- Among highest cost of living areas

Wage/labor trends

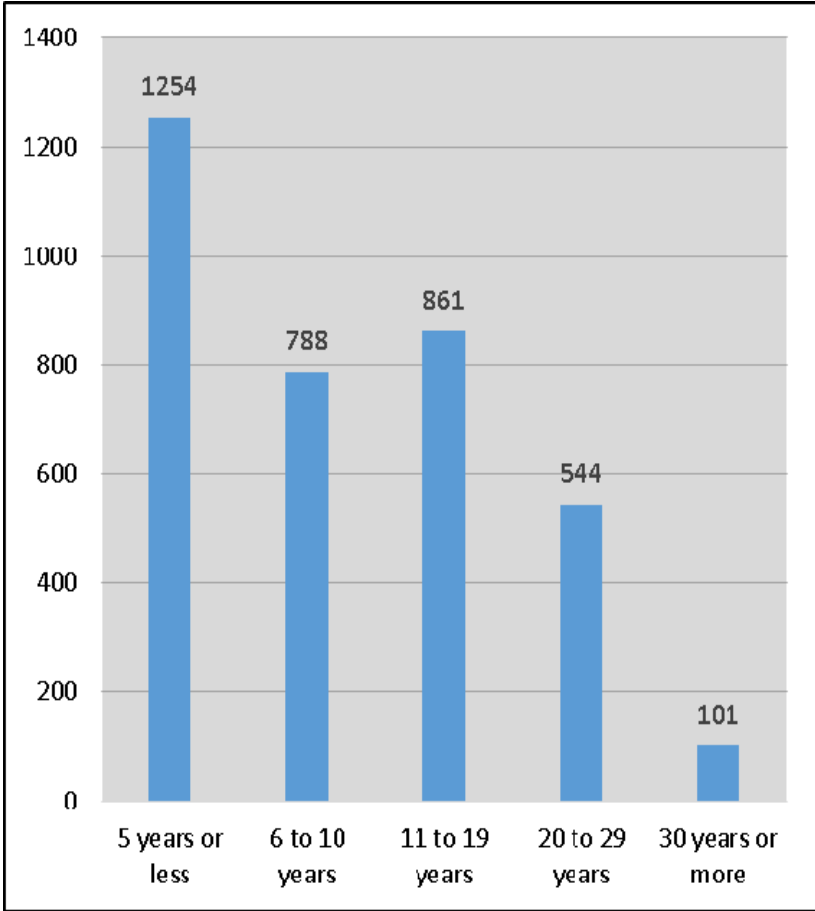
- Regional and National actual wage increase is at 3%

Employee Demographics 2016

Age



Service



Diversity & Inclusion

- Barrier Analysis to be completed by end of FY16
- **Hires:** 151 minorities (50.2%) & 150 non-minorities (49.8%)
- **Promotions:** 75 minorities (51.4%) & 71 non-minorities (48.6%)
- **Minority Supervisors:** Increased 2.92%
- 37.6% of Arlington County residents are minorities
- 49.4% of ACG Employees are minorities
- 34.3% of ACG Supervisors are minorities

FY17 New Budget Items for Employees

- Open Range Pay Plan replaces Grade/Step
- 1.75% Increase to the Maximum of Each Grade
- Base Hourly Rate Increased to \$14.50/hour
- Dropping previous Steps 2 and 3 for General Employees

FY17 New Budget Items for Employees

- Additional Funding for Live Where You Work Grants
- Commercial Driver's License (CDL) Bonus for Safe Driving
- Paid Parental Leave Increasing from 2 to 4 Weeks
- Increase in Tuition Reimbursement
- HealthSmart Wellness Clinic Open 4 Days a Week



What are Open Ranges?

- New plan allows us to stay competitive by increasing the ranges (minimum and maximum)
 - Provides salary increase opportunity by allowing salaries to grow at maximum
- Grades represented by only:
 - Minimum Rate
 - Midpoint Rate
 - Maximum Rate
- Annual increases set at specific % (i.e. 3.25%)
 - Must meet expectations to get increase
- Not pay for performance



Competitive Pay Metrics

Total Comp Element	FY2013	FY2014	FY2015	FY2016 to Date*
Benchmark classes lagging at midpoint	38%	19%	16%	16% (Actual)
Employees hired over midpoint	31% all 80% MAPs	34% all 74% MAPs	35% all 91% MAPs	30% all 78% MAPs
Turnover	8.9% 5.7% non-retirement	8.0% 5.8% non-retirement	9.9% 6.5% non-retirement	6.0% 4.3% non-retirement *Est. 10% for all of FY 16
Employees at max (End of Fiscal Year)	8%	11%	11%	13% *Est. 17% for all of FY 16

* Actual numbers will not be available until the completion of FY16



Comparison of Proposed FY 2017 Comp Adjustments in the Region

	Merit Increases	Structure Change
Arlington	3.25%- General Employees 3.5%- Public Safety	Increasing early career pay Increase Grade Max by 1.75%
Fairfax	1.99% avg.-Performance/longevity- General 2.25 % avg.-Merit/longevity-Uniformed Public Safety	1.33% COLA
Alexandria	3.25%-General 2.5%- Fire Additional 5% proposed for Fire Officers	1% additional- General (VRS offset) Living Wage to \$14.13
Prince William	3.0% on anniversary	1% additional- All (VRS offset)
Arlington Public Schools	2%-5% on July 1	



FY17 Proposed Health Care Increases Across the Region

	Alexandria	Arlington	Fairfax	Prince William
Major health plan	7%	8%*	7%	8%
Cost Sharing	City/Employee	County/Employee	County/Employee	County/Employee
Individual				
2-Party/Family	80/20	80/20	85/15	95/5
	80/20	75/25	75/25	75/25

Note: Alexandria and Prince William do not cover retirees under their health plans

* Number to be finalized by the end of April



8% Premium Increase Means:

Cigna Coinsurance Plan				
<u>Additional Cost Per Pay Period</u>	Individual	Employee + Spouse	Employee + Child(ren)	Family
Employee	\$4.13	\$10.58	\$9.03	\$15.48
County	\$16.51	\$31.73	\$27.09	\$46.44

THE BOTTOM LINE: An Employee's Pay Slip

Average Annual Salary	\$70,000.00
Average Salary Increase: 3.25%	\$2,275.00
Cigna Coinsurance Increase (Family)	\$402.00
Gross Salary Increase after Health premiums are deducted pre-tax	\$1,873.00



HealthSmart Wellness Clinic

- Clinic is currently open 3 days per week
 - Clinic Utilization exceeds the expected 8 office visits/day
 - 12.5 visits per day in November 2015
- Calendar Year 2015
 - 1461 Total Visits
 - 2922 hours of sick leave saved
 - Over \$600K in medical cost avoidance and over \$80K in productivity savings



Live Where You Work Grants

- Current Grant Amounts:
 - \$5,500 Home Purchase \$700 Rental
- Additional funding included in FY17 Budget will fund a total of:
 - 25 rental grants
 - 25 purchase grants
- 44% of LWYW budget utilized in FY16 to date*
 - 13 rentals
 - 9 purchases

*On track to use all of the FY16 grants as home sales pick up in spring



Tuition Reimbursement

Tuition reimbursement will increase from \$1,600 to \$1,900 per fiscal year.

- FY 15
 - 91.4% of the funds were used
 - 266 employees took advantage of this program
- FY 16 to date
 - 69% of the funds have been paid to date
 - 174 employees have used the program



Looking to The Future

Competitiveness

- Alexandria
- Fairfax
- Prince William

Affordability & Sustainability

- Maintain affordable pay and benefits for County and employees
- Evaluate pay policies for hiring and internal movement
- Begin 2-3 year strategic review of benefit programs

Flexibility

- Consider choice in benefits
- Encourage mobile work and flexibility

Total Comp Principles Adopted in 2012

- Provide salaries that are competitive in our target market. Our target market consists of those jurisdictions and organizations of similar size and structure that would be our competitors for employees and includes at a minimum Alexandria, Fairfax and Prince William
- Provide employees with leave and/or disability benefits that assist in replacing a portion of income lost in order to care for themselves during qualifying periods of illness or absence.
- Provide a retirement program that offers defined benefit and defined contribution (including deferred compensation) options that will assist employees in achieving their individual retirement goals and targets replacement of 65% of income after a 30-year career
- Provide affordable healthcare that offers employees the ability to choose the option that best fits their needs.
- Encourage, support, and reward employees at all levels of the organization by offering learning opportunities to promote professional growth and development
- Enhance work-life balance through offerings such as: alternative work schedules, employee wellness programs and ancillary benefit programs like walk/bike to work, reduced County recreation fees and transit subsidies
- Foster a positive work environment that is meaningful, stimulating and encourages employee innovation and creativity