



Healthcare



Pay



Clinic

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# TOTAL COMPENSATION FY18

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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:

- Competitiveness
- Affordability
- Sustainability

# The Changing Environment

## The New Workforce

- Millennials
- 5 generations in the workforce
- Labor shortage
- Demand for flexibility & mobility

## Our Environment

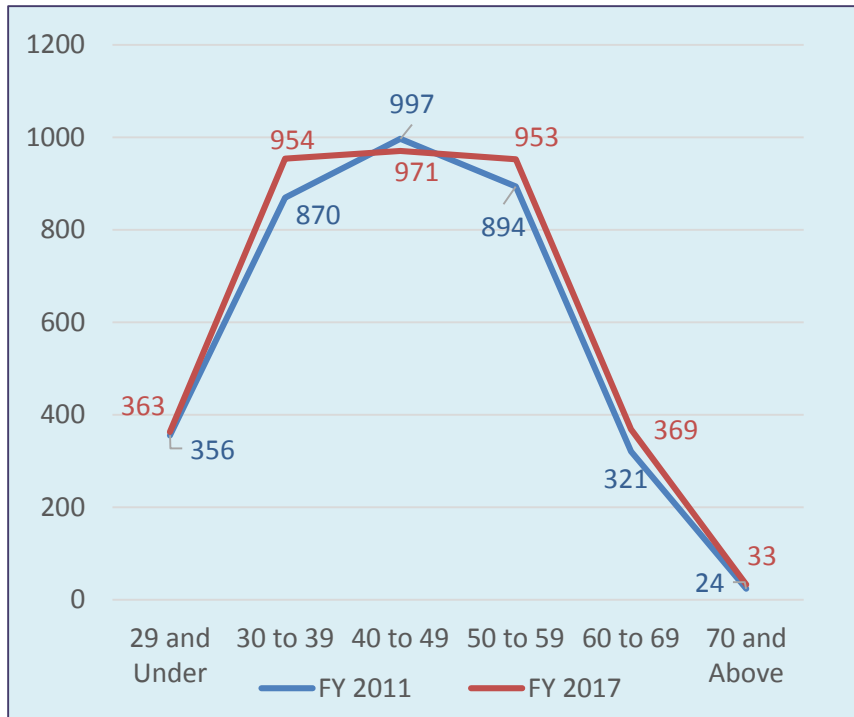
- This region has highest average salaries in Virginia
- Low unemployment rate
- Among highest cost of living areas

## National trends

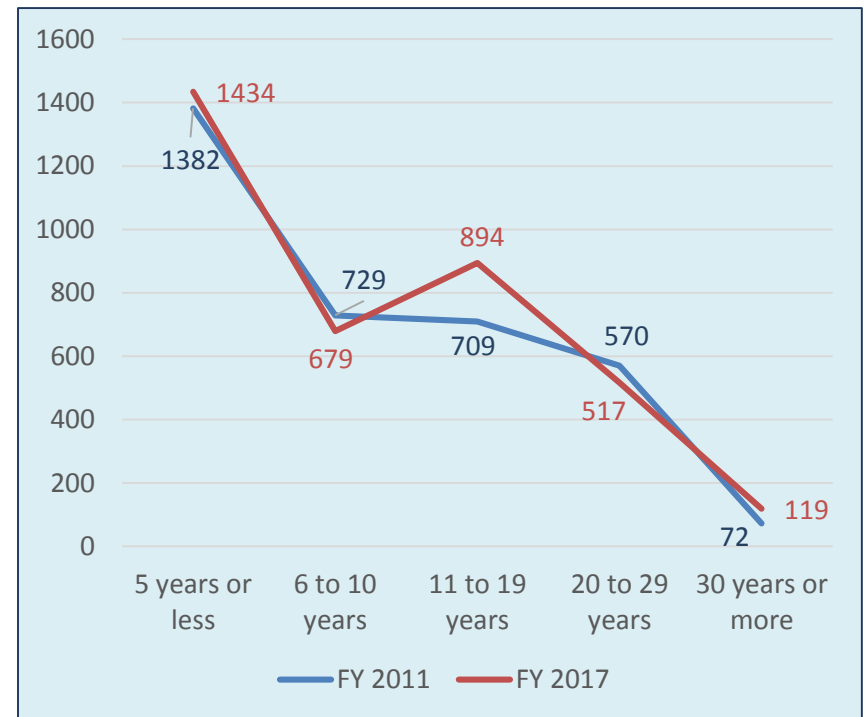
- Regional and National actual wage increase is at 3%

# Employee Demographics

## Age



## Years of Service



# Diversity & Inclusion

## **What we are doing well:**

- Overall representation of minorities
- Positive movement in promotions for millennials and Gen Xers
- Employees believe Arlington County values cultural differences

## **Where can we improve?**

- Certain minority groups consistently report lower levels of satisfaction
- Most People of Color (POC) are in lower level/admin positions

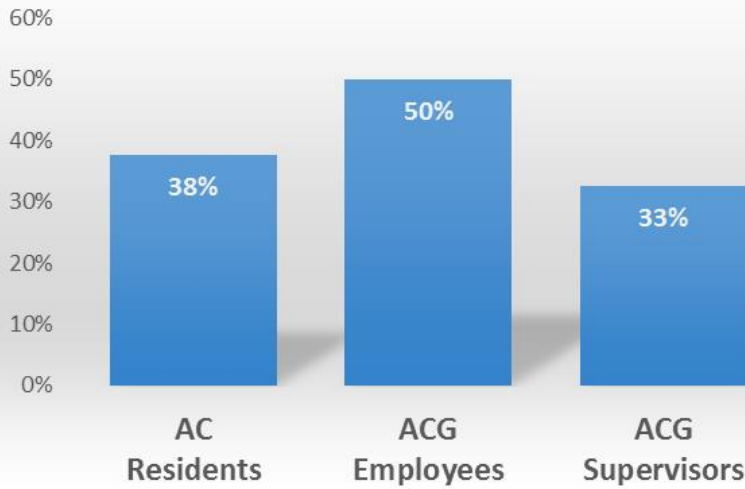
## **Next steps:**

- Cross-departmental sharing of best practices
- Training for all leadership and employees around D&I, cultural awareness, unconscious bias
- Unconscious bias training has already been piloted in one department and will be rolled out to the rest of the County in the coming months
- Creation and promotion of employee resource groups underway

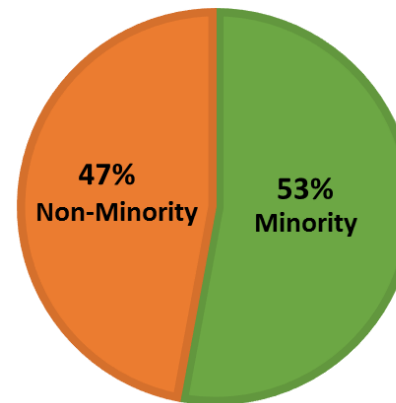
# Diversity & Inclusion

*Overall representation of minorities in Arlington County Government reflects our community*

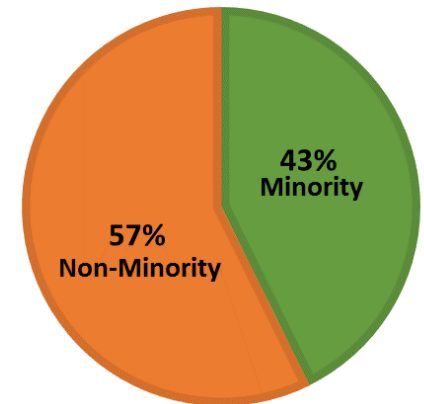
**ACG Minority Profile**



**2016 Hires**



**2016 Promotions**



# FY18 Proposed Budget Items for Employees

- **Dependent Care FSA Match-** The County will match up to \$500 in employee contributions to the Dependent Care FSA to offset the cost of daycare and/or dependent adult care. Total proposed budget \$180,000.
- **Metro Subsidy Increase-** 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. Total proposed budget \$200,000.



# Competitive Pay Metrics

Total Comp Element	FY2014	FY2015	FY2016	FY2017 to Date
Benchmark classes lagging at midpoint	19%	16%	16%	3% Change due to dropping of steps in FY17
% Employees hired over midpoint	34% all 74% MAPs	35% all 91% MAPs	34% all 75% MAPs	27% all 82% MAPs
Turnover	8.0% 5.8% non-retirement	9.9% 6.5% non-retirement	10.5% 7.4% non-retirement	5.5%* 3.6% non-retirement
% Employees at max	11%	11%	13%	7%**

\* Projected turnover by end of FY17 is 8.3% and 5.4% (non-retirement)

\*\*Projected employees at max by end of FY17 is 12%





# Comparison of Proposed FY 2018 Comp Adjustments in the Region

	Merit Increases	Average Increase	Structure Change
Arlington	3.25% General 3.5% (PS and PFP)	2.85%	None
Fairfax	1.25% - 3.0% (General) 5.0% (PS) 4% longevity at 20 & 25 YOS	2.0%	1.65% proposed
Alexandria	2.3% -5.0%	N/A	2.3% step added
Prince William	2.0%	N/A	1.0%
Arlington Public Schools	4% - (Other employees) 5% (Teachers) 2.5% longevity	2.9%	None



# FY18 Proposed Health Care Increases Across the Region

	Alexandria	Arlington	Fairfax	Prince William
Major health plan	8.1%	7.5%	7.0%	4.9%
Cost Sharing	City/Employee	County/Employee	County/Employee	County/Employee
Individual	80/20	80/20	85/15	95/5
2-Party/Family	80/20	75/25	75/25	75/25

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



# 7.5% Premium Increase Means:

## Cigna Coinsurance Plan

<u>Additional Cost Per Pay Period</u>	Individual	Employee + Spouse	Employee + Child(ren)	Family
Employee	\$4.18	\$10.72	\$9.14	\$15.67
County	\$16.72	\$32.12	\$27.43	\$47.02

## THE BOTTOM LINE: An Employee's Pay Slip

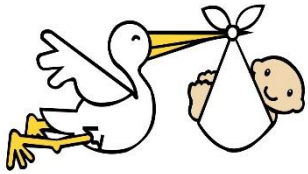
<b>Average Annual Salary</b>	\$75,000.00
<b>Average Salary Increase: 3.25%</b>	\$2,438.00
<b>Cigna Coinsurance Increase (Family)</b>	\$407.42
<b>Gross Salary Increase after Health</b>	\$2,030.58

Note: All premiums are deducted pre-tax



# HealthSmart Wellness Clinic

- Clinic is currently open 4 days per week
  - Added 4<sup>th</sup> day and maintained full schedule of 10 visits/day
  - Additional day translated into 221 additional visits in first 6 months of the fiscal year
- Calendar Year 2016
  - 1832 Total Visits; 1530 of which were considered “acute”
  - 3664 hours of sick leave saved
  - Use of clinic avoided over \$500K for ER visits



# Paid Parental Leave

Increased parental leave benefit from 2 to 4 weeks



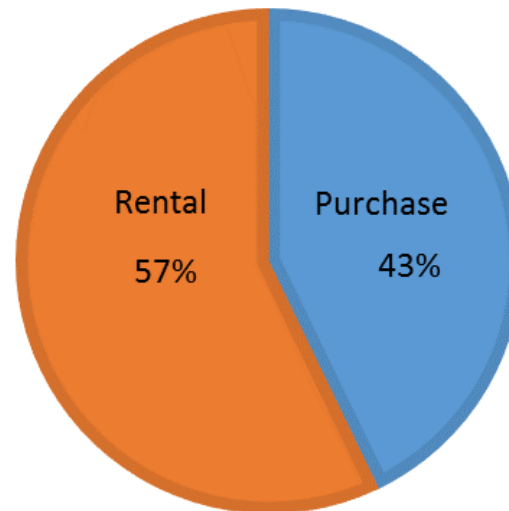


# Live Where You Work Grants

	FY16	FY17
Grant Amounts		
Home Purchase	\$5,500	\$6,000
Rental	\$700	\$800
Budget	\$133,000	\$155,000



FY17 LIVE WHERE YOU WORK GRANTS

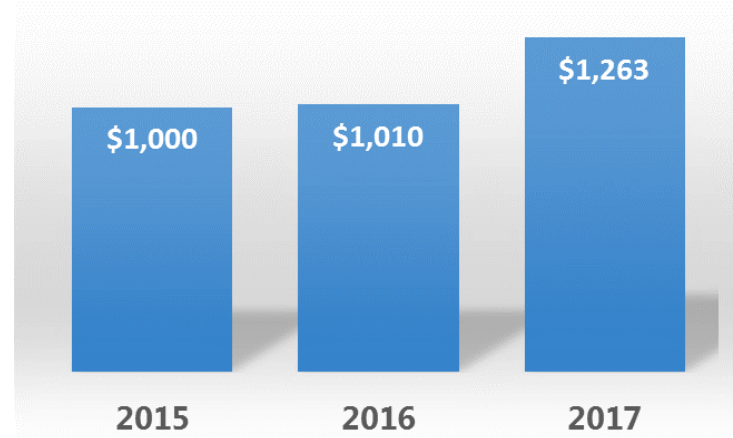




# Tuition Reimbursement

***FY17 Tuition Benefit  
Increased from \$1,600  
to \$1,900***

**Tuition Benefit Per Person**

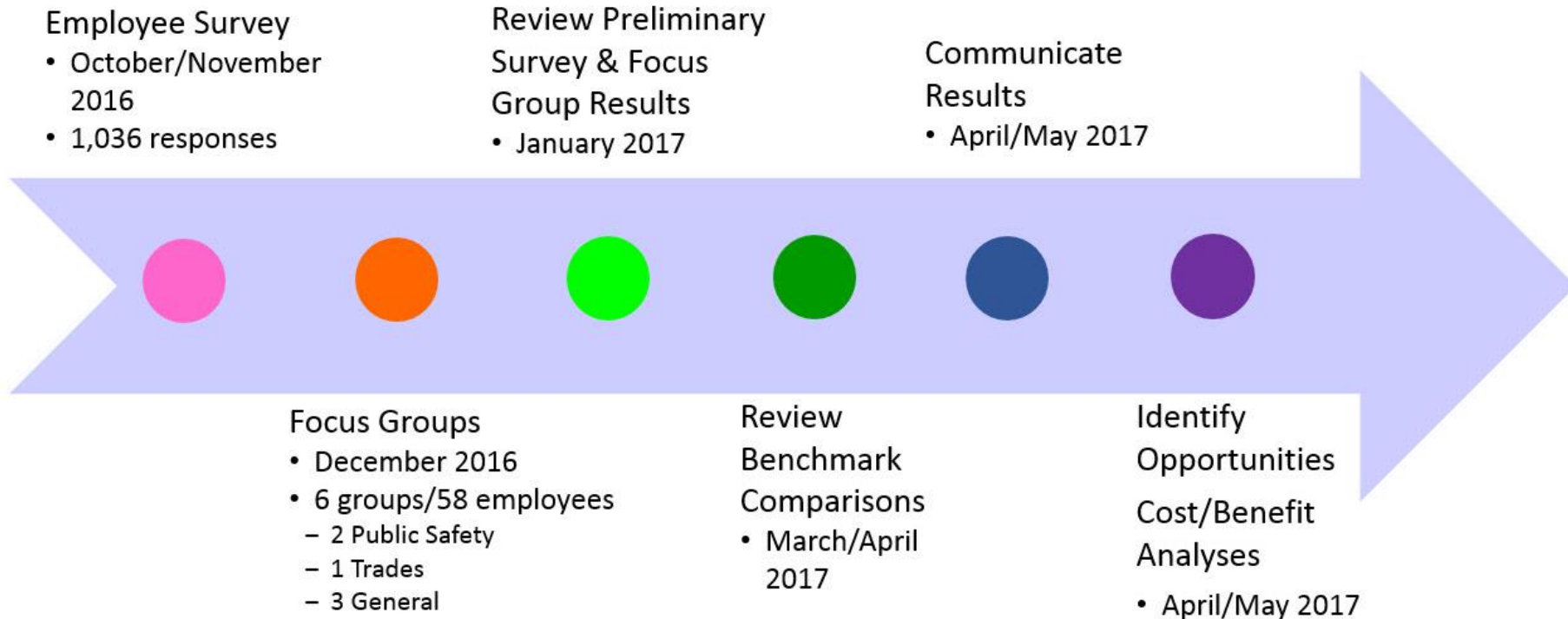


**+ 25%**

**Increase in Use per Person**

- Tuition reimbursement is used for courses related to jobs currently being performed in the County or as part of a degree program that is used by current County jobs.
- Courses must be taken through an accredited college/university, The Graduate School, or Community Adult Education Programs

# Strategic Benefits & Compensation Study with Aon Consulting





# Strategic Benefits & Compensation Study

## Preliminary Results



### Employee Survey and Focus Groups



# Strategic Benefits & Compensation Study

## Preliminary Results



### Benchmark Comparison

- Alexandria, Fairfax, Loudoun, Prince William, APS, Virginia Hospital Center
- Aon's Benefit Index<sup>®</sup>
- Value of Arlington's benefits is above average of comparators

### Next Steps

- Compare employee perception with benchmarks
- Develop recommendations; multi-year strategy



# Looking to The Future

## Competitiveness

- Re-evaluate total compensation principles including competitors beyond current 3 neighbors and market position of average midpoint

## Affordability & Sustainability

- Maintain affordable pay and benefits for County and employees
- Evaluate pay policies for hiring and internal movement
- Continue strategic review of benefit programs

## Flexibility

- Consider choice in benefits
- Encourage mobile work and flexibility
- Examine space needs