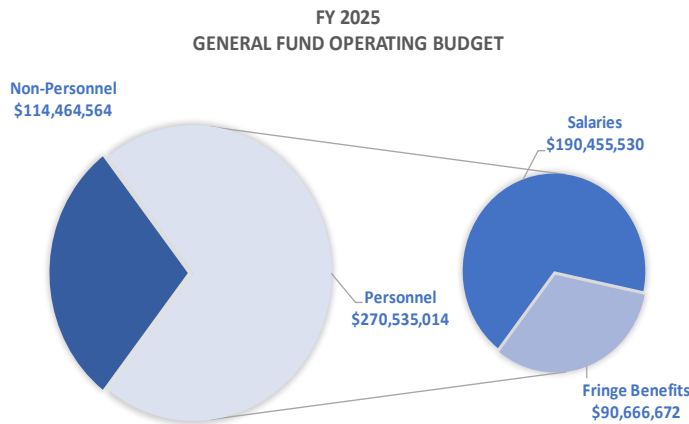




Personnel & Compensation Summary

FY 2025 INTRODUCTION & HIGHLIGHTS

The largest category of the City’s budgeted operating spending is the salaries, wages and benefits for the staff who provide needed services to the Alexandria community. When excluding debt service, interfund transfers (including to Alexandria City Public Schools for all operating costs) and capital outlays, over two-thirds (72.0%) of the City’s remaining core General Fund operating expenses are utilized for personnel. 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.



General Fund Personnel	
Salaries	\$190,455,530
Fringe Benefits	\$90,666,672
Total Personnel	\$281,122,202

General Fund Non-Personnel	
Total Non-Personnel	\$114,464,564

Grand Total	\$395,586,766
Personnel	\$281,122,202
Non-Personnel	\$114,464,564

FY 2025’s \$281.1 million personnel budget represents an increase of \$10.5 million from FY 2024. Year-over-year increases in personnel funding are primarily a result of three factors:

- **Salary enhancements for employees, including regular merit increases, compensation studies, collective bargaining agreements and a 2.0% pay-scale increase for non-collectively bargained employees:**
 - With the addition of 3 steps to the General Schedule pay-scale in FY23, 100% of qualifying employees are eligible for annual merit increases, with an average increase of 2.7%
 - Scheduled enhancements from the Police and Fire collective bargaining agreements totaling \$2.7 million
 - New enhancements approved as part of the Labor and Trades collective bargaining agreement totaling \$.7 million, including \$.3 million in one-time bonuses for members of the bargaining unit
 - \$.4 million in salary and benefit enhancements to Library staff following a compensation study by the Department of Human Resources
 - A 2.0% City-wide market rate adjustment to non-collectively bargained pay scales, totaling \$4.2 million in additional General Fund spending
 - Salary enhancements are offset by a vacancy savings factor of \$16.2 million in the General Fund
- **As part of the FY 2025 Add/Delete process, City Council added \$3.8 million in contingent funding for various targeted compensation enhancements:**
 - \$1.8 million for targeted retention bonuses. These bonuses will focus on, but not necessarily be limited to, the Department of Community and Human Services, the Sheriff’s Office, the Department of Emergency and Customer Communications, and the Circuit Court Clerk’s Office. Criteria to be considered include turnover and vacancy rates. Staff will provide recommendation to Council on how best to apply these funds
 - \$1.0 million for cyclical employee pay adjustments, which will support classification adjustments identified through regularly-conducted position studies. The City Manager will develop data-driven recommendations for compensation increases, and identify the factors considered in developing those recommendations

Personnel & Compensation Summary



FY 2025 INTRODUCTION & HIGHLIGHTS

- \$0.9 million in dedicated funding for compensation adjustments for client-facing mental health positions. Staff will provide Council with a recommendation for pay-scale adjustments to address pay competitiveness and retention
- \$0.2 million for the City Manager and Sheriff's Office to address staffing needs at the jail, and/or extending a hiring bonus program for deputies working in jail positions
- **New FTEs added during FY24 or through the FY25 budget process:**
 - Net increase of 19.00 mid-year adjustments
 - Net increase of 7.00 new positions
- **Changes in benefit and retirement rates, including insurance:**
 - Insurance premiums have increased \$1.4 million from the FY24 budget, with rates rising 3.4% for United plans and 5.0% for Kaiser
 - Total retirement costs have decreased by \$0.3 million from the FY24 budget, from \$58.8 to \$58.5 million, due to slight decreases in employer contributions



Personnel & Compensation Summary

SALARY DISTRIBUTION & AVERAGES

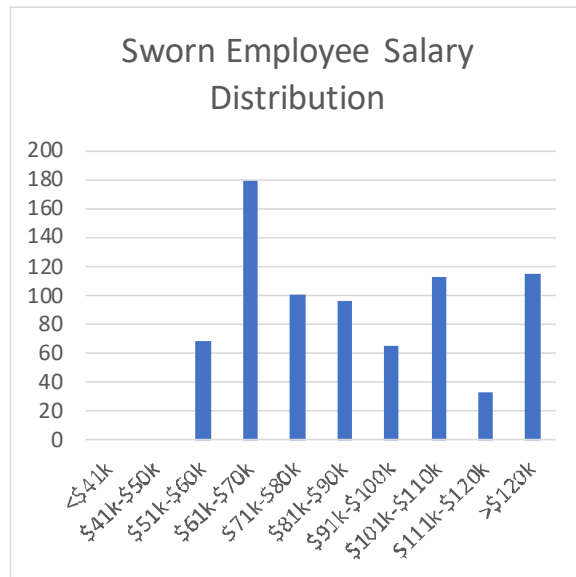
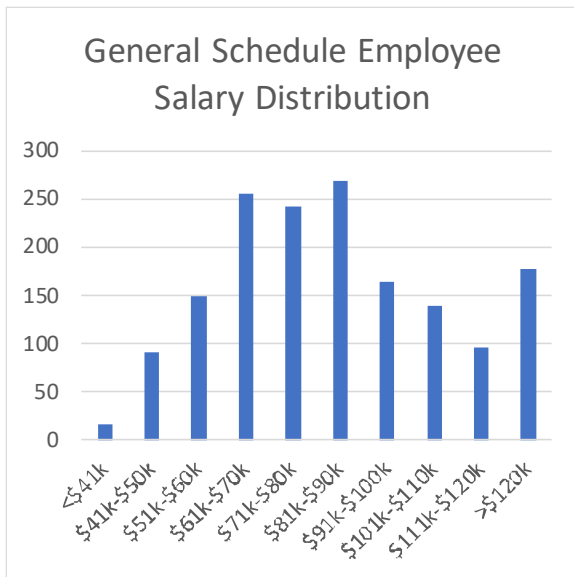
Employee salaries represent 68.0% of City personnel costs, with individual employees receiving annual increases based on performance. In addition to these merit increases, pay-scales for collectively-bargained employees see annual increases based on individual agreements. The FY 2025 budget includes a 2.0% pay-scale increase for all non-collectively bargained employees.

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

	As of January 9, 2023	As of January 2, 2024	% Difference 2023-2024
General Schedule (FT)	\$83,371	\$86,037	3.20%
Public Safety (FT)	\$85,469	\$90,855	6.30%
General Schedule (PT)	\$27.41/hr*	\$29.57/hr*	7.88%

*Due to the nature of part-time work, wages are calculated on an hourly rather than an annual basis.

73% of full-time General Schedule employees earn between \$41,000 and \$100,000 annually, with 46% earning more than the average full-time General Schedule salary (\$86,037), and 26% earning more than \$100,000. Approximately 43% of all sworn Public Safety employees earn more than the average sworn salary (\$90,855), with 34% earning more than \$100,000.



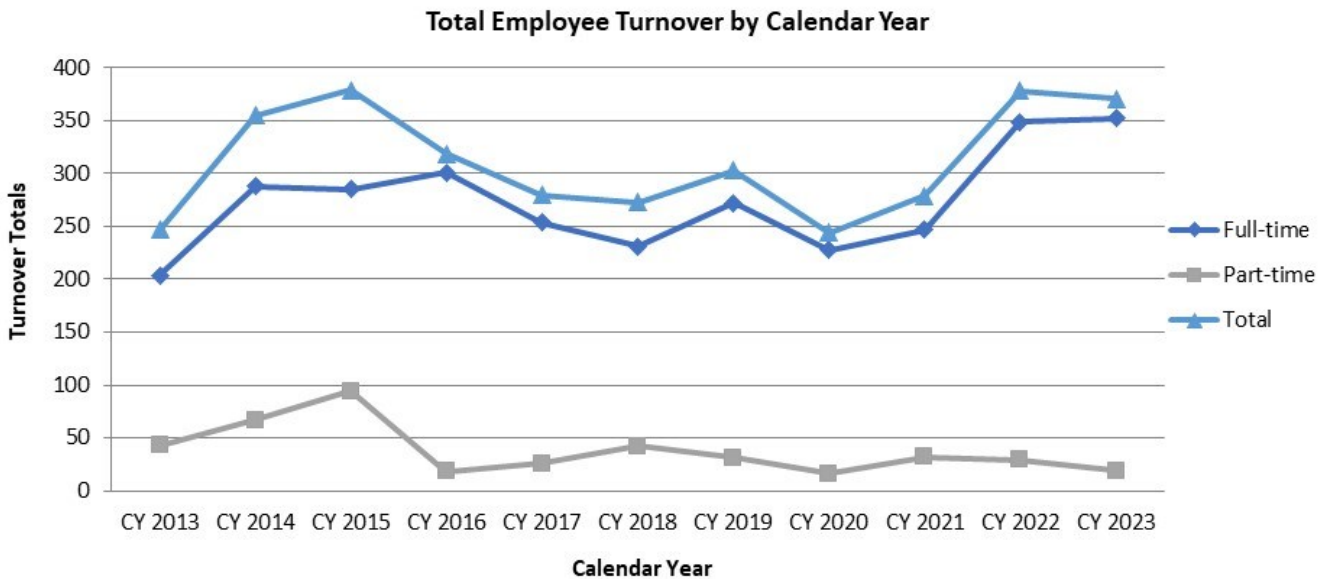
Personnel & Compensation Summary



CALENDAR YEAR 2023 TURNOVER

In Calendar Year (CY) 2023, overall employee turnover remained steady, from 378 in CY 2022 to 371 in CY 2023 (including 62 employees retiring from City service). Voluntary turnover decreased by 4% compared to the previous year, from 284 to 271.

CY 2023 Employee Turnover Totals				
	General Scale & Public Safety		General Scale	Overall
	Full-Time	Part-Time	Part-Time	
Voluntary Turnover	256	15		271
Involuntary Turnover	35	3		38
Retirement	61	1		62
Total Turnover CY 2023	352	19		371
Total Turnover CY 2022	349	29		378



Personnel & Compensation Summary



CITY WORKFORCE BY FULL-TIME EQUIVALENT (FTE)

As detailed below by Functional Area, the FY 2025 budget includes a net increase of 7.00 FTEs compared to the FY 2024 Amended total, and an increase of 26.00 FTEs compared to the FY 2024 Approved Budget. The FY 2024 Amended column shows any FTE changes made since the FY 2024 Approved Budget.

	FY 2023 Approved	FY 2024 Approved	FY 2024 Amended*	FY 2025 Approved	FTE Impact
Accountable, Effective, & Well-Managed Government					
City Council	1.00	1.00	1.00	1.00	0.00
City Manager	15.75	22.00	24.00	24.00	0.00
Office of Management & Budget	12.00	12.00	12.00	12.00	0.00
Performance Analytics**	4.00	4.00	4.00	5.00	1.00
Independent Community Policing Review Board	1.00	1.00	3.00	3.00	0.00
Information Technology Services	77.00	79.00	79.00	79.00	0.00
Internal Audit	3.00	3.00	3.00	3.00	0.00
Communications & Public Information	12.00	12.00	16.00	16.00	0.00
City Clerk & Clerk of Council	3.00	3.00	3.00	3.00	0.00
Finance**	109.25	108.00	108.00	109.00	1.00
Human Resources	27.00	28.00	28.00	28.00	0.00
City Attorney	20.00	21.00	21.00	21.00	0.00
General Services**	62.83	62.40	62.40	63.40	1.00
Registrar	6.60	6.60	7.60	7.60	0.00
<i>Subtotal Accountable</i>	356.43	363.00	372.00	375.00	3.00
Healthy & Thriving Residents					
Community and Human Services**	610.63	621.63	624.63	625.63	1.00
Health	20.25	22.25	22.25	21.25	(1.00)
Recreation & Cultural Activities	158.46	170.66	170.66	173.66	3.00
Library	66.11	66.11	66.11	66.11	0.00
<i>Subtotal Healthy</i>	855.45	880.65	883.65	886.65	3.00
Livable, Green, & Prospering City					
Planning & Zoning	53.50	53.50	53.50	53.50	0.00
Project Implementation	31.00	31.00	31.00	31.00	0.00
Transportation & Environmental Services	255.00	260.00	260.00	260.00	0.00
Code	52.00	52.00	53.00	53.00	0.00
Housing	16.00	16.00	16.00	16.00	0.00
Historic Alexandria	36.33	36.33	36.33	36.33	0.00
<i>Subtotal Livable</i>	443.83	448.83	449.83	449.83	0.00

Personnel & Compensation Summary



CITY WORKFORCE BY FULL-TIME EQUIVALENT (FTE)

	FY 2023 Approved	FY 2024 Approved	FY 2024 Amended*	FY 2025 Approved	FTE Impact
Safe, Secure, & Just Community					
Circuit Court Judges	12.00	12.00	12.00	12.00	0.00
Commonwealth's Attorney	29.00	37.00	41.00	41.00	0.00
Sheriff	205.00	205.00	205.00	205.00	0.00
Clerk of the Circuit Court	23.00	23.00	23.00	23.00	0.00
Court Services	10.00	10.00	11.00	11.00	0.00
Human Rights	6.00	6.00	6.00	6.00	0.00
Fire	321.50	347.50	347.50	347.50	0.00
Police**	432.63	439.13	440.13	440.13	0.00
Emergency & Customer Communications	62.50	62.50	62.50	62.50	0.00
Other Public Safety & Justice Services	8.00	9.00	9.00	10.00	1.00
<i>Subtotal Safe</i>	1,109.63	1,151.13	1,157.13	1,158.13	1.00
GRAND TOTAL	2,765.34	2,843.61	2,862.61	2,869.61	7.00

*Amended count represents mid-year adjustments.

**Some departments have minor changes to Approved FY 2024 FTE counts following a comprehensive review of budgeted positions.

Personnel & Compensation Summary



MID-YEAR FTE ADDITIONS AND REDUCTIONS

Department	Position	FTE Decrease
Police	Public Information Officer*	-1.00
TOTAL REDUCTIONS		-1.00

Department	Position	FTE Increase
City Manager's Office	Administrative Services Manager	1.00
City Manager's Office	Deputy City Manager	1.00
Code	Program Administrator	1.00
Commonwealth's Attorney	Division Chief, Admin Services	1.00
Commonwealth's Attorney	Assistant Commonwealth's Attorney I	3.00
Communications & Community Engagement	Public Information Officer*	1.00
Communications & Community Engagement	Engagement Specialist	1.00
Communications & Community Engagement	Engagement Specialist	1.00
Communications & Community Engagement	Comm. Engagement Mgr	1.00
Community and Human Services	Community Services Specialist II	3.00
Court Services	Forensic Senior Therapist	1.00
Independent Police Auditor	Investigative and Policy Analyst	1.00
Independent Police Auditor	Management Analyst II	1.00
Police	SPCL Police Officer	2.00
Voter Registration	Absentee Coordinator	1.00
TOTAL ADDITIONS		20.00

TOTAL REDUCTIONS	-1.00
TOTAL ADDITIONS	20.00
NET FTE CHANGE	19.00

FY 2024 APPROVED FTE COUNT	2,843.61
NET FTE CHANGE	19.00
FY 2024 AMENDED FTE COUNT	2,862.61

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

*One Public Information Officer was moved from the Police Department to the Office of Communications & Community Engagement.



Personnel & Compensation Summary

FY 2025 FTE ADDITIONS AND REDUCTIONS

Department	Position	FTE Decrease
Health	City Pharmacist	-1.00
TOTAL REDUCTIONS		-1.00

Department	Position	FTE Increase
Community and Health Services	Account Clerk IV	1.00
Finance	Debt/Investment Manager	1.00
General Services	Building Engineer II	1.00
Other Public Safety	Paralegal	1.00
Performance Analytics	Performance Analyst I	1.00
Recreation & Cultural Activities	Lifeguard	1.00
Recreation & Cultural Activities	Pool Operator	1.00
Recreation & Cultural Activities	Swim Instructor	1.00
TOTAL ADDITIONS		8.00

TOTAL REDUCTIONS	-1.00
TOTAL ADDITIONS	8.00
NET FTE CHANGE	7.00

FY 2024 AMENDED FTE COUNT	2,862.61
NET FTE CHANGE	7.00
FY 2025 APPROVED FTE COUNT	2,869.61

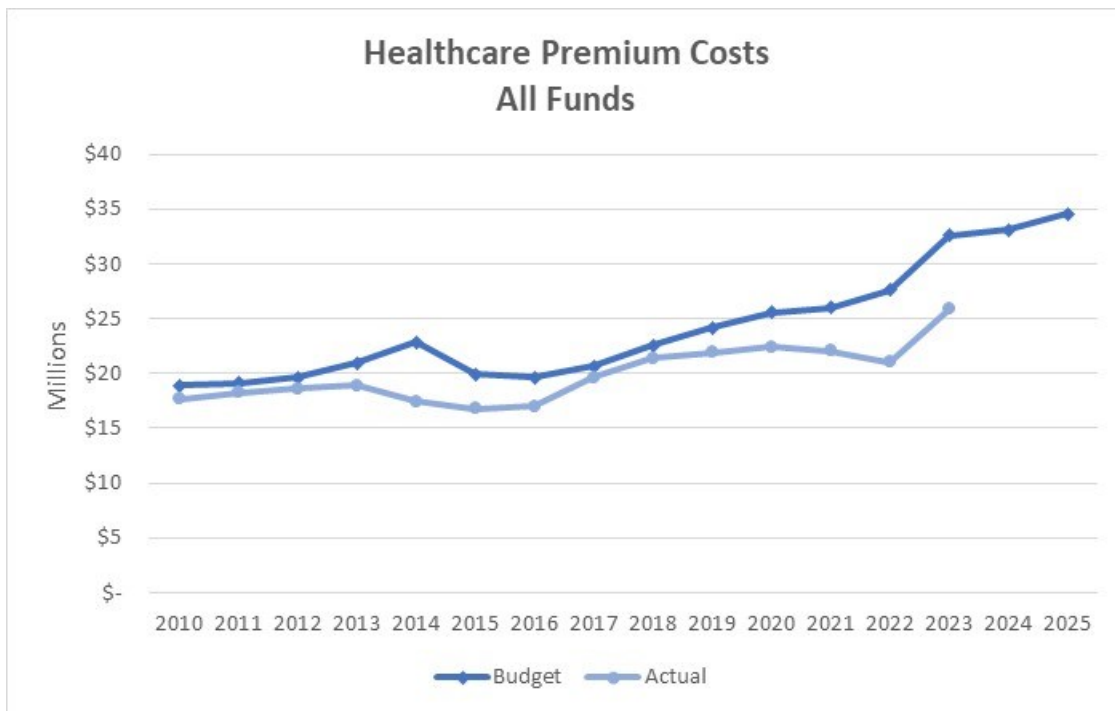
Note: 1.00 FTE represents a position working full-time at 80 hours per pay period. An FTE less than 1.00 represents a position that works less than



Personnel & Compensation Summary

HEALTHCARE

Healthcare expenditures represent the share that the City pays for employee healthcare benefits. The chart below show actual healthcare premium costs from FY 2010 to FY 2023, as well as budgeted amounts through FY 2025. For all funds, health insurance premiums are expected to increase by \$1.4 million, primarily as a result of rate increases: overall, rates for plans offered by United Healthcare increased by 5%, while Kaiser plans increased by 7.5%.



Four years ago, the City began to offer lower cost employee health premiums for both the Kaiser and United Healthcare deductible HMOs plans for employees earning less than \$70,000, as well as employees with plans covering non-adult dependent(s). The City maintains these lower cost options.

To help employees mitigate costs, the City will continue to offer a potential savings of \$600 in annual healthcare costs through their voluntary participation of the City’s Employee Wellbeing Program.



Personnel & Compensation Summary

LIFE INSURANCE, DISABILITY, AND PAID LEAVE

Group Life Insurance Benefit

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. Employees also have the option to purchase supplemental group term life insurance coverage and dependent life insurance coverage at their own expense. Police officers and firefighters are offered additional life insurance coverage for death or disability occurring in the Line of Duty. The table below provides information on the specific coverage available to employees.

Group Life Insurance	
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
Dependent Life - Employee Paid	3 options for Spouse and Child(ren) coverage
Line of Duty Coverage:	
Police Officers and Firefighters Only - City Funded Group Life Insurance	\$200,000

For FY 2025, Life Insurance rates for City-funded Basic Life coverage for active employees and eligible retirees will remain the same. Supplemental Life Insurance paid for by active employees will stay the same.

Long-Term Disability (LTD)

General Schedule employees hired after January 1, 2014 are typically placed in the VRS Hybrid plan 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. Since the City of Alexandria has opted out of the VLDP (Virginia Local Disability Plan), the City provides a comparable LTD plan with equal or greater value. Benefits eligible employees are covered at 60% of their base salary up to \$5,000 per month after 180 days of disability with an optional employee-paid buy-up to begin a benefit after 90 days of disability. Effective July 1, 2020, sworn police officers and firefighters are eligible for LTD.

Annual and Sick Leave

City employees are eligible for 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 to provide employees with one additional day of annual leave.

Annual and Sick Leave*	
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



OTHER BENEFITS

Dental

Dental insurance rates are projected to remain flat in FY 2025.

Employee Assistance Program and Mental Health Services

The City is continuing their partnership with a comprehensive and effective solution for mental wellbeing, allowing for personalized mental healthcare with mental health resources, care navigation, coaching, in-app wellness exercises, virtual therapy, and crisis support. Through this partnership, employees and their covered spouses and dependents are allotted 6 free therapy sessions annually.

Student Loan Financial Wellbeing

The City's new student loan financial wellbeing tool helps employees identify and enroll in optimal student loan repayment plans, save employees on student loan payments, access personal guidance from a team of student loan advisors, and provide savings options above and beyond refinancing only.

Employee Homeownership Incentive Program

The FY 2025 budget continues the **Employee Homeownership Incentive Program (EHIP)**. This program provides down payment and closing cost assistance for City employees buying a house or a condominium in the City of Alexandria. The loan amounts would be tiered:

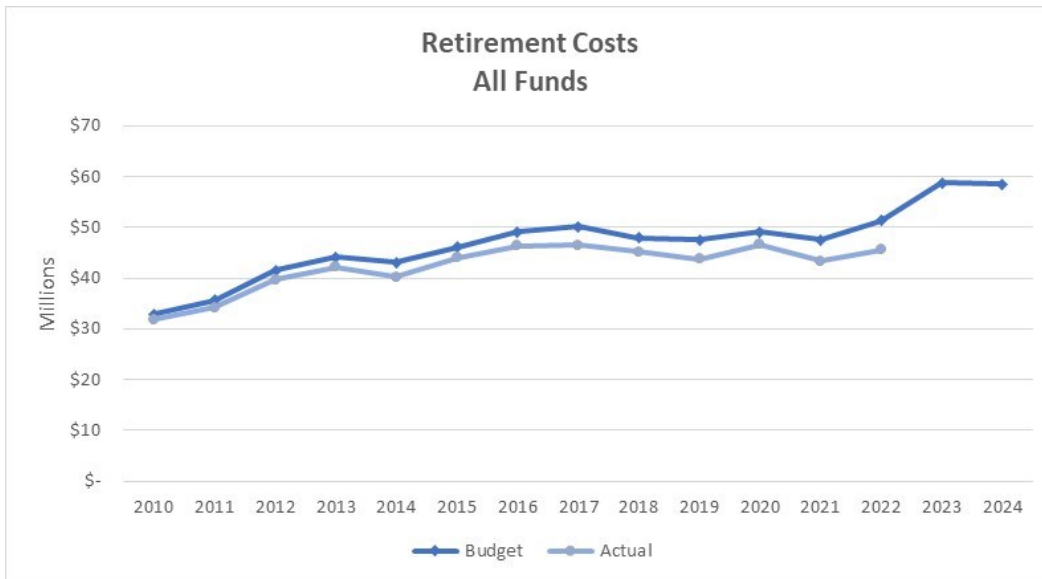
- \$15,000 for employees with a household income of 80% of the Area Median Income (AMI) or below;
- \$11,500 for employees with a household income between 80% and 120% of AMI;
- \$7,500 for employees with a household income greater than 120% of AMI.



Personnel & Compensation Summary

FICA & RETIREMENT

Compared to the FY 2024 Approved Budget, total retirement costs for all funds decrease by \$.6 million with a \$.2 million decrease in the General Fund. All the City’s pension funds were impacted by the investment market correction which resulted in negative returns. These negative returns were largely offset by positive returns in previous years. The City Supplemental Retirement employer contribution rates decreased slightly for all groups of employees primarily driven by the lump sum conversion interest rate change adopted a few years back. The rate for General Schedule Employees decreased from 4.99% to 4.98%, the rate for Medics and Fire Marshals decreased from 7.92% to 7.73% and the rate for Deputy Sheriffs decreased from 6.61% to 6.41%. VRS conducts a bi-annual valuation and their required employer contribution rates decreased from 11.00% to 10.54%. Beginning in FY2025 VRS implemented a rate split for the defined contribution contributions for hybrid participants. Staff estimate the Hybrid defined contribution employer contributions to be \$2.0 million. The total contributions for the Firefighters and Police Officers Plan increased slightly due to higher than expected cost of living adjustments and negative asset returns. The Firefighters and Police Officers Pension Component increased slightly from 34.96% to 35.80% and was slightly offset by the decrease in the Firefighters and Police Officers Disability Component from 1.01% to 0.92%. OPEB contributions decreased from 1.81% to 1.62% primarily driven by an increase in covered payroll. Line of Duty contribution rates decreased from 2.47% to 2.22% because the fund has reached full funding and lower contributions are required to build the fund.



FICA

This represents the City share of Social Security and Medicare taxes, which is budgeted at \$20.9 million for All Funds (excluding Schools and DASH) in FY 2025, \$15.0 million of which is General Fund related. The current Social Security tax rate is 6.20% of wages, and 1.45% of wages for Medicare. The Calendar Year (CY) 2024 maximum earnings cap increases to a new cap of \$168,600, up from CY 2023’s cap of \$160,200. Earnings above this cap are not taxed for Social Security, but are still subject to Medicare taxes.

Retirement

The FY 2025 retirement budget represents the cost to the City to fund the employer share of the City’s employee retirement plans, including the Virginia Retirement System including VRS - Enhanced Hazardous Duty (VRS-EHD) plan for Sheriff’s Deputies; the City Supplemental Retirement Plan for General Schedule employees, Medics, Fire Marshals, and Deputy Sheriffs; and a Police and Fire pension plan for Sworn Firefighters 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 chart below shows the City’s actual retirement



Personnel & Compensation Summary

FICA & RETIREMENT

costs from FY 2007 – 2024 and the budgeted costs for retirement from FY 2007 – 2025. City retirement, OPEB and LOD expenses are calculated as a percentage of salary. Given this, two factors impact the total retirement costs in a given year: 1) the total covered payroll and 2) the percentage contribution rates for each of the retirement plans. The decreased budgeted amounts in FY 2025 are the result of several factors including positive plan experience, strong asset performance in previous years which offset the negative performance this year for all plans, and the strong funding ratios of all the plans.

The City provides several defined benefit pension plans that provide lifetime income to its employees at retirement. General Schedule employees, Deputy Sheriffs, Medics and Fire Marshals participate in the Commonwealth of Virginia’s VRS plans as well as the City’s Supplemental Retirement Plan. Firefighters and Police Officers participate in the Firefighters and Police Officers Pension Plan. The City has historically funded its pension plans with all the City’s retirement plans being over 85% funded. In addition to the pension plans, City employees can prepare for retirement by electing to contribute into the City’s 457 deferred compensation and Roth IRA plans.

Other Post-Employment Benefits (OPEB)

Other Post-Employment Benefits (OPEB) include retiree healthcare and retiree life insurance. In FY 2025, the contribution rate will decrease to 1.62%. The amount budgeted is inclusive of the ongoing premiums for retiree health and life insurance and meets the actuary’s recommended total contributions to the plan in this fiscal year. The OPEB fund is currently 74.9% funded. The funded ratio decrease this year due to lower than expected asset returns.

Line of Duty (LOD)

A State mandated and 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 that the City pay the full cost of benefits for eligible public safety employees 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’s FY 2025 contribution decreased from 2.47% to 2.22% of eligible public safety employee salaries due to City’s commitment to continue the Plan’s funding. The City’s LOD fund is currently 102.1% funded.

The table below provides a comparison of the contribution rates that were used to develop the FY 2025 Retirement budget:

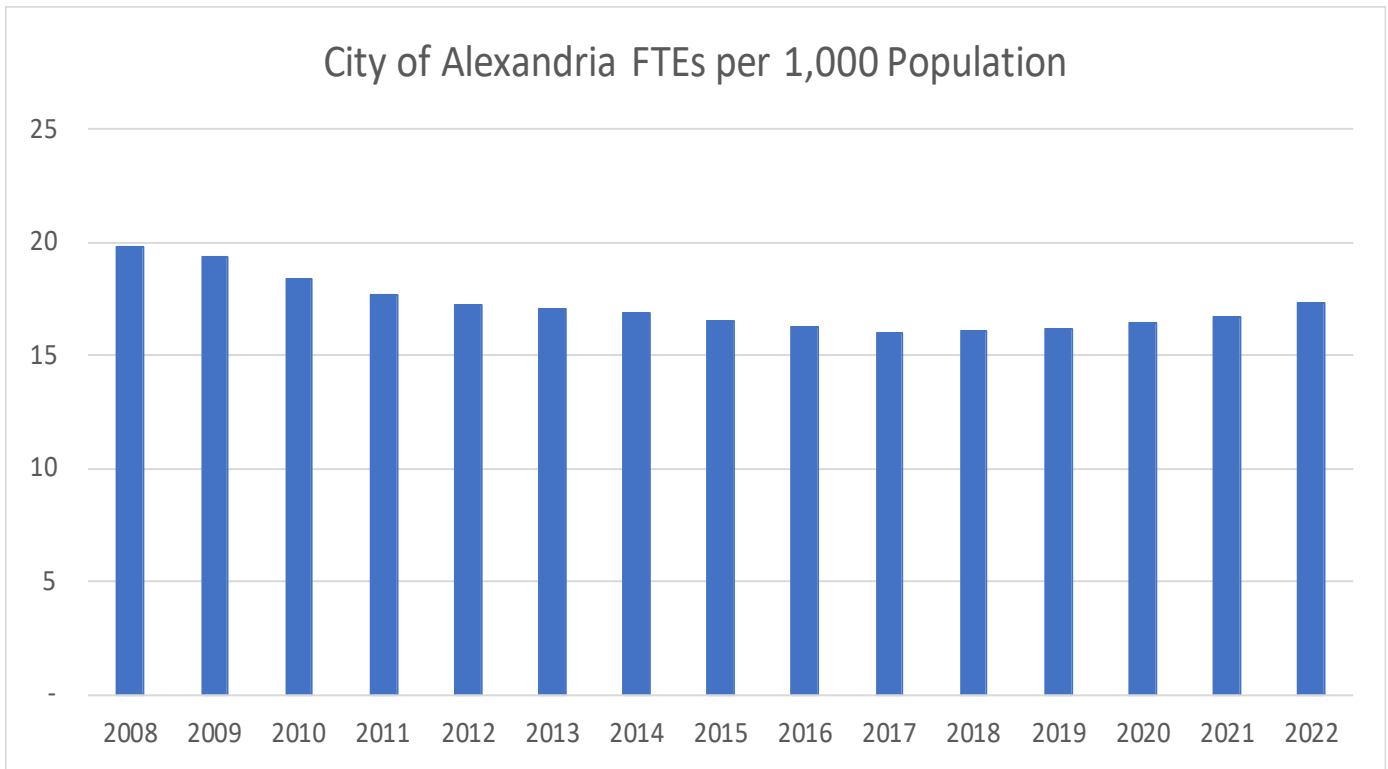
Retirement Plan	FY 2024	FY 2025	Change
VRS	11.00%	10.54%	-0.46%
City Supplemental - General Schedule	4.99%	4.98%	-0.01%
City Supplemental - Medic & Fire Marshal	6.61%	6.41%	-0.20%
City Supplemental - Deputy Sheriff	7.92%	7.73%	-0.19%
Firefighters and Police Officers Pension	34.96%	35.80%	0.84%
Firefighters and Police Officers Disability	1.01%	0.92%	-0.09%
OPEB	1.81%	1.62%	-0.19%
Line of Duty	2.47%	2.22%	-0.25%



Personnel & Compensation Summary

FTE TRENDS

The following chart and table show the FTE per capita trends since Calendar Year 2008



	2008	2009	2010	2011	2012	2013	2014	2015	2016
City FTE Count	2,637	2,661	2,577	2,546	2,543	2,558	2,551	2,538	2,543
Alexandria Population	132,949	137,523	139,966	144,219	147,291	149,637	151,375	153,654	156,698
FTE per 1,000	19.84	19.35	18.41	17.65	17.27	17.09	16.85	16.52	16.23

	2017	2018	2019	2020	2021	2022	2023	2024	2025
City FTE Count	2,552	2,565	2,579	2,629	2,671	2,697	2,765	2,838	2,870
Alexandria Population	159,215	159,069	159,428	159,125	155,203	155,525	-	-	-
FTE per 1,000	16.03	16.12	16.17	16.52	17.21	17.34	-	-	-

FTE data is for fiscal years. Population data is for calendar years, published by the Census Bureau on a 2-calendar year lag.

2008-2009 population data source: Intercensal Estimates

2010 and 2020 population data source: Decennial Census

2011-2019, 2021-2022 population data source: American Community Survey 1-Year Estimates

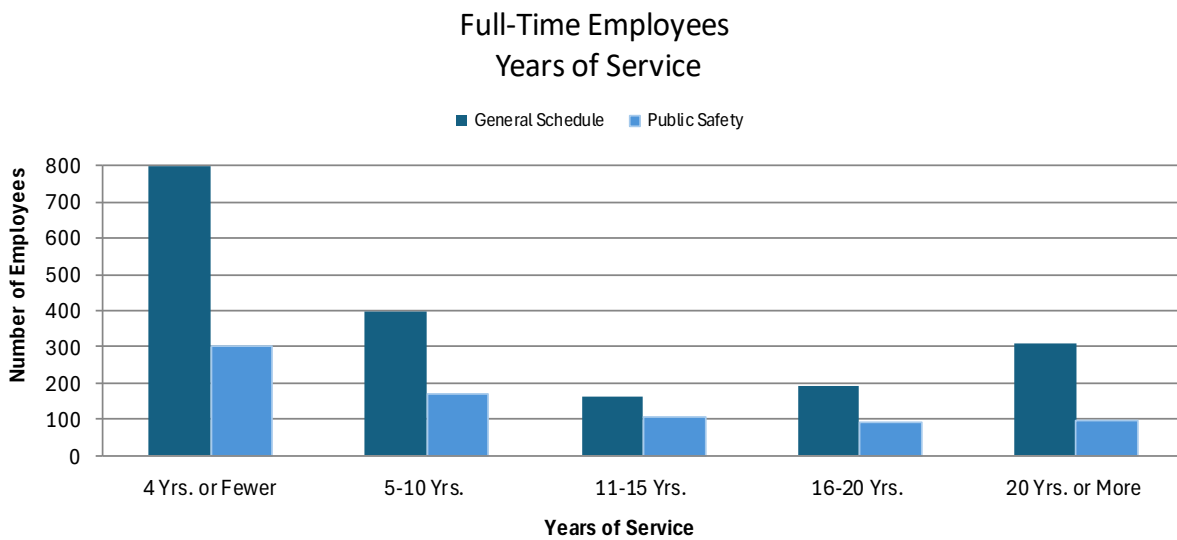


Personnel & Compensation Summary

YEARS OF SERVICE AND EMPLOYEE DEMOGRAPHICS

Years of Service

More than half of current General Schedule employees (62%) have been employed with the City for 10 years or less, while 19% have been City employees for 20 years or more. More than half (61%) of current Public Safety employees have been employed with the City for 10 years or less; 15% have worked for the City for 20 years or more.



Demographics

73.1% of City employees fall are between 30 and 59 years old.

