

FY 2024 PROPOSED COMPENSATION PLAN

April 11, 2023

Based upon the City Council's input in the FY 2024 budget process, the following presents an amended plan for additional compensation for City employees.

This memorandum is in three sections. The first section provides an outline of the plan for non-public safety personnel, and statistical summaries for the overall plans. The second section includes a detailed summary of the plan for sworn public safety personnel, including Fire, Police, Sheriff, and the E911 Communications Center. Finally, the plan from the Recommended Budget is attached as an Appendix.

Classification and Compensation Study Implementation Plan – Non Public Safety

The City Manager's Recommended Budget for FY 2024 includes recommendations for implementing pay changes to employees based upon the findings of a pay study by Bolton, Inc. The below plan is developed for employees classified as full-time regular.

Step 1: Increase Pay Scale by 5.1%

The initial finding of the Bolton Study, after they conducted their research against the market, was that the City's current pay scales are behind the labor market overall by 5.1%. The City's response is to increase the City's current pay scales, as they exist today, by 5.1% - resulting in new minimums, midpoints, and maximums.

This step does not bear an initial cost, but it does increase the cost of hiring new employees. This is necessary in order to keep up with the area labor market.

Step 2: Provide a "Labor Market Adjustment" Increase of 3% for Full-time Employees

As an initial step following the increase to the pay scale, the Recommended Budget proposes a 3% adjustment to current employees.

Step 3: Adjustments within the new Pay Grade

Part of the new proposed pay plan is an effort to ensure that employees with experience are advanced in pay along the pay scale. The following adjustments are recommended. For non-public safety positions, the Revised Plan and the Original Plan are the same.

Step 3a – Adjustment to the New Minimum

After adjusting the pay scales, there are 19 employees who are non-public safety who fall below the minimum of the new grade. The City should not pay employees below the minimum of the accepted pay grade. The total cost of this adjustment (salary only) is \$11,611. All but one of these adjustments was less than \$1,000.

Step 3b – Adjustments to Midpoint

Employees should generally be close to the mid-point at ten years of service within a position. Employees who have been in their positions for ten years or more were checked to determine whether their pay is at the midpoint of their grade, after the adjustment to the new pay scale.

This adjustment was based upon the “number of years in position” – which for many employees is equivalent to the date of hire – but not all. Many employees have been promoted or reclassified to higher grades. There were 23 total employees affected by an adjustment to bring these employees to the midpoint.

The cost of this adjustment is \$81,089 (in salary only – before benefits). These increases have a range between \$322 and \$11,304 – although only six adjustments are over \$5,000 in value.

Step 3c – Adjustments To ½ way to Midpoint

This adjustment is also based on the “number of years in position.” If an employee has been in their position for five years, they were checked to determine whether their salary at the midway mark between the grade minimum and the grade midpoint.

This adjustment affects 4 employees, and range between \$10 and \$4,828. The cost is \$8,683.

Step 4 – Anti-compression Increase

This increase will represent an increase for all employees who have been with the City for at least one year. These increases are based upon the date of hire, rather than the time in position – which will also serve to recognize years of service. Anti-compression adjustments would not be given to employees at the top of the new pay range. The Revised Plan does not change this aspect of the Original Plan.

Anti-Compression Increase Factor

Years of Service	Adjustment
1-4.9	0.5%
5-9.9	1.0%
10-14.9	1.25%
15-19.9	1.5%
20+	2%

The cost of this anti-compression adjustment is \$176,572, for non-public safety employees.

Step 5 – Cost of Living Adjustment

The current recommended budget also includes a cost-of-living adjustment. The major difference between the Revised Plan and the Original Plan, for non-public safety employees, is to increase the cost-of-living adjustment to 4%, or 3% if the total annual salary is more than \$101,000. This step costs \$708,113.

Step 6 – Floor

The City recognizes that inflation has a negative impact on our employees. After all the above adjustments are calculated, the Revised Plan increases the minimum raise to \$3,000. The Original Plan set the minimum at \$2,500. There are currently 36 employees that would receive an adjustment in their calculated raise to \$3,000. All of the employees in this category are non-public safety employees. The cost of increasing the cap in the Revised Plan from \$2500 to \$3000 is \$7603.¹

Step 7 – Market Adjustments to Select Job Titles

The City also recognizes that there are certain positions that, as identified through the Bolton Study, are behind the market for their positions. The City does not propose to adjust assigned grades at this time, but as an additional market adjustment, incumbents in the following positions would receive a \$2,000 increase. This adjustment is part of the Revised Plan, and would cost \$72,000 (salary only).

Position Title	Department
Senior Legal Assistant	Commonwealth's Attorney
Paralegal	Commonwealth's Attorney
Deputy Commonwealth's Attorney	Commonwealth's Attorney
City Engineer	Public Works
Superintendent of Public Facilities	Public Works
Project Manager	Public Works
Utility Programs Administrator	Public Works
Transit Operator Trainer	Transit
Training Manager & Budget Officer	Police
Administrative Assistant	Various
Chief Deputy Clerk of Circuit Court	Clerk of Circuit Court
Legal Secretary	Commonwealth's Attorney
Assistant Director of IT	Information Technology
IT Support Technician	Information Technology
Director of Human Resources	Human Resources
Assistant Director of Human Resources	Human Resources
Manager of Tourism and Sport Sales	EDT
Tourism Marketing & Communications Mgr	EDT
Director of Community Planning & Building	Community Planning & Building

¹ This assumes that the cost-of-living increase is 4% and not 3%, as in the Original Plan.

Development Administrator	Community Planning & Building
Community Development Planner	Community Planning & Building
GIS Analyst II	Information Technology
Deputy Superintendent of Public Works	Public Works
Deputy Superintendent of PW – Ops	Public Works
Building Inspector	Community Planning & Building
Traffic Operations Manager	Public Works
Traffic Signal Technician I	Public Works
Crime Analyst	Police

Step 8 - Cap

The City also recognizes that some of the above adjustments will create significantly high percentage adjustments. The Revised Plan, based on the additional compensation, increases the cap from 10% in the Original Plan to 15%. The plan for the FY 2024 Recommended Budget caps an individual raise at 15% of current salary. There are 43 non-public safety employees that would be affected by the 15% cap.

It should also be noted that employees who have reached the maximum of the new grade should not receive anti-compression adjustments, and should also have some or all of their labor market adjustment and cost-of-living adjustment converted into one-time payments.

Step 9 – Audits and Adjustments

This plan, and individual results, will need to be audited carefully and adjustments made as needed. There are situations that will need to be addressed, data that needs to be checked, and items that may have been missed. Some ability to make needed adjustments will be important.

Statistics

The additional cost of the revisions as proposed here, based on the current roster, is \$818,475. The total cost of the entire plan, including the changes that were originally recommended in the budget, is \$3,408,694.²

²Staff has made corrections based on personnel actions since the March 13, 2023 budget release calculations. Presentations of costs should be understood as points-in-time as personnel actions are ongoing.

Cost of Revised Plan & Total Plan Cost

Action	Revised Plan Cost – Public Safety	Revised Plan Cost – Non-public safety	Total Plan Cost – Public Safety	Total Plan Cost – Non-public safety
1) Move Grades	-	-	-	-
2) Market Adjustment – Increase salaries by 3%	-	-	\$345,817	\$533,546
3a) Move to Minimum	\$38,355	-	\$38,355	\$11,611
3b) Move to Midpoint	\$4,154	-	\$4,154	\$81,089
3c) Move to ½ way between Min & Mid	\$20,822	-	\$20,822	\$8,683
4) Anti-Compression Adjustment	-	-	\$119,674	\$176,572
5a) Cost of living – public safety 3%	-	-	\$345,817	-
5b) Cost of living non-public safety 4%	-	\$170,674	-	\$708,113
6) Floor at \$3000	-	\$7,603		\$7,603
7) Non-public safety specific adjustments	-	\$72,000	-	\$72,000
8) Public Safety additional adjustments	\$348,000	-	\$348,000	-
9) Cap at 15%	-	-	(\$20,236)	(\$46,229)
10) Audits & Adjustments	-	-	-	-
Subtotal	\$411,331	\$250,277	\$1,202,403	\$1,552,988
FICA	\$31,467	\$19,146	\$91,984	\$118,804
VRS	\$66,060	\$40,194	\$193,103	\$249,410
Total	\$508,858	\$309,617	\$1,487,493	\$1,921,202

Raises for full-time employees will vary between 5% and 15%.

Non-Public Safety Summary Statistics

The average increase is 9.63%, and the median increase is 8.46%. The average increase for full-time employees is \$5,422 and the median increase is \$5,166.

Increase by %	Average	Employees in Bracket
5 to 6%	\$9,226	1
6 to 7%	\$7,694	8
7 to 8%	\$4,548	95
8 to 10%	\$5,186	106
10% to 12%	\$6,625	82
12% to 15%	\$6,477	84

All Employees – including public safety

Increase by %	Average	Employees in Bracket
5 to 6%	\$9,226	1
6 to 7%	\$7,694	8
7 to 8%	\$4,548	95
8 to 10%	\$5,623	223
10% to 12%	\$7,887	98
12% to 15%	\$7,652	118

FY 2024 PROPOSED COMPENSATION PLAN – REVISED – PUBLIC SAFETY SECTION

The City Council advertised a tax rate of \$0.91 / \$100 valuation, which is a five-cent increase in the real estate rate. The City Manager’s Recommended Budget included a recommendation to advertise a \$0.02 increase, to \$0.88 / \$100 valuation.

The City Council has indicated that they wish to consider supplementing the proposed compensation plan that was included in the Recommended Budget (the “Original Plan”) – with a particular focus on public safety positions. Staff has re-evaluated public safety pay scales with a specific emphasis on the comparisons with Stafford and Spotsylvania Counties, which utilizes a step structure as opposed to the City’s open range.

This plan (“Revised Plan”) was developed with a general target of an additional approximately \$912,000 in revenue (or, 2-cents of real estate revenue). The additional cost of the Revised Plan for both public safety and non-public safety personnel is approximately \$818,475. City Council may wish to reduce or add resources available for compensation in the budget – if so, elements of this plan may be adjusted as needed to meet available resources.

Public Safety Plan Step 1: Increase the Pay Scales

The City maintains a separate public safety pay scale that is 5% greater than the corresponding grade on the “regular” pay scale. The staff recommends a two-step process to increase these scales to be more competitive with the grade/step plans provided by Stafford County and Spotsylvania County.

The first step in the Revised Plan is to increase the public safety ranges across-the-board by 10%.³ In addition, the second step is to assign new grades for certain public safety personnel, as follows:

Position	Old Grade	New Grade
Police Sergeant	215P	217P
Police Lieutenant	217P	218P
Police Captain	219P	223P
Fire Master Tech	214P	215P
Fire Lieutenant	215P	216P
Fire Captain	217P	219P
Fire Battalion Chief	219P	222P
Fire Deputy Chief	222P	224P

³ The “regular” pay scales are recommended to be increased by 5.1%, per the Bolton Study.

Public Safety Plan Step 2: Provide a “Labor Market Adjustment” Increase of 3% for Full-time Employees

As an initial step following the increase to the pay scale, the Recommended Budget proposes a 3% adjustment to current employees.

The Revised Plan does not change the original plan that was included in the Recommended Budget for this step. The cost of this step for salary only for public safety employees is \$345,817.

Public Safety Plan Step 3: Adjustments within the New Pay Grades

Part of the new proposed pay plan is an effort to ensure that employees with experience are advanced in pay along the pay scale. The Revised Plan, because of the increase in the grades for public safety employees, will cost more than the Original Plan that was included in the Recommended Budget. The following adjustments are recommended. As these are calculated against adjusted pay grades, there will be more employees who will be receiving these adjustments than in the initial plan.

Step 3a – Adjustment to the New Minimum

After adjusting the pay scales, there are 15 employees who fall below the minimum of the new grade. The City should not pay employees below the minimum of the accepted pay grade. The total cost of this adjustment (salary only) is \$38,355.

Step 3b – Adjustments to Midpoint

Employees should generally be close to the mid-point at ten years of service within a position. Employees who have been in their positions for ten years or more were checked to determine whether their pay is at the midpoint of their grade, after the adjustment to the new pay scale.

This adjustment was based upon the “number of years in position” – which for many employees is equivalent to the date of hire – but not all. Many employees have been promoted or reclassified to higher grades. Most public safety employees in the City have not been in their current assigned grade for ten years. There was 1 employee affected by an adjustment to bring these employees to the midpoint.

The cost of this adjustment for public safety employees is \$4154 (in salary only – before benefits).

Step 3c – Adjustments To ½ way to Midpoint

This adjustment is also based on the “number of years in position.” If an employee has been in their position for five years, they were checked to determine whether their salary at the midway mark between the grade minimum and the grade midpoint.

This adjustment affects 9 employees, and ranges between \$261 and \$6,817. The cost in the Revised Plan is \$20,822.

Public Safety Plan Step 4 – Anti-compression Increase

This increase will represent an increase for all employees who have been with the City for at least one year. These increases are based upon the date of hire, rather than the time in position – which will also serve to recognize years of service. The Revised Plan does not change the Original Plan for the anti-compression increase.

Anti-compression adjustments would not be given to employees at the top of the new pay range.

Anti-Compression Increase Factor

Years of Service	Adjustment
1-4.9	0.5%
5-9.9	1.0%
10-14.9	1.25%
15-19.9	1.5%
20+	2%

The cost of this anti-compression adjustment for only public safety personnel is \$119,674.

Public Safety Plan Step 5 – Cost of Living Adjustment – Public Safety

The current recommended budget also includes a cost-of-living adjustment. The adjustment is 3% - with a decrease to 2% if the total annual salary is more than \$101,000. The cost-of-living adjustment is the same for public safety employees in both the Revised Plan and the Original Plan. This step costs \$345,817.

Public Safety Plan Step 6 – Public Safety Additional Adjustments

The City wishes to ensure that additional compensation is granted to public safety positions, with a special emphasis on higher ranking positions. This includes sworn employees of the Police Department, Fire Department, and the Sheriff's Office, as well as Communications Officers in the City's E911 Communications Center.

Most of these positions would receive a \$1500 amount, on top of the calculated raises through the Step 5 cost-of-living adjustment. For employees at the rank of 216P or above, the City proposes to add a \$6000 increase to the calculated amount. A total of 148 employees would receive \$1,500 and 21 employees would receive \$6,000. This step is the major revision in the Revised Plan, and was not in the Original Plan. The total cost in salary is \$348,000.

Public Safety Plan Step 7 – Cap and Floor

The City recognizes that inflation has a negative impact on our employees. After all the above adjustments are calculated, the City recommends that each full-time employee's increase in pay be set at a minimum level of \$2500. There are no public safety employees that are affected by this adjustment.

The City also recognizes that some of the above adjustments will create significantly high percentage adjustments. The original plan for the FY 2024 Recommended Budget caps an individual raise for those in the public safety pay plan at 10% of current salary. The Revised Plan recommendation changes that cap to 15%. There are 12 public safety employees that are affected by a 15% cap.

It should also be noted that employees who have reached the maximum of the new grade should not receive anti-compression adjustments, and should also have some or all of their labor market adjustment and cost-of-living adjustment converted into one-time payments. There are 3 public safety employees noted as being at the maximum of the grade, and would be affected by this policy.

Public Safety Plan Step 8 – Audits and Adjustments

This plan, and individual results, will need to be audited carefully and adjustments made as needed. There are situations that will need to be addressed, data that needs to be checked, and items that may have been missed. Some ability to make needed adjustments will be important.

Public Safety Plan Statistics

For 169 full-time employees, the total salary cost of this Revised Plan is \$1,202,403, with an additional \$10,912 in one-time payments to those over the maximum of the range. Adding in the cost of the City's VRS rate and FICA, that cost becomes \$1,487,493.

The additional cost of the Revised Plan, compared to the Original Plan, is \$508,858 including salaries, FICA, and VRS.

Raises for public safety full-time employees will vary between 8% and 15%. The average increase is 10.18%, and the median increase is 9.47%.

Increase by %	Average	Employees in Bracket
8 to 9%	\$5,540	21
9 to 10%	\$6,114	96
10-12%	\$9,371	16
12-15%	\$10,090	34

Future Fiscal Years

The City Council will also be asked to consider pay policy changes that will make explicit the City Council's commitment to public safety employees for at least a 2.5% move upwards along the pay grades for the next five years, at which time the policy will be re-evaluated.

This policy is subject to future appropriation and future financial conditions, as is appropriate.

FY 2024 PROPOSED COMPENSATION PLAN

March 14, 2023

Classification and Compensation Study Implementation Plan

The City Manager's Recommended Budget for FY 2024 includes recommendations for implementing pay changes to employees based upon the findings of a pay study by Bolton, Inc. The below plan is developed for employees classified as full-time regular.

Step 1: Increase Pay Scale by 5.1%

The initial finding of the Bolton Study, after they conducted their research against the market, was that the City's current pay scales are behind the labor market overall by 5.1%. The City's response is to increase the City's current pay scales, as they exist today, by 5.1% - resulting in new minimums, midpoints, and maximums.

This step does not bear an initial cost, but it does increase the cost of hiring new employees. This is necessary in order to keep up with the area labor market.

Step 2: Provide a "Labor Market Adjustment" Increase of 3% for Full-time Employees

As an initial step following the increase to the pay scale, the Recommended Budget proposes a 3% adjustment to current employees.

Step 3: Adjustments within the new Pay Grade

Part of the new proposed pay plan is an effort to ensure that employees with experience are advanced in pay along the pay scale. The following adjustments are recommended.

Step 3a – Adjustment to the New Minimum

After adjusting the pay scales, there are 21 employees who fall below the minimum of the new grade. The City should not pay employees below the minimum of the accepted pay grade. The total cost of this adjustment (salary only) is \$12,670. All but one of these adjustments was less than \$1,000.

Step 3b – Adjustments to Midpoint

Employees should generally be close to the mid-point at ten years of service within a position. Employees who have been in their positions for ten years or more were checked to determine whether their pay is at the midpoint of their grade, after the adjustment to the new pay scale.

This adjustment was based upon the "number of years in position" – which for many employees is equivalent to the date of hire – but not all. Many employees have been

promoted or reclassified to higher grades. There were 26 total employees affected by an adjustment to bring these employees to the midpoint.

The original cost of this adjustment is \$90,479 (in salary only – before benefits). These increases have a range between \$468 and \$11,304 – although only five adjustments are over \$5,000 in value.

Step 3c – Adjustments To ½ way to Midpoint

This adjustment is also based on the “number of years in position.” If an employee has been in their position for five years, they were checked to determine whether their salary at the midway mark between the grade minimum and the grade midpoint.

This adjustment affects 6 employees, and range between \$10 and \$4,828. The cost is \$11,305.

Step 4 – Anti-compression Increase

This increase will represent an increase for all employees who have been with the City for at least one year. These increases are based upon the date of hire, rather than the time in position – which will also serve to recognize years of service. Anti-compression adjustments would not be given to employees at the top of the new pay range.

Anti-Compression Increase Factor

Years of Service	Adjustment
1-4.9	0.5%
5-9.9	1.0%
10-14.9	1.25%
15-19.9	1.5%
20+	2%

The cost of this anti-compression adjustment is \$283,977.

Step 5 – Cost of Living Adjustment

The current recommended budget also includes a cost-of-living adjustment. The adjustment is 3% - with a decrease to 2% if the total annual salary is more than \$101,000. This step costs \$878,530.

Step 6 – Cap and Floor

The City recognizes that inflation has a negative impact on our employees. After all the above adjustments are calculated, the City recommends that each full-time employee’s increase in pay be set at a minimum level of \$2500. There are currently 26 employees that would receive this adjustment.

The City also recognizes that some of the above adjustments will create significantly high percentage adjustments. The plan for the FY 2024 Recommended Budget caps an individual raise at 10% of current salary. There are 25 employees that would be affected by the 10% cap.

It should also be noted that employees who have reached the maximum of the new grade should not receive anti-compression adjustments, and should also have some or all of their labor market adjustment and cost-of-living adjustment converted into one-time payments.

Step 7 – Audits and Adjustments

This plan, and individual results, will need to be audited carefully and adjustments made as needed. There are situations that will need to be addressed, data that needs to be checked, and items that may have been missed. Some ability to make needed adjustments will be important.

Statistics

For 471 full-time employees, the total salary cost of this package is \$2,097,451. Adding in the cost of the City’s VRS rate and FICA, that cost becomes \$2,593,708. This cost covers employees in all City-controlled funds.

Raises for full-time employees will vary between 5% and 10%. The average increase is 7.14%, and the median increase is 7.15%. The average increase for full-time employees is \$4,453, and the median increase is \$4,109.

Increase by %	Average	Employees in Bracket
5 to 6%	\$6,742	14
6 to 7%	\$3,823	211
7 to 8%	\$4,810	173
8 to 10%	\$4,974	48
10%	\$5,017	25
