



Healthcare



Pay



Clinic

TOTAL COMPENSATION FY18



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

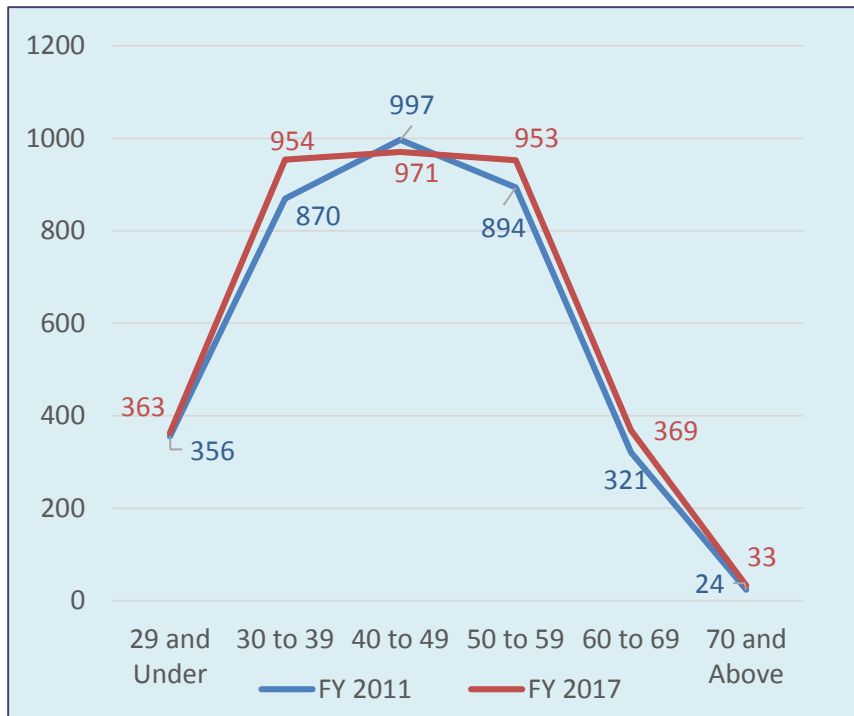
- This region has highest average salaries in Virginia
- Low unemployment rate
- Among highest cost of living areas

National trends

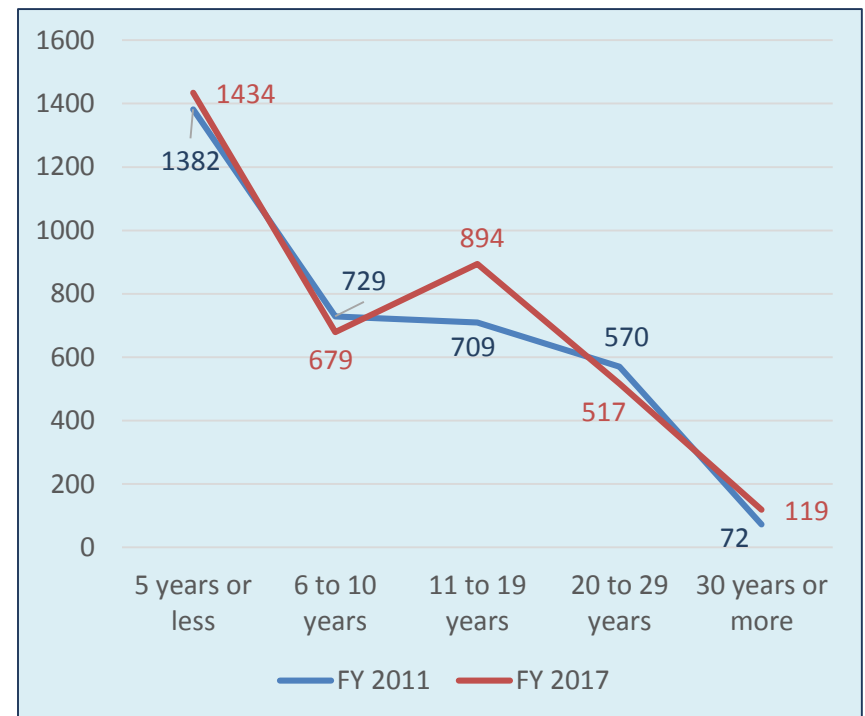
- Regional and National actual wage increase is at 3%

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

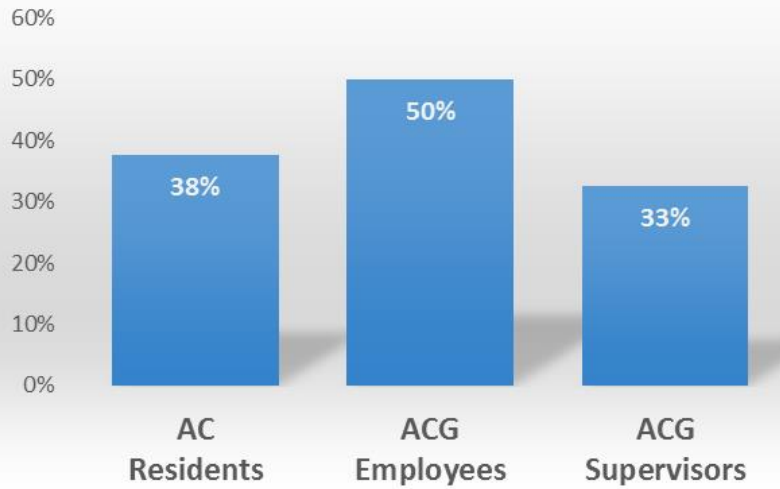
Next steps:

- 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

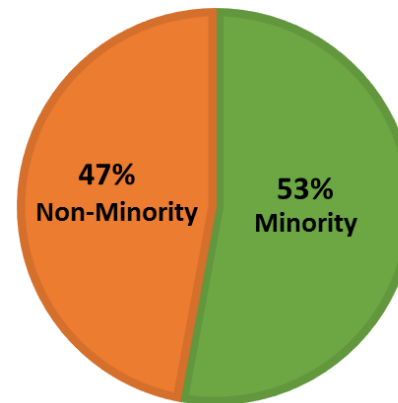
Diversity & Inclusion

Overall representation of minorities in Arlington County Government reflects our community

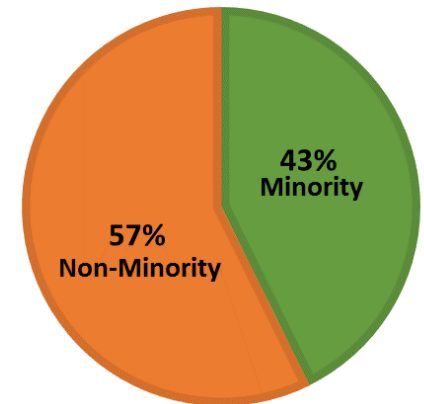
ACG Minority Profile



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</u> Per Pay Period | 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

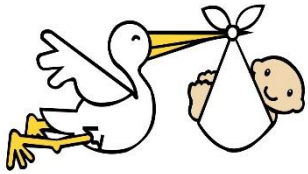
| | |
|--|-------------|
| Average Annual Salary | \$75,000.00 |
| Average Salary Increase: 3.25% | \$2,438.00 |
| Cigna Coinsurance Increase (Family) | \$407.42 |
| Gross Salary Increase after Health | \$2,030.58 |

Note: All premiums are deducted pre-tax



HealthSmart Wellness Clinic

- Clinic is currently open 4 days per week
 - Added 4th 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



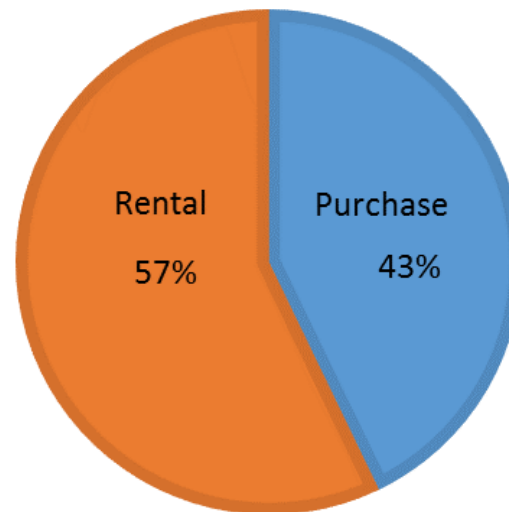


Live Where You Work Grants

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



FY17 LIVE WHERE YOU WORK GRANTS

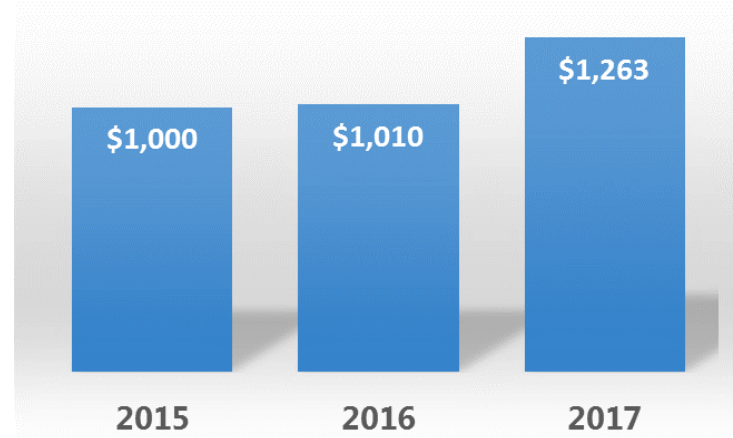




Tuition Reimbursement

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

Tuition Benefit Per Person

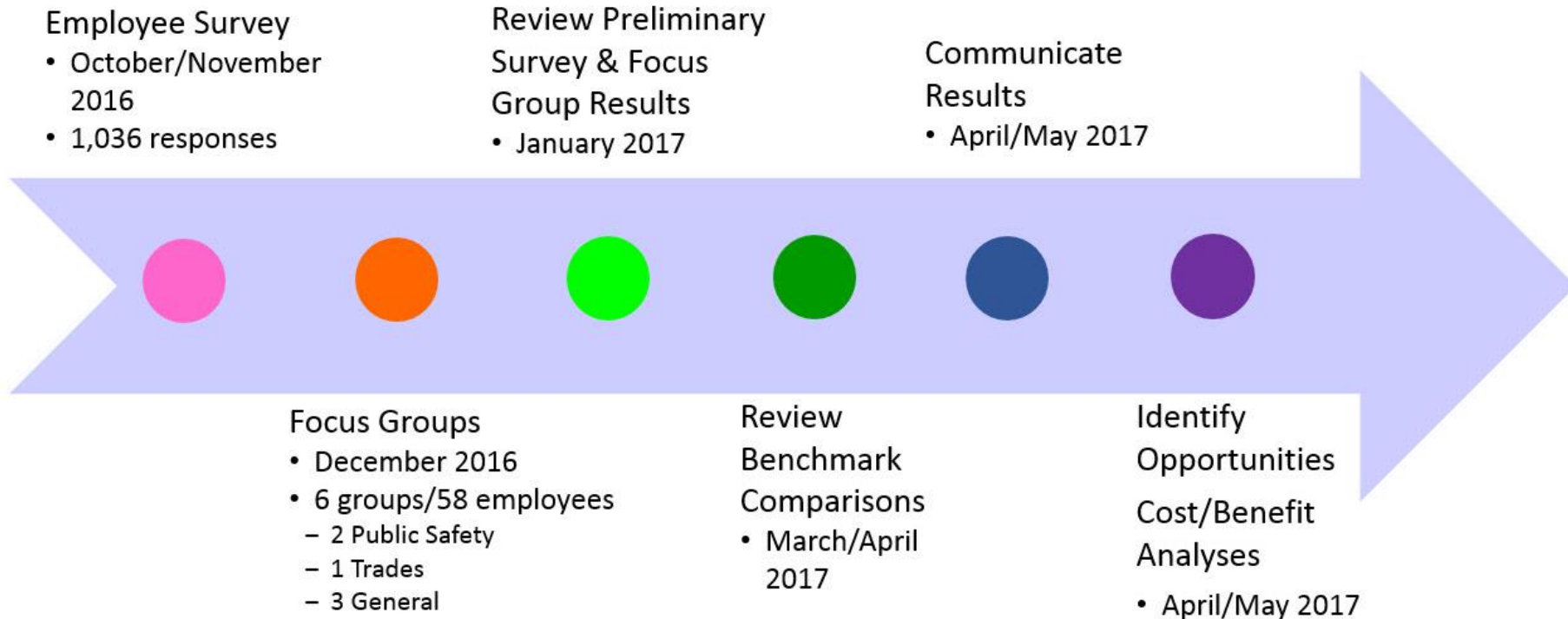


+ 25%

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[®]
- 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