

Compensation

Attracting and Retaining Quality County Employees

The County's compensation policy is as follows:

Prince William County (PWC) will have a combination of salaries, benefits, employee development and workplace environment that will attract and retain the most qualified employees in order to implement our vision. To accomplish this, the County recognizes the importance of maintaining salaries that are competitive with other Northern Virginia jurisdictions. Our success in implementing this strategy will be measured by our ability to attract quality applicants, retain quality employees and maintain employee satisfaction.

To implement this compensation policy, PWC will make every effort, within our position classification structure, to maintain salaries comparable to salaries of similar positions in Fairfax, Loudoun, and Arlington counties and the City of Alexandria. The County will annually benchmark position classifications at the midpoint average and make adjustments when necessary to maintain market competitiveness.

General Overview

- A. **Combine Budgeted Salary Lapse and Budgeted Agency Savings** - The FY2018 Budget included \$16 million in required agency savings in two accounts - budgeted salary lapse and budgeted agency savings. These accounts function as expenditure governors by adding negative funding to the agency budget, essentially reducing the total allowable expenditures. Since these two accounts have been in use, agency general fund turn back at year-end has continued to fall, from a high of over \$20 million to only \$6.4 million in FY17. Budgeted salary lapse in FY18 was \$2 million, and budgeted agency savings was \$14 million. In an effort to streamline agency budget management, the FY2019 Budget combines the two accounts into budgeted salary lapse because most agencies achieve their savings through position attrition. The total required agency savings in budgeted salary lapse in FY19 is \$16.3 million.
- B. **Position Reclassifications** - Every year, the County conducts an annual benchmark salary survey of selected job classifications to ensure salaries are competitive. The following position reclassifications, new class specification, and removal of obsolete position classifications are recommended as part of the FY2019 Budget at a cost of approximately \$956. Obsolete position classifications are no longer in use or have been superseded by another classification.

Position Reclassifications Adopted in FY2019 Budget			
Department	Title	Current Grade	New Grade
Community Services	Community Services Executive Director	22	23
Department of Information Technology	Communications & Infrastructure Division Chief	19	21
Department of Information Technology	Network Technician	12	13
Development Services	Building Construction Review Branch Chief	18	19
Development Services	Plan Review Supervisor	17	18
Finance	Purchasing Division Chief	19	20
Housing & Community Development	Housing & Community Development Director	21	22
Human Resources	Human Resources Director	22	23
Various Departments	Automotive Mechanic I	11	12

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Establish New Class Specifications Adopted in FY2019 Budget			
Department	Title	Grade	Code
Fire & Rescue	Athletic Trainer	15	6842
Police	Master Police Officer	PS15	6602

Abolish Obsolete Position Classifications in FY2019 Budget			
Department	Title	Grade	Code
Agency on Aging	Rescue Coordinator	12	5045
Agency on Aging	Senior Center Division Manager	16	5050
Agency on Aging	Senior Center Site Manager	14	5530
Community Services	Community Services New Horizons Program Manager	18	5910
Community Services	Drug Offender Recovery Services (DORS) Program Manager	18	5860
Community Services	ID Program Manager	18	5848
Community Services	Mental Health Program Manager	18	5847
Community Services	Substance Abuse Program Manager	18	5846
Community Services	Vocational Services Program Manager	18	5849
Economic Development	Innovation Business Park Manager	18	2960
Finance	Claims Manager	16	0675
Housing & Community Development	HCD Program Compliance Officer	9	5590
Housing & Community Development	Housing Program Assistant	14	5615
Police	Crime Analyst Supervisor	13	6530
Police	Parking Enforcement Guard	PS 5	6300
Police	Police Fleet Coordinator	11	6364
Police	Tele-Serve Operator	8	6416
Police	Tele-Serve Unit Supervisor	10	6420
Public Works	Certified Architect	16	2203
Public Works	Construction Services Branch Chief	17	2254
Public Works	County Architect	17	2204
Public Works	Fleet Inventory Supervisor	11	0605
Public Works	Forestry Technician	12	5230
Public Works	Manager of Facilities and Property Management	17	3616
Public Works	Parts Specialist	9	0611

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Abolish Obsolete Position Classifications in FY2019 Budget (Continued)			
Department	Title	Grade	Code
Public Health	Clinic Aide	7	5145
Public Health	Health Educator	12	5155
Public Health	Physical Therapist	10	5175
Public Health	Dental Assistant I	6	5350
Public Health	Dental Assistant II	8	5351
Social Services	Homeless Services Program Supervisor	14	5616

Budget Initiatives

1. Public Safety Retention and Recruitment Study

Expenditure	\$3,410,900	General Fund Impact	\$2,800,900
Revenue	\$610,000	FTE Positions	0.00

- a. **Public Safety Compensation Increases** - During FY17, the BOCS directed staff to contract for a [study of public safety retention and recruitment](#) to determine if compensation adjustments are necessary to reduce attrition and improve overall employee satisfaction in the Adult Detention Center (ADC), the Department of Fire & Rescue (DFR), the Police Department (PD) and the Sheriff's Office (SO). Where appropriate, the study benchmarked County practices against the Northern Virginia comparison group - Alexandria, Arlington, Fairfax, Loudoun, and for the ADC, the Rappahannock Regional Jail.

The study focuses primarily on three compensation issues:

- Pay compression, where individuals with the same pay grade and level of experience receive very different compensation, depending on whether they were promoted through the County ranks or came to the County from another locality, or where an insufficient pay differential exists between supervisors and subordinates;
- Compensation compared to other Northern Virginia jurisdictions, because County public safety employees have progressed more slowly through their pay ranges relative to employees in other jurisdictions; and
- The inability of public safety employees to project future earnings, because not all public safety pay adjustments add to base pay.

The compensation study recommendations to address these issues fall into four categories:

- Implement targeted pay adjustments for each public safety employee group to address pay compression and improve market competitiveness;
- Create pay scales for each public safety employee group;
- End the practice of alternating pay for performance increases and market pay adjustments and focus on moving employees through the pay schedule; and
- Eliminate performance plus pay and redirect savings into other areas of the compensation plan.

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The study recommends a two-phase approach to implementation:

- **Phase 1 (FY19)** - Implement targeted pay adjustments in FY19 designed to address compression by migrating sworn staff in the ADC, DFR, PD, and SO to respective pay scales based on years of service. The current annual retention supplement for PD and DFR, and the Career Development Program in PD will be eliminated and included with base pay in FY19. These actions will result in an increased cost to the general fund of approximately \$3,010,900 in FY19. Of this amount, \$610,000 is attributed to DFR and will be funded by the fire levy.
- **Phase 2 (FY19 & FY20)** - Phase 2 entails creating new public safety pay scales to improve market competitiveness with other jurisdictions while maintaining pay progressions between ranks. All public safety sworn personnel will be moved to a pay scale with 3% step increments over a multi-year period while addressing agency-specific compensation and operational issues. For example, the DFR operating schedule will be changed from 2,496 to 2,912 annual hours, consistent with the most common shift schedule among other regional departments. Phase 2 actions will result in an increased cost to the general fund of approximately \$400,000 (for PD) beginning in FY19 and full year costs of \$9,416,400 in FY20 for all public safety personnel. Of this full year amount, \$6,940,000 is attributed to the operating schedule change is planned to be funded by the fire levy. Increased DFR salary costs attributed to the change to 24-hour shifts will be offset by DFR staffing plan savings throughout the Five-Year Plan. Please refer to the Fire & Rescue agency budget pages for additional information.

The total general fund cost of implementing both phases of the Public Safety Retention and Recruitment Study in FY19-23 is \$55,812,210. Of this amount, \$32,282,000 is attributed to DFR and is planned to be funded by the fire levy.

2. Pay for Performance Adjustment

Expenditure	\$5,732,488	General Fund Impact	\$5,732,488
Revenue	\$0	FTE Positions	0.00

- a. **Pay for Performance Adjustment** - Funding is included to support a 3.0% pay for performance increase in FY19. Annual pay for performance adjustments of 3.0% are included in each remaining year of the Five-Year Plan (FY2020-2023). Pay for performance includes the following:
 - The basic pay for performance increase is calculated on the employee’s current salary/pay as a percentage increase until the employee reaches the maximum salary/pay for that position. Maximum salary/pay scales are not extended based on pay for performance adjustments. The total general fund cost of pay for performance adjustments is \$78,392,799 in FY19-23.
 - “Performance Plus” is a lump-sum award that will be added to the first paycheck the employee receives after his/her evaluation, if the performance is rated higher than the “Fully Achieved” rating. This one-time amount is not added to the employee’s base pay. Employees at the maximum salary/pay for their position are eligible for this award. Beginning in FY19, public safety sworn personnel are not eligible for “Performance Plus” as recommended by the Public Safety Retention and Recruitment Study. The savings from this change have been redirected to implement the recommendations contained in the study. Funding to support “Performance Plus” is budgeted in FY19-23. The total general fund cost of “Performance Plus” is \$2,531,505 in FY19-23.

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b. Future Compensation Rollover - Each year compensation actions are rolled over into the next budget year. This includes positions which were initially funded for a partial year and require a full year budget in the next fiscal year. Pay for performance rollovers are necessary because not all employees receive pay for performance increases at the beginning of the fiscal year. Therefore, a pay for performance increase given halfway through a fiscal year needs to be funded for the entire next fiscal year. This rollover captures the full cost of providing a pay for performance increases to employees. When no pay for performance increase is authorized, little if any compensation rollover funds are added to the budget in the next budget year. The total general fund cost of compensation rollover is \$26,130,933 in FY19-23.

3. Health Insurance Increase/Dental Insurance Decrease

Expenditure	\$1,565,728	General Fund Impact	\$1,565,728
Revenue	\$0	FTE Positions	0.00

a. Description - This initiative funds County employer contributions for health and dental insurance increases required to maintain the stability of the County's self-insurance fund. The FY19 expenditure is due to an average 5.3% increase for the County's health insurance and an average 2.9% decrease for dental insurance in FY19. The Five-Year Plan contains provisions for 7.0% annual increases to health insurance rates and 10.0% annual increases to dental insurance rates in FY20-23. The total general fund cost for the County's employer contribution for health and dental insurance is \$32,916,745 in FY19-23.

4. Pension and Retirement Benefits

Expenditure	\$1,240,558	General Fund Impact	\$1,240,558
Revenue	\$0	FTE Positions	0.00

a. Virginia Retirement System (VRS) - The certified VRS employer contribution rate is 13.16% and will become effective July 1, 2018. This represents an increase from the current VRS rate of 12.73% at a cost of \$1,142,927. VRS rates are evaluated and certified by the VRS Board of Trustees every two years with no change projected in FY21. The total general fund cost associated with the VRS actuarial rate increase is \$5,714,635 in FY19-23.

b. Retiree Health Credit - County employees are not provided health insurance coverage upon retirement. The County Retiree Health Credit program is available to employees upon separation and retirement from County service. All full-time employees and existing retirees with a minimum of 15 years of County service can receive \$5.50 per month for each year of service, up to a maximum of \$165 per month for 30 years of County service. When the \$45 maximum per month currently offered as part of the State VRS is added, the maximum for 30 years of County service increases to \$210 per month. The Retiree Health Credit Program is separate from and in addition to the existing VRS Health Credit program, which is also completely funded by County contributions. The 5.0% cost increase of \$97,631 in the retiree health credit budget is projected to cover growth in this benefit due to additional retirees. The amount paid to each individual retiree has not increased. The total general fund cost to increase the retiree health care budget at 5.0% per year is \$1,565,831 in FY19-23.

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Summary of Compensation Adjustments in FY2019-2023 Five-Year Plan (Amounts are Cumulative)						
	FY19	FY20	FY21	FY22	FY23	Total
Public Safety Compensation Study:						
Phase 1 (FY19)	\$3,010,900	\$3,103,150	\$3,198,290	\$3,295,430	\$3,396,460	\$16,004,230
Phase 2 (FY20)	\$400,000	\$9,416,400	\$9,700,870	\$9,994,230	\$10,296,480	\$39,807,980
Subtotal	\$3,410,900	\$12,519,550	\$12,899,160	\$13,289,660	\$13,692,940	\$55,812,210
Pay for Performance:						
Pay for Performance (3% Increase in FY19; 3% Annual Increase in FY20-23)	\$5,226,187	\$10,452,373	\$15,678,560	\$20,904,746	\$26,130,933	\$78,392,799
Compensation Rollover	\$0	\$2,613,093	\$5,226,187	\$7,839,280	\$10,452,373	\$26,130,933
Performance Plus	\$506,301	\$506,301	\$506,301	\$506,301	\$506,301	\$2,531,505
Subtotal	\$5,732,488	\$13,571,767	\$21,411,048	\$29,250,327	\$37,089,607	\$107,055,237
Pension and Retirement Benefits:						
Virginia Retirement System (VRS) (13.16% Rate in FY19)	\$1,142,927	\$1,142,927	\$1,142,927	\$1,142,927	\$1,142,927	\$5,714,635
Retiree Health Credit (5% Annual Increase)	\$97,631	\$200,143	\$307,782	\$420,802	\$539,473	\$1,565,831
Subtotal	\$1,240,558	\$1,343,070	\$1,450,709	\$1,563,729	\$1,682,400	\$7,280,466
Health/Dental Insurance:						
Health Insurance (5.3% Increase in FY19; 7% Annual Increase in FY20-23)	\$1,599,133	\$3,823,134	\$6,202,815	\$8,749,074	\$11,473,571	\$31,847,727
Dental Insurance (2.9% Decrease in FY19; 10% Annual Increase in FY20-23)	(\$33,405)	\$78,444	\$201,478	\$336,815	\$485,686	\$1,069,018
Subtotal	\$1,565,728	\$3,901,578	\$6,404,293	\$9,085,889	\$11,959,257	\$32,916,745
Grand Total	\$11,949,674	\$31,335,965	\$42,165,210	\$53,189,605	\$64,424,204	\$203,064,658