



Legislation Details (With Text)

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Title: Consideration of the Release of \$1,000,000 from FY 2025 General Fund Contingent Reserves to Review and Implement Findings to the City of Alexandria’s Classification and Pay System.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 24-2246_Attachment 1 - Budget Memo 91 Add_Delete.pdf

Date	Ver.	Action By	Action	Result
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City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 18, 2024

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES F. PARAJON, CITY MANAGER /s/

FROM: ALETHEA PREDEOUX, DEPUTY CITY MANAGER

DOCKET TITLE:
Consideration of the Release of \$1,000,000 from FY 2025 General Fund Contingent Reserves to Review and Implement Findings to the City of Alexandria’s Classification and Pay System.

ISSUE: Consideration of the release of \$1,000,000 from FY 2025 General Fund Contingent Reserves to review and implement findings to the City of Alexandria’s classification and pay system.

RECOMMENDATION: That City Council:

1. Approve the allocation of \$1,000,000 from FY 2025 Contingent Reserves to:
 - a. Begin review and implementation of salary adjustments for positions determined to be below the average of our prescribed comparator jurisdictions and approved by the City Manager; and
 - b. Update the City of Alexandria’s classification and pay review process.

2. Authorize the City Manager to execute all necessary processes and documents that may be required for implementation.

BACKGROUND: During the FY 2025 budget add/delete process (Attachment 1), the City Council placed \$1,000,000 into contingent reserves to adjust employee salaries and develop and implement a system for cyclical employee pay adjustments. The City's employee classification and pay system has not been comprehensively updated since 2010. As a result, there are City positions with salaries that have not kept pace with the labor market, and for certain positions, salaries lag those of our prescribed comparators. Reviewing and updating the classification system will allow the Department of Human Resources to adjust employee salaries and implement a process that provides systemic review of employee pay on a consistent basis, resulting in more competitive compensation packages.

DISCUSSION: Since the budget add/delete process, the Department of Human Resources (DHR) has developed a scope of work to solicit a compensation consultant to review, update and implement a new pay and classification system. In partnership with the City Manager's Office, DHR is also conducting market analysis on an ongoing basis to identify positions with salaries below the average minimum pay of comparator organizations. Release of the contingency funding will allow for a targeted review of compensation and salary adjustments, as well as procurement of a compensation consultant to develop and implement a new process for cyclical employee classification review and pay adjustments. Updates to the City's classification and pay review process will help retain and recruit professional talent.

FISCAL IMPACT: There is no fiscal impact currently. Funds were included in the Approved FY 2025 Budget. This action will release the funds from Contingent Reserves to a Non-Departmental Compensation account. Funds will be used initially to procure a consultant, and following development of the review system and implementation, funds will be transferred to the appropriate departments. These interdepartmental transfers will be included in a Supplemental Appropriation Ordinance in FY 2025.

ATTACHMENTS:

1. Budget Memo #091 Add/Delete

STAFF:

Jean Kelleher, Acting, Chief Human Resources Officer
Terry Suehr, Director, Department of Project Implementation
Amanda Smith, Deputy Director, Department of Human Resources (DHR)
Adia Rhodes, DHR, Senior Compensation Analyst
Kathy Reed, DHR, Compensation Analyst