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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 \$1.75 Million in FY 2025 Contingent Reserve Funding to Fund Alexandria City Employee Retention Incentives

ISSUE: Consideration of the release of \$1,750,000 from FY 2025 Contingent Reserves for one-time targeted employee retention purposes.

RECOMMENDATION: That the City Council release \$1,750,000 in FY 2025 Contingent Reserve funding to provide retention incentives for positions to be identified by the City Manager.

BACKGROUND: In the FY 2025 budget add/delete process, the City Council placed \$1,750,000 in contingent reserves for one-time targeted retention incentives within City departments experiencing high turnover and significant vacancy rates. Currently, the City’s turnover rate is approximately 15 percent. The Council expressed that the focus should include, but not be limited to, the Department of Community and

Human Services (DCHS), the Sheriff's Office, the Department of Emergency and Customer Communications (DECC), and the Office of the Circuit Court Clerk..

DISCUSSION: In order to provide targeted City employee and constitutional officer staff retention incentives, City staff recommends a data-driven approach whereby positions are awarded monetary retention bonuses through prioritization. In addition, the analysis will evaluate other factors that can improve retention and considerations to address retention challenges. The approach will utilize key factors such as:

- Position Turnover Rate - positions with high historical turnover rates;
- Average Position Vacancy - positions that have been historically hard to fill;
- Average Tenure of Employees - positions with an average employee tenure that have historically been difficult to retain;
- Mission Critical Positions - positions designated as vital to performing core city services;
- Positions with High Potential Turnover Costs - positions that require specialty skills or certifications;
- Department Priority Positions - positions designated as a priority by department leadership; and
- Market Pay Analysis - reviewing the salary of comparable positions in other localities.

The application of this methodology will be reviewed through an equity lens and, if necessary, amended accordingly.

In addition, the contingency funding will be used to fund employee retention incentives that include, but are not limited to, one-time monetary recognition for existing employees, longevity onboarding incentives, professional development opportunities, and educational trainings. Reviewing and implementing additional incentives to retain talent will enhance the City of Alexandria's ability to keep and attract professionals in a competitive job market and region.

FISCAL IMPACT: The \$1,750,000 was budgeted in FY 2025 as a Contingent Reserve. There is no additional impact on the City's FY 2025 operating budget. If the Council approves, this action will release the funds from Contingent Reserves to a Non-Departmental Compensation account.

ATTACHMENT: None

STAFF:

Jean Kelleher, Acting Director, Human Resources

Amanda Smith, Deputy Director, Human Resources

Adia Rhodes, Senior Compensation Analyst, Human Resources

Greg Useem, Director, Office of Performance Analytics

Katherine Key, Performance Analyst, Office of Performance Analytics