



FY 20 BUDGET MEMO # 02

DATE: March 27, 2019

TO: The Honorable Mayor and Members of the City Council

THROUGH: Robert Stalzer, City Manager *RA Stalzer*

FROM: Kerry Kidd, Budget Manager

SUBJECT: Explanation of Fringe Benefit Increase FY 2019 – FY 2020

Please refer to Attachment I.

Increases were due primarily to the following:

- | | |
|------------------|---|
| Social Security | The increase is due to the impact of the FY 2019 Merit increases annualizing in FY 2020, proposed COLA increases and proposed additional FTE's. |
| City Retirement | Proposed FY 2020 rates for General employees rose 70% from budgeted FY 2019, annualized FY 2019 merit increases, proposed COLA increases and proposed additional FTE's.

Proposed FY 2020 rates for Public Safety employees rose by 38% from budgeted FY 2019, annualized FY 2019 merit increases, proposed COLA increases. |
| State Retirement | Annualized FY 2019 merit increases, proposed COLA increases and proposed additional FTE's. |

FY 2020 Fringe Benefits Summary
--

Category	FY 2019 Budget	FY 2020 Proposed	Variance to 2019	% Variance
Social Security	\$ 2,838,428	\$ 2,910,170	\$ 71,742	2.53%
Virginia Retirement System (VRS)	3,903,397	3,943,375	39,978	1.02%
City Retirement	2,726,012	4,186,748	1,460,736	53.59%
Health Insurance	4,447,574	4,669,953	222,379	5.00%
Life Insurance	168,356	105,267	(63,089)	-37.47%
Disability	146,135	119,876	(26,259)	-17.97%
Employee Assistance	9,500	8,925	(575)	-6.05%
Unemployment Insurance	10,000	18,000	8,000	80.00%
LODA	101,735	149,264	47,529	46.72%
Workers Compensation	905,610	848,320	(57,290)	-6.33%
Total	\$15,256,747	\$16,959,897	\$ 1,703,151	11.16%

All Funds	FY 2019 Budget	FY 2020 Proposed	Variance to 2019	% Variance
General	\$14,300,510	\$15,873,112	\$ 1,572,602	11.00%
Wastewater	250,715	280,008	29,293	11.68%
Transit	677,533	776,352	98,819	14.59%
Stormwater	27,989	30,425	2,436	8.70%
Total All Funds	\$15,256,747	\$16,959,897	\$ 1,703,150	11.16%