



# FY 20 BUDGET MEMO # 30

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DATE: April 30, 2019

TO: The Honorable Mayor and Members of the City Council

THROUGH: Robert A. Stalzer, City Manager *RA Stalzer*

FROM: Sara Greer, Personnel Director

SUBJECT: Pay Competiveness

As requested by Councilmember DeMarco.

In 2016 the City completed a compensation study to ensure that our pay ranges and pay plan were competitive in the region and internally equitable. The consultants proposed a pay structure that was based on both regional local government and internal data. The City adopted the study recommendations and pay structure effective July 1, 2016. The adopted compensation study was forwarded separately to the Mayor and City Council on Wednesday April 24.

In the study, the consultants recommended that:

- The City annually adjust the adopted ranges to maintain competitiveness (in terms of a position's salary range) in the regional market. This annual adjustment would shift the lower and upper limits of the range. The only employees guaranteed a salary increase without Council approval of either a cost-of-living or merit increase, would be those employees whose salary was below the new lower limit. This policy is meant to help the City maintain its competitiveness in terms of recruitment. For the City to remain competitive in terms of retention, cost-of-living and merit increases need to stay in line with those provided by our regional jurisdictions.
- The City currently uses the Employment Cost Index (ECI) to adjust the ranges, as recommended by the City's compensation consultants. (Previously, the City used the average of the Consumer Price Index (CPI) and the ECI for calculating the recommended pay range adjustment).

To illustrate the City's current competitive position compared to its closest (by proximity) competing jurisdiction (Fairfax County). Please see the attached summary of City and County compensation adjustments for FY17 through FY20 (the four years subsequent to the City's compensation study). Please keep in mind this is a comparison to a single jurisdiction and a more comprehensive analysis will be performed prior to the City Council's July offsite meeting.

**City of Fairfax**  
**Compensation Increase Comparison to Fairfax County**  
**FY 2017 - FY 2020**

**GENERAL EMPLOYEES:**

	<b><u>FFCo</u></b>	<b><u>COF</u></b>
<b>FY 2017:</b>		
<b>COLA</b>	1.33%	1.35%
<b>Merit/Performance</b>	1.25% - 3.0%	3.50%
<b>Adj. To Range</b>	1.33%	1.35%
<b>Longevity</b>	4.00%	0.00%
<b>FY 2018:</b>		
<b>COLA</b>	0.00%	2.00%
<b>Merit/Performance</b>	1.25% - 3.0%	2.50%
<b>Adj. To Range</b>	0.00%	2.00%
<b>Longevity</b>	4.00%	0.00%
<b>FY 2019:</b>		
<b>COLA</b>	2.25%	0.00%
<b>Merit/Performance</b>	1.25% - 3.0%	3.50%
<b>Adj. To Range</b>	2.25%	2.60%
<b>Longevity</b>	4.00%	0.00%
<b>FY 2020 (Proposed):</b>		
<b>COLA</b>	2.10%	2.60%
<b>Merit/Performance</b>	1.25% - 3.0%	0.00%
<b>Adj. To Range</b>	2.10%	2.60%
<b>Longevity</b>	4.00%	0.00%

**City of Fairfax**  
**Compensation Increase Comparison to Fairfax County**  
**FY 2017 - FY 2020**

**PUBLIC SAFETY EMPLOYEES:**

	<b><u>FFCo</u></b>	<b><u>COF</u></b>
<b>FY 2017:</b>		
<b>COLA</b>	1.33%	1.35%
<b>Merit/Performance</b>	5.00%	3.50%
<b>Adj. To Range</b>	1.33%	1.35%
<b>Longevity</b>	5.00%	0.00%
<b>FY 2018:</b>		
<b>COLA</b>	0.00%	2.00%
<b>Merit/Performance</b>	5.00%	2.50%
<b>Adj. To Range</b>	0.00%	2.00%
<b>Longevity</b>	5.00%	0.00%
<b>FY 2019:</b>		
<b>COLA</b>	2.25%	0.00%
<b>Merit/Performance</b>	5.00%	3.50%
<b>Adj. To Range</b>	2.25%	2.60%
<b>Longevity</b>	5.00%	0.00%
<b>FY 2020 (Proposed):</b>		
<b>COLA</b>	2.10%	2.60%
<b>Merit/Performance</b>	5.00%	0.00%
<b>Adj. To Range</b>	2.10%	2.60%
<b>Longevity</b>	5.00%	0.00%