

The seal of the City of Richmond is a circular emblem. It features a central figure of a Native American holding a bow and arrow, set against a blue background with white stars. The outer ring of the seal contains the text "CITY OF RICHMOND" at the top and "ESTABLISHED 1737" at the bottom. The seal is rendered in a light gray, semi-transparent style.

# **FY 2025 PROPOSED BUDGET: COMPENSATION**

**CITY COUNCIL BUDGET WORKSHOP**

**LINCOLN SAUNDERS**

CHIEF ADMINISTRATIVE OFFICER

APRIL 15, 2024

# STRENGTHENING CUSTOMER SERVICE

## Our FY 2025 Focus

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- Strong customer service comes from a healthy and happy workforce
- Human Resources programs can strengthen the workforce by focusing on employee well-being
- A competitive and holistic compensation and benefits package supports employees' physical, mental, and emotional well-being



# OUR FY 2025 PAY PHILOSOPHY

To maintain a competitive, market-based approach to pay, we need:

- ✓ Benchmarks of internal and external equity
- ✓ Rewards for exceptional performance (opportunities for growth and promotion)

Three pillars of our pay philosophy:

Transparent, fair, equitable, and sustainable pay systems

Competitive starting salaries and regular increases

A minimum wage that leads by example

This ensures One Richmond is:

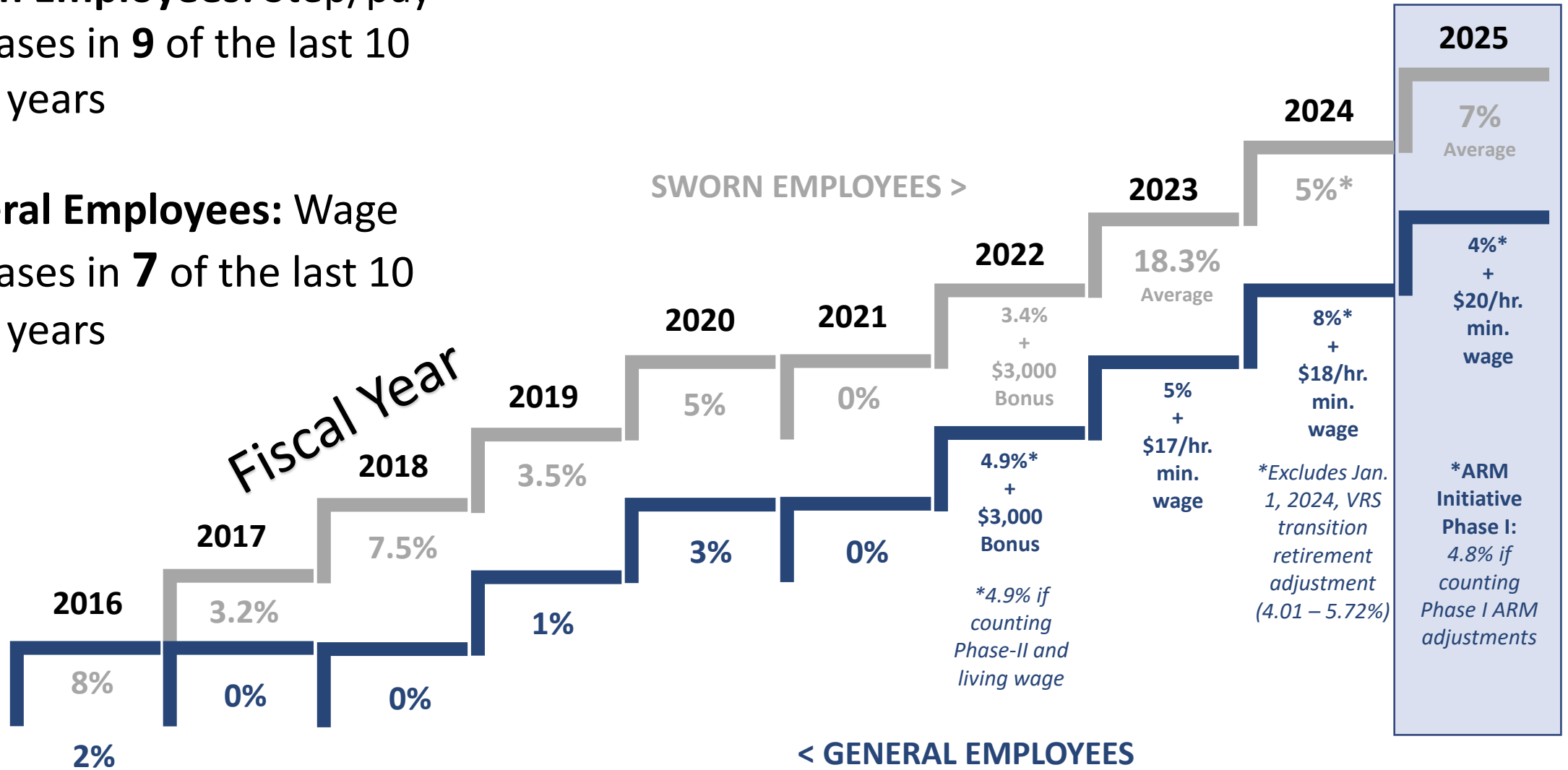
- Equitable
- Competitive
- Poised to meet future challenges



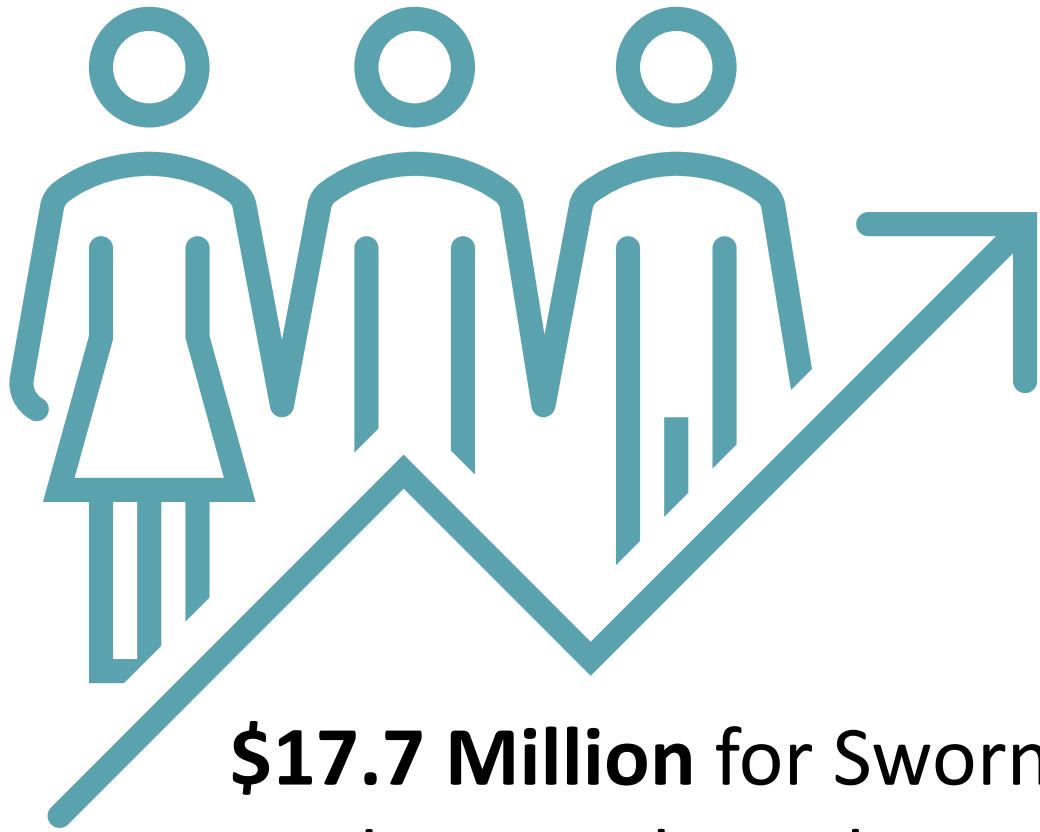
# SWORN PERSONNEL RECEIVED MORE INCREASES THAN GENERAL EMPLOYEES IN THE LAST 10 YEARS

**Sworn Employees:** Step/pay increases in **9** of the last 10 fiscal years

**General Employees:** Wage increases in **7** of the last 10 fiscal years



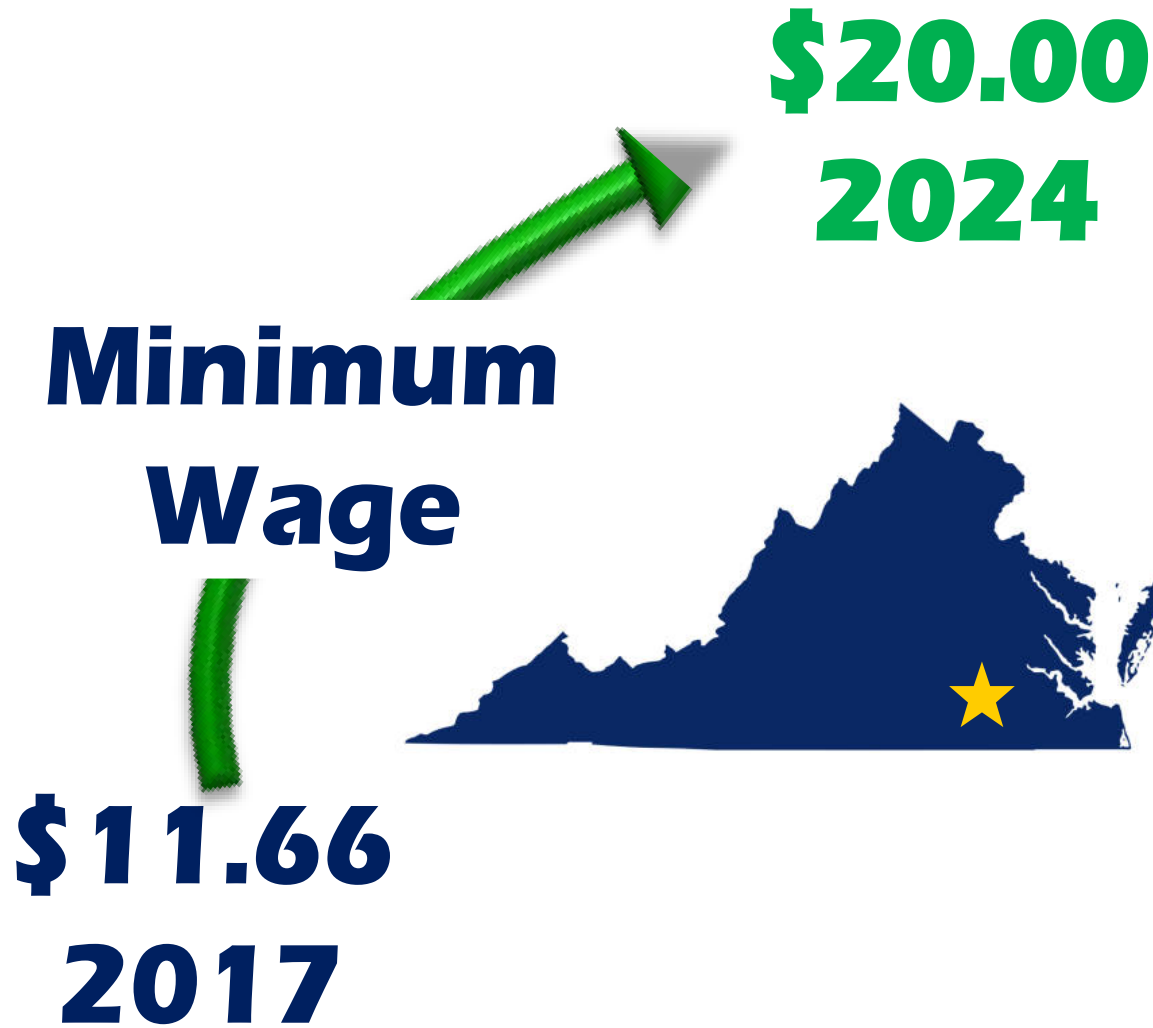
# TAKING CARE OF OUR EMPLOYEES



**\$17.7 Million** for Sworn  
and General employee  
pay adjustments

The city continues  
**making history** with  
another competitive pay  
plan, marking the **fourth  
consecutive year** of  
unprecedented pay  
adjustments

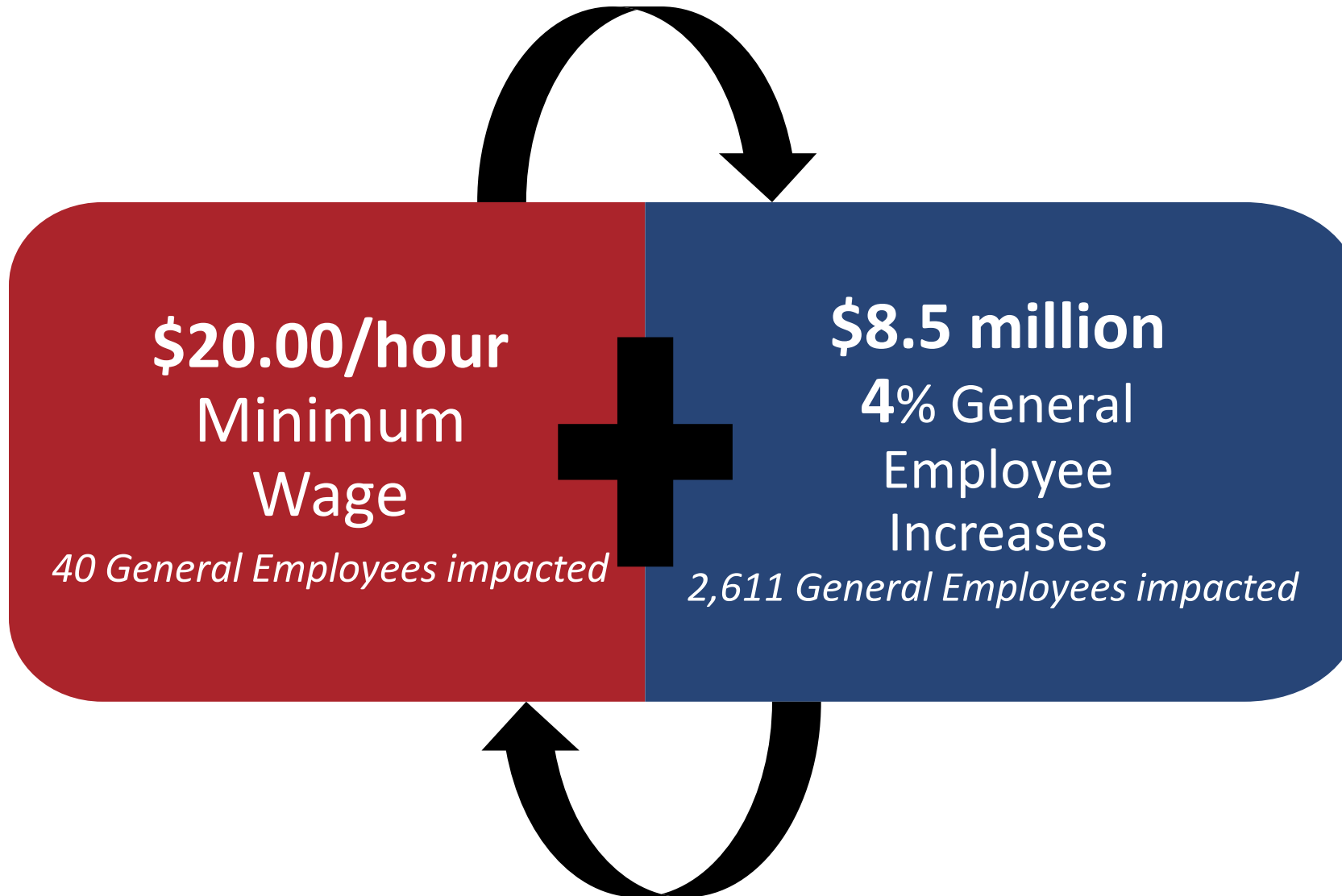
# WE ARE LEADING THE WAY IN MINIMUM WAGE!



What does a \$20.00 Minimum Wage mean?

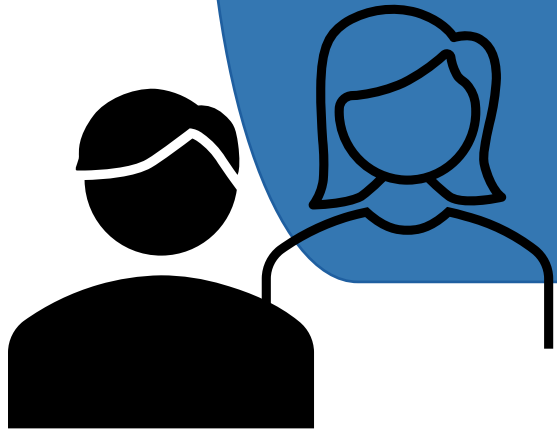
- \$41,600 annualized salary
- Positions Richmond as a leader in the market with **one of the highest minimum wages of municipalities in Virginia**
- 67% higher than the state's minimum wage of \$12.00 per hour
- 176% higher than federal minimum wage of \$7.25
- 72% higher than the city's 2017 minimum wage of \$11.66 per hour
- We believe this is the right thing to do!

# FY 2025 GENERAL AND MINIMUM WAGE INCREASES



# FY 2025 EMPLOYEE WAGE INCREASES

4.0% wage  
increase for  
General  
Employees



7.0%  
(average)  
Step Plan  
adjustment  
for Sworn  
Employees







# **MAINTAINING A COMPETITIVE, MARKET-BASED COMPENSATION STRATEGY**

EMPLOYER OF CHOICE

Attract, Retain, Motivate (ARM)



# FY 2023 – FY 2024 COMPENSATION & JOB STUDY

- Last year, the Mayor announced an assessment of current compensation structures and comparative market analysis.
- Scope:
  - Position description questionnaire
    - ✓ Employee responses to job classification and assigned duties.
  - Benchmarking to neighboring localities and peer cities
    - ✓ Match job titles, descriptions, and salaries of City of Richmond jobs to peer city jobs. This analysis included Henrico, Chesterfield, Hanover, and Norfolk
  - Compensation comparative analysis
    - ✓ Benchmarked jobs to determine City of Richmond's pay and pay range competitiveness



# AFTER COMPLETING THE COMPENSATION REFORM STUDY, WE ARE INTRODUCING THE ARM INITIATIVE

✓ **FY 2023:**  
Employee  
engagement  
sessions, review  
of industry trends

✓ **FY 2024:**  
Completed  
market pricing  
and  
benchmarking

✓ **FY 2024:**  
Completed  
review of  
market data to  
ensure specific  
job classes are  
competitive

✓ **FY 2023**  
Information  
gathering

✓ **FY 2024:**  
Completed  
review of job  
description  
survey

**FY 2025:**  
Introducing  
the **ARM**  
Initiative:  
Attract,  
Retain,  
Motivate!

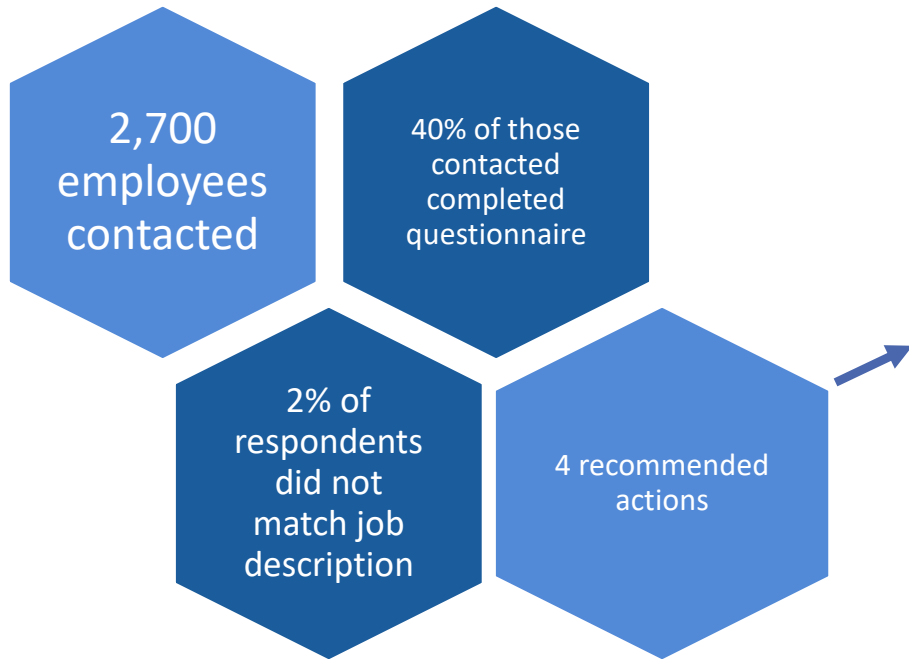


# ARM INITIATIVE – A PHASED APPROACH TO PAY

- 1** ARM provides a fiscally sound approach to a new compensation strategy:
- 2** To attract and retain high-quality employees, we need to accelerate employee compensation increases
- 3** Phase 1 moves existing employees at the bottom of a pay range to at least 15% from the minimum of the range
- 4** In annual phases, additional compensation increases move employees deeper into the pay range

# FY 2023 – FY 2024 COMPENSATION & JOB STUDY

## At-a-Glance:



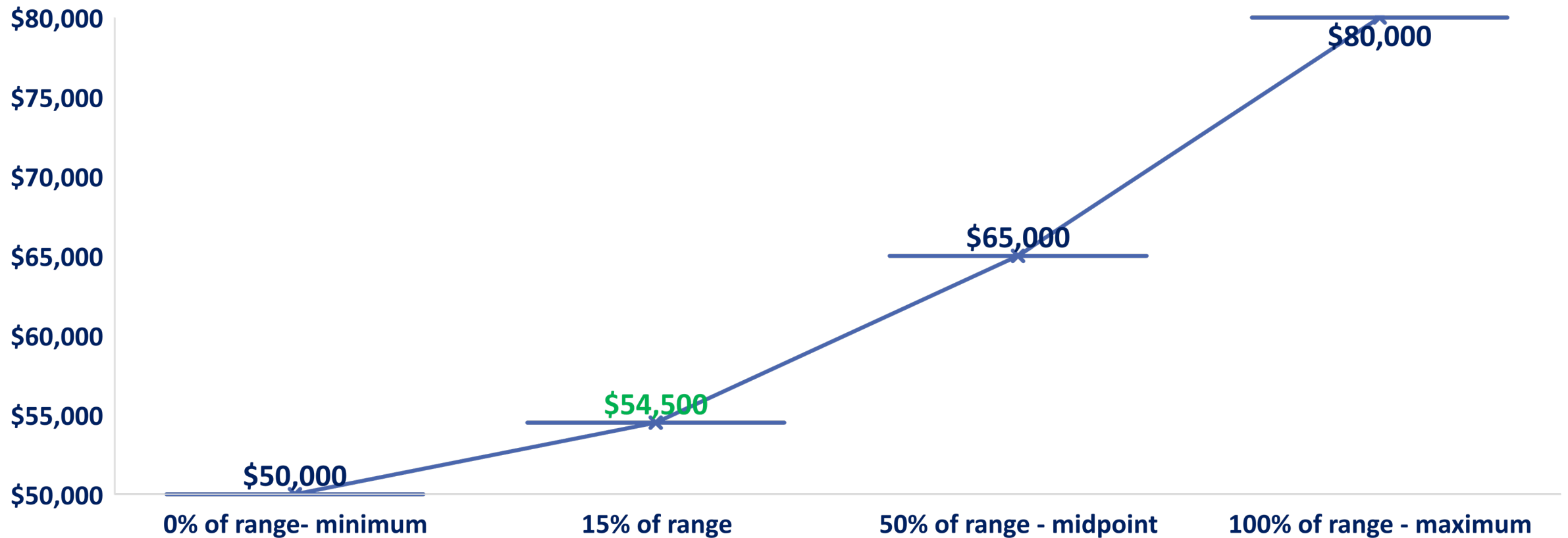
## Actions:

- ✓ Grade range increase of at least **10%**
- ✓ Moving **80** jobs to a new grade level, impacting **312** employees
- ✓ **8** new job classifications created, providing additional career ladders
- ✓ Review job classifications of employees whose job duties do not match their classification

# ARM PHASE 1 IMPLEMENTATION: AN EXAMPLE

In FY 2025, employees earning below 15% of pay range receive an adjustment to 15% of the midpoint of the pay range.

## Example of Phase 1






**ATTRACT,  
RETAIN, &  
MOTIVATE**

**Compensation adjustments due to ARM and collective bargaining:**

*24% of eligible general employees receive a 4.1% to >20% wage increase, to bring them to 15% from the minimum of the range.*

**IMPLEMENTING PHASE 1**

Total Increases July 2024	
Percentage	Number of Employees
4%	2048 (76%)
4.1-4.9%	39
5.0-5.9%	38
6.0-6.9%	91
7.0-7.9%	183
8.0-8.9%	51
9.0-9.9%	47
10.0-10.9%	15
11.0-11.9%	64
12.0-12.1%	3
13.0-13.9%	56
14.0-14.9%	11
15.0-15.9%	4
16.0-16.9%	26
17.0-17.9%	15
18.0-18.9%	3
19.0-19.9%	3
20% or greater	9

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# POSITION (FTE) ADJUSTMENTS



# PERSONNEL POSITION ADJUSTMENTS – MID-YEAR

## Mid-Year Adjustments

Department	Total FTE Count Change	Amount (Salary & Benefits)	Cost Adjustments (Operating & Reimbursements)	Net Cost
Animal Care & Control	1.00	\$45,342	(\$68,640)	(\$23,298)
CAO	1.00	\$181,195	-	\$181,195
Citizen Service & Response	3.00	\$131,646	(\$150,000)	(\$18,354)
City Council	1.00	\$95,495	-	\$95,495
DECPR	1.00	\$58,670	-	\$58,670
Economic Development	1.00	\$101,266	-	\$101,266
Finance	35.00	\$2,049,702	-	\$2,049,702
Human Resources	1.00	\$154,326	-	\$154,326
Human Services/NCS	1.00	\$95,495	-	\$95,495
Justice Services	5.50	\$419,888	(\$346,797)	\$73,091
Library	11.00	\$633,387	(\$540,005)	\$93,382
Parks & Rec	9.00	\$480,907	(\$736,531)	(\$255,624)
Procurement	1.00	\$123,574	-	\$123,574
Social Services	24.00	\$1,285,255	(\$1,086,040)	\$199,215
<b>Grand Total</b>	<b>95.50</b>	<b>\$5,856,148</b>	<b>(\$2,928,013)</b>	<b>\$2,928,135</b>




# PERSONNEL POSITION ADJUSTMENTS – NEW FY 2025

## New FY 2025 Adjustments

Department	FTE	Amount (Salary & Benefits)
Animal Care & Control	5.00	\$287,495
Citizen Service & Response	3.00	\$133,333
City Attorney	2.00	\$207,751
Economic Development	1.00	\$102,050
General Registrar	2.00	\$160,000
General Services	2.00	\$291,098
Housing & Community Development	2.00	\$200,006
Human Services/NCS	5.00	\$391,312
Human Resources	1.00	\$95,495
Office of Sustainability	2.00	\$111,684
Parks & Rec	21.00	\$1,118,775
Procurement	4.00	\$244,650
<b>Grand Total</b>	<b>50.00</b>	<b>\$3,343,649</b>



The seal of the University of Richmond is a circular emblem. It features a central figure of a person standing on a globe, holding a torch. The figure is set against a blue background with white stars. The outer ring of the seal is white with a rope-like border and contains the text "UNIVERSITY OF RICHMOND" at the top and "ESTABLISHED 1737" at the bottom. The seal is semi-transparent and serves as a background for the text.

# **BUILDING STRONGER CUSTOMER SERVICE STARTS WITH US!**

**DISCUSSION**