The seal of the City of Richmond is a circular emblem. It features a central figure of a person standing on a pedestal, holding a staff or scepter. The figure is set against a background of a blue field 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 AND BENEFITS

CITY COUNCIL BUDGET WORKSHOP

LINCOLN SAUNDERS

CHIEF ADMINISTRATIVE OFFICER

APRIL 8, 2024

STRENGTHENING CUSTOMER SERVICE

Our FY 2025 Focus

- 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

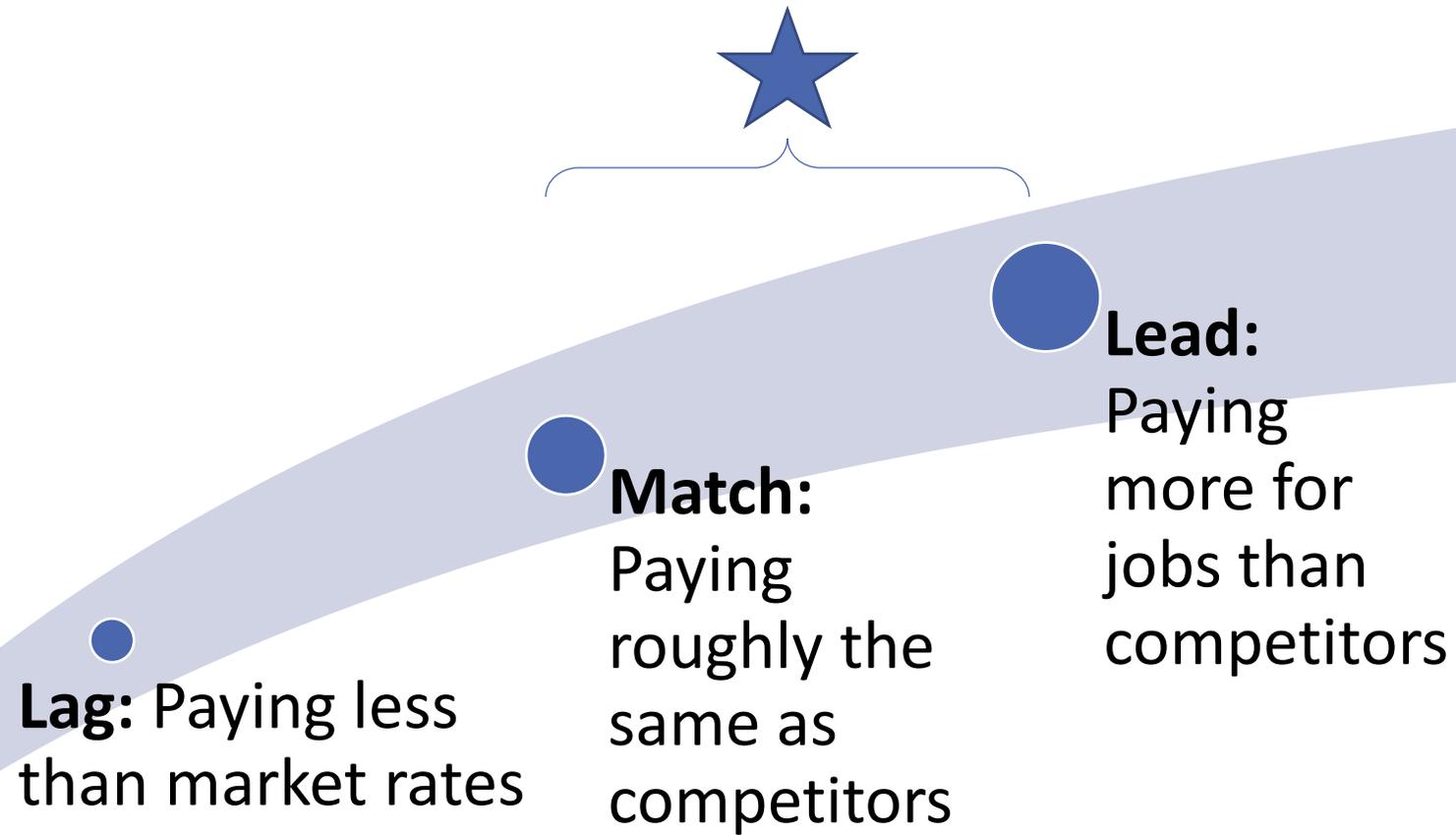
A minimum wage that leads by example

This ensures One Richmond is:

- Equitable
- Competitive
- Poised to meet future challenges

PAY PHILOSOPHY: WHERE DO WE NEED TO BE?

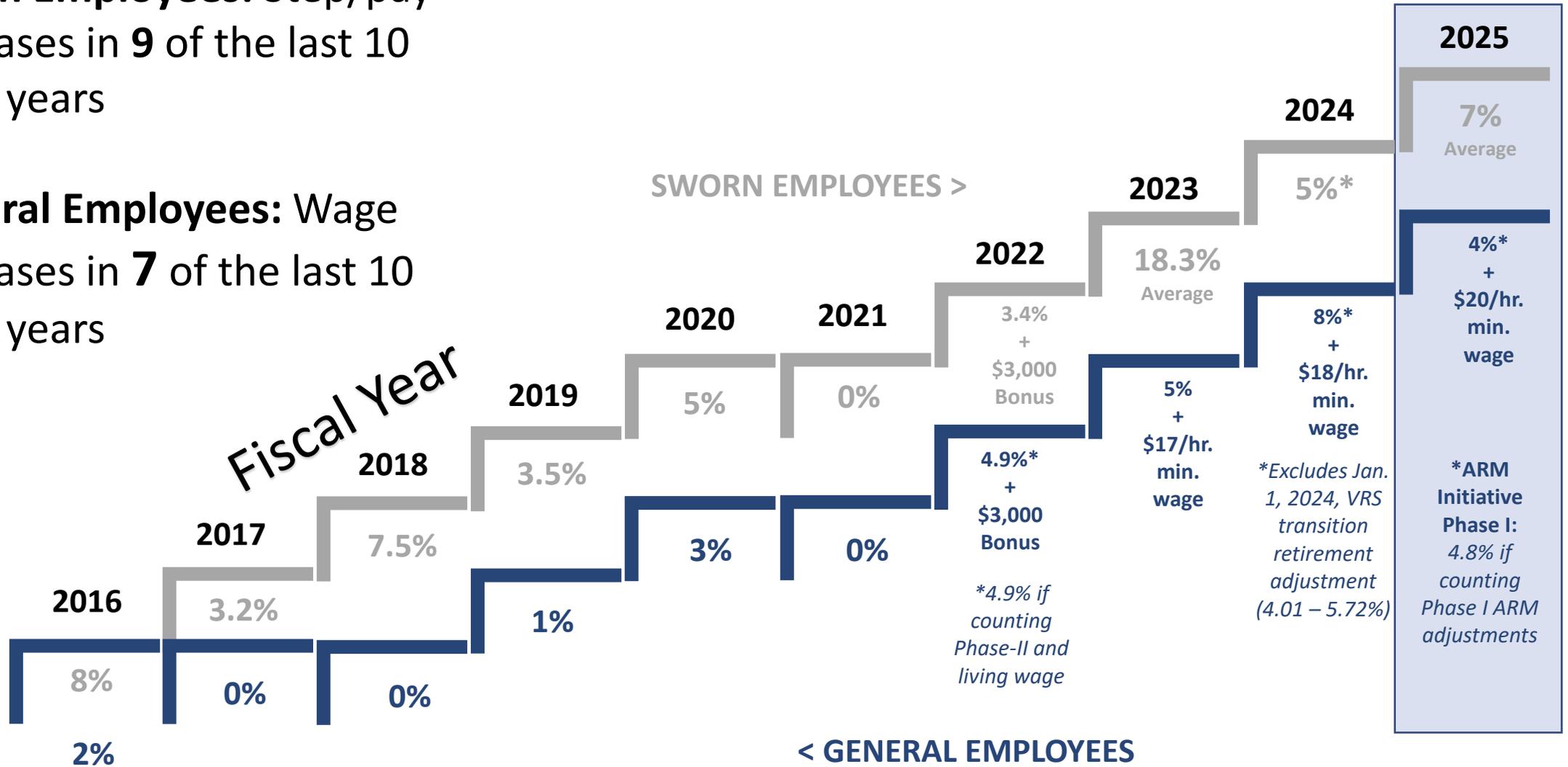
Do we lag, match, or lead the market?



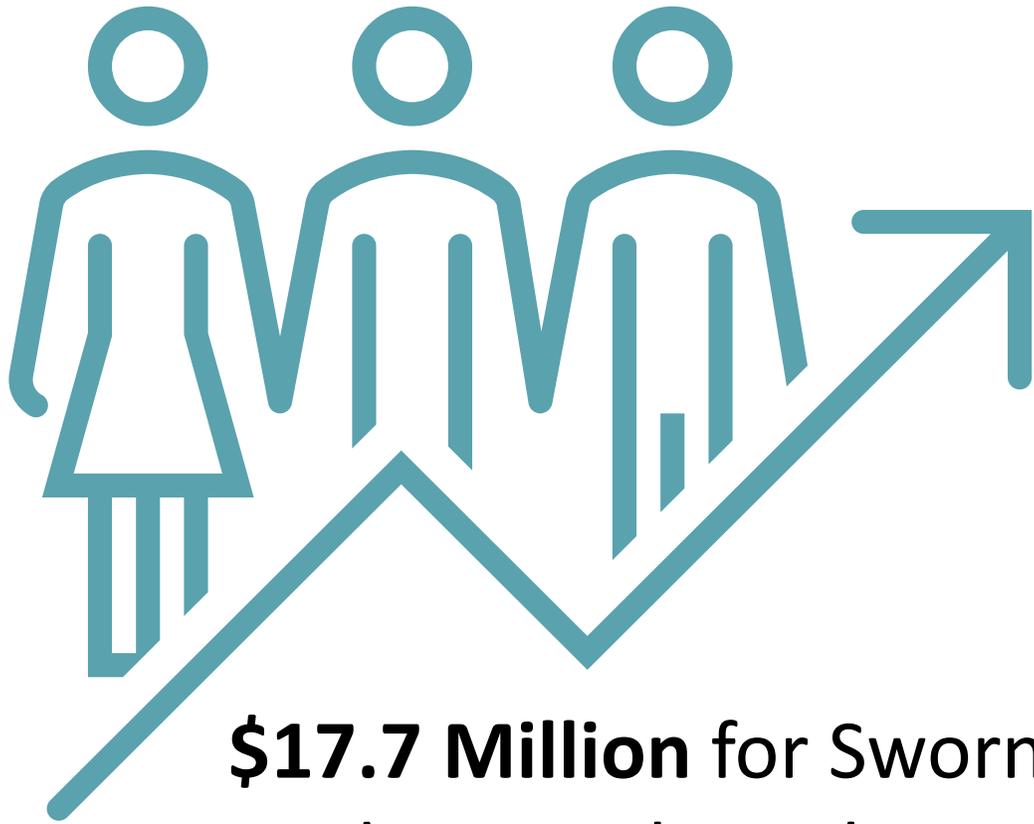
SWORN PERSONNEL RECEIVED MORE INCREASES THAN GENERAL EMPLOYEES IN THE LAST 10 YEARS

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

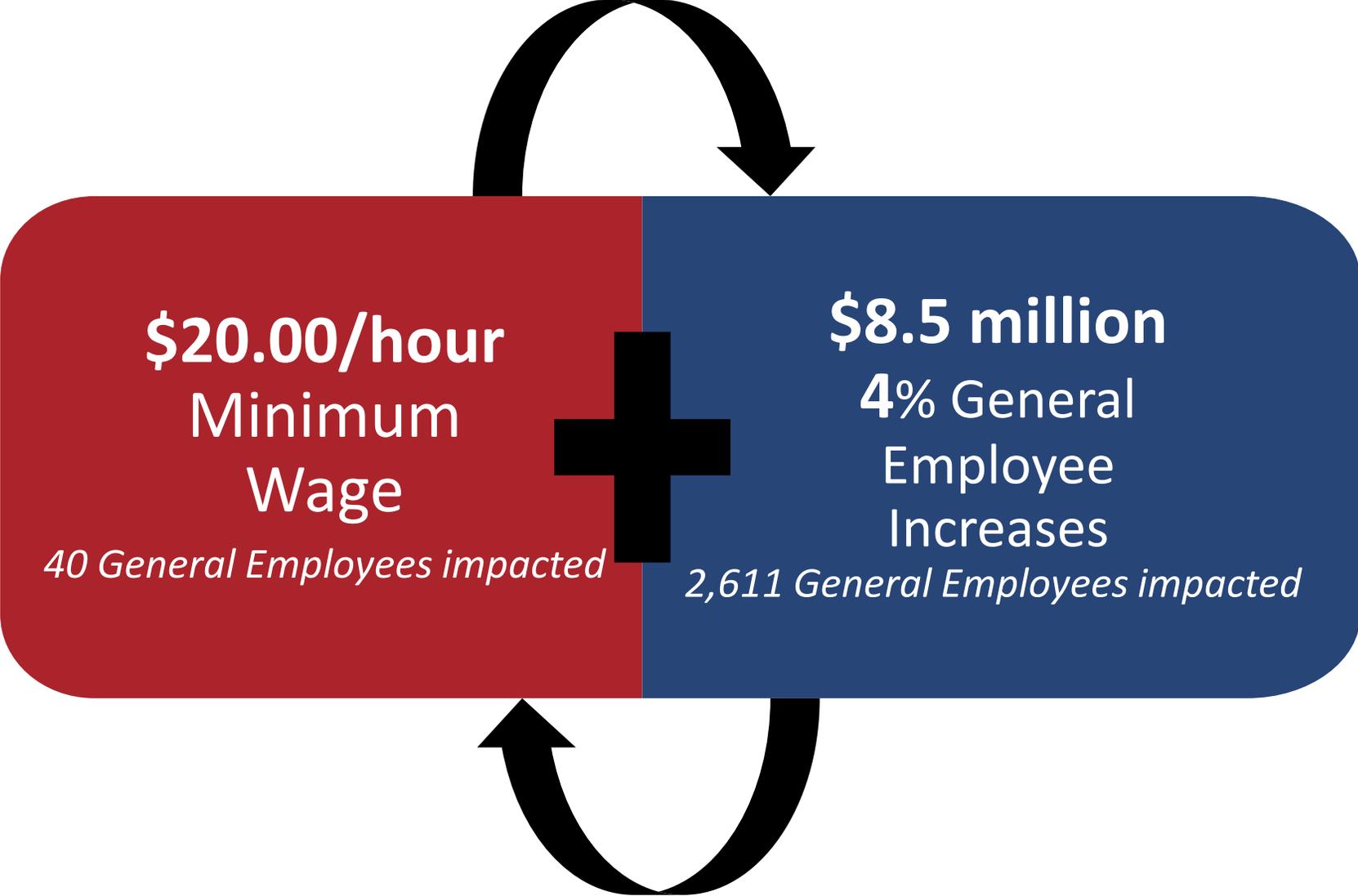
WE ARE LEADING THE WAY IN MINIMUM WAGE!



What does a \$20.00 Minimum Wage mean?

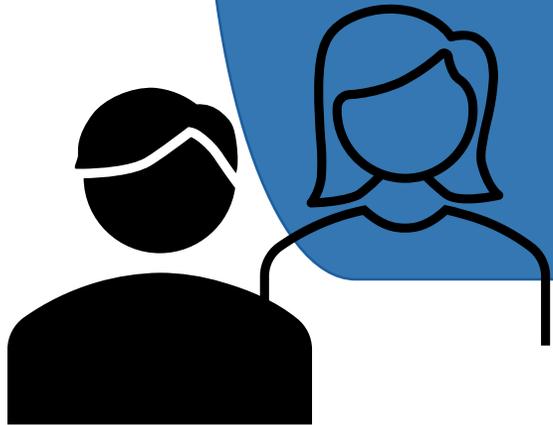
- \$41,600 annualized salary
- Positions Richmond as a leader in the market with **one of the highest minimum wages of municipalities in Virginia**
- 67% higher than the state's minimum wage of \$12.00 per hour
- 176% higher than federal minimum wage of \$7.25
- 72% higher than the city's 2017 minimum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





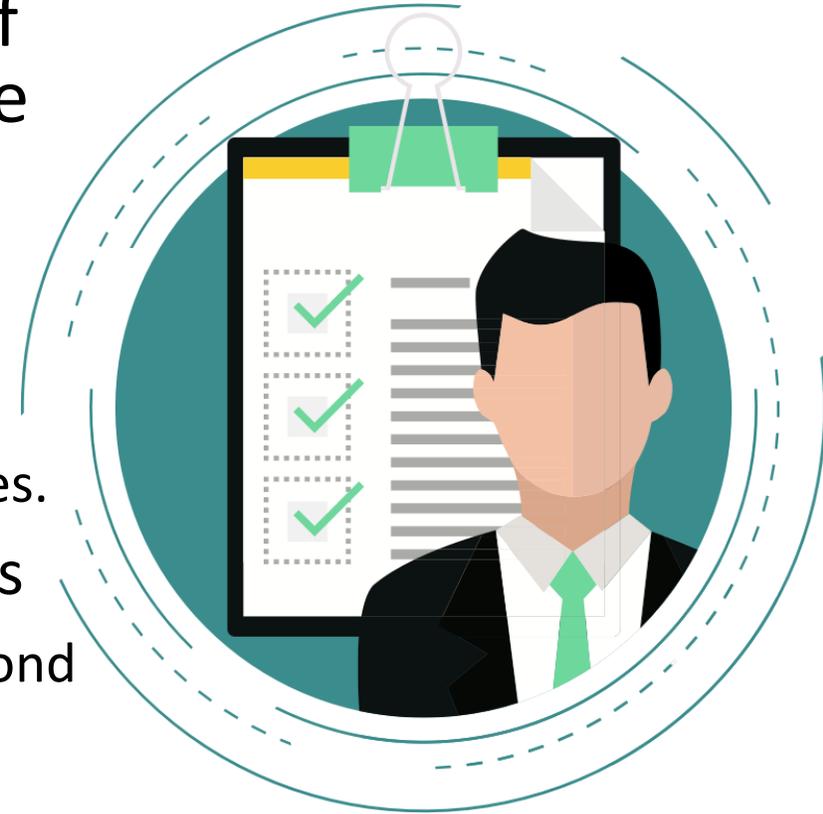
MAINTAINING A COMPETITIVE, MARKET-BASED COMPENSATION STRATEGY

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!

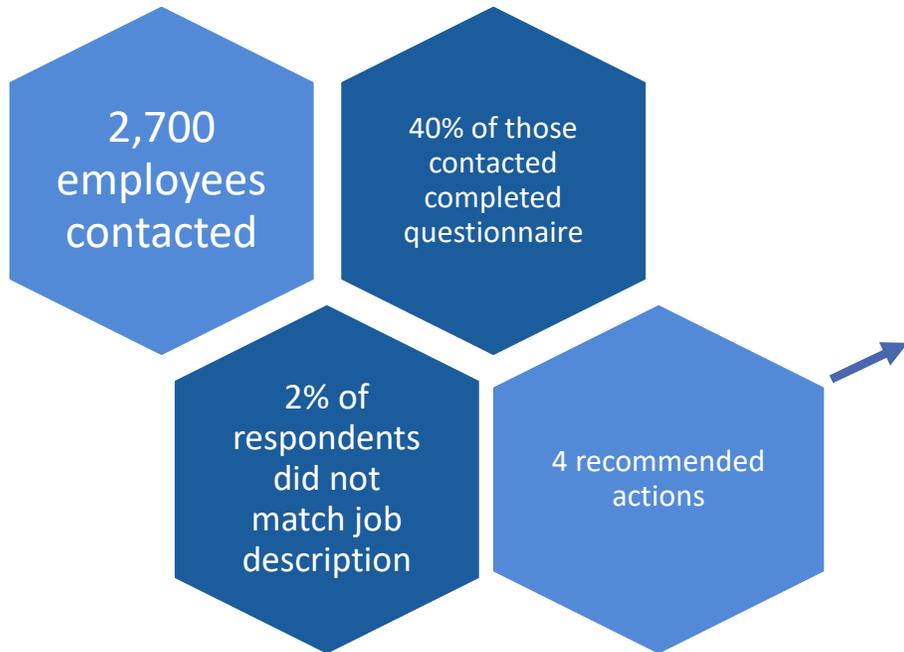


ARM INITIATIVE – A PHASED APPROACH TO PAY

- 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:



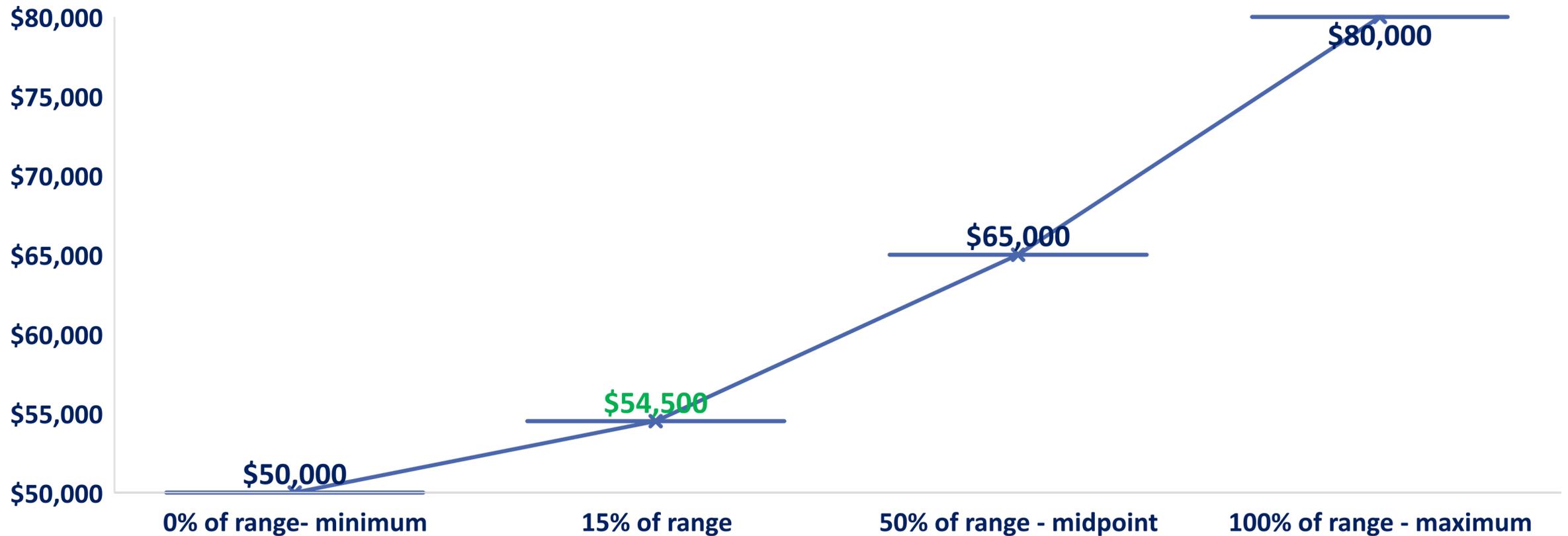
Actions:

- ✓ 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





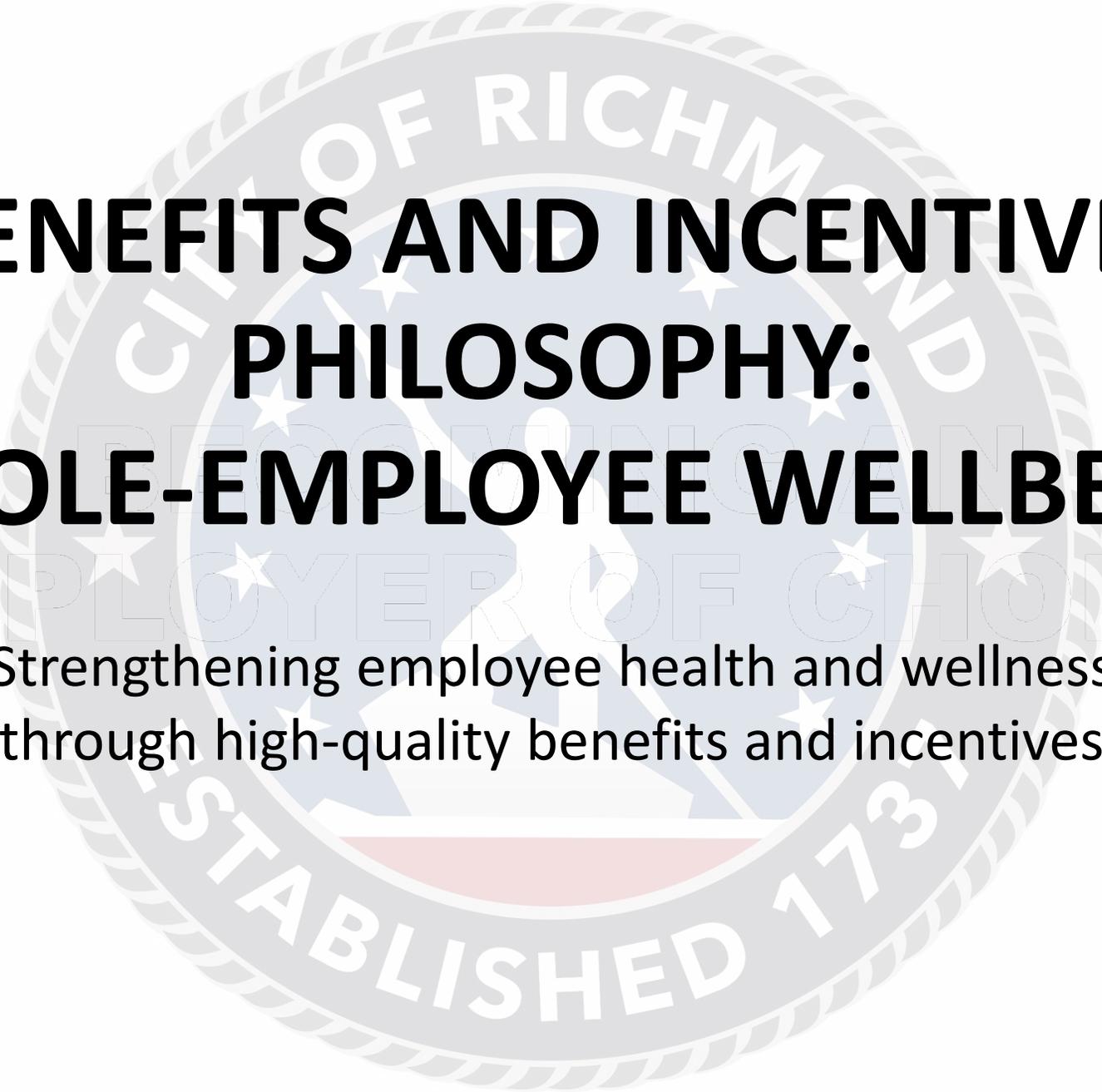
**ATTRACT,
RETAIN, &
MOTIVATE**

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 |



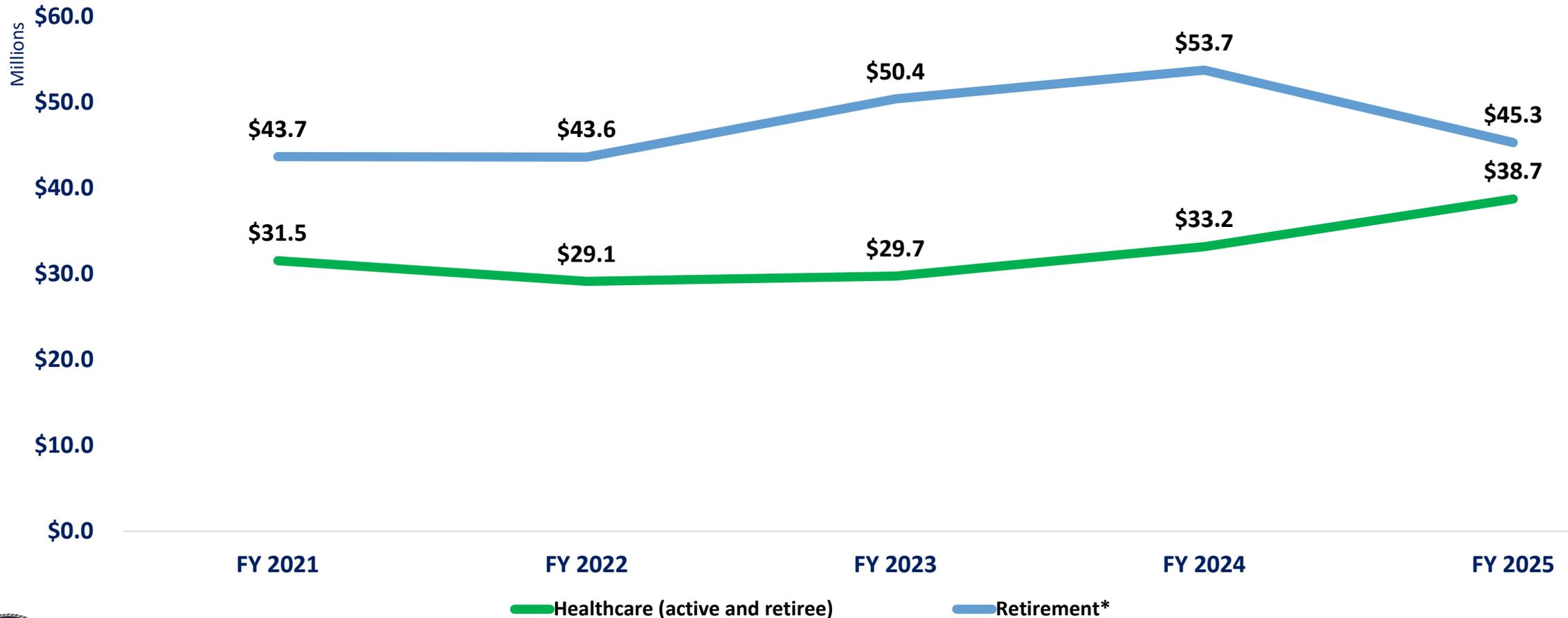
BENEFITS AND INCENTIVES PHILOSOPHY: WHOLE-EMPLOYEE WELLBEING

EMPLOYER OF CHOICE

Strengthening employee health and wellness
through high-quality benefits and incentives

HEALTHCARE AND RETIREMENT ARE 8.4 PERCENT OF THE GENERAL FUND BUDGET IN FY 2025

General Fund Budget Drivers



Amounts shown in millions for FY 2025 General Fund only. FY 2021 – FY 2023 reflect actual amounts and FY 2024 – FY 2025 represent budget amounts.

*Retirement total for local (city) only; does not include state constitutional costs.



AS OF JANUARY 1, THE CITY OF RICHMOND IS A VRS EMPLOYER

Conducted **18** VRS Information Sessions, reaching **over 1,500 employees**

| | |
|------------------------------|-----------------------|
| All Sessions | 1,553 Total Attendees |
| Hybrid Plan Sessions | 1,162 Attendees |
| Hazardous Duty Plan Sessions | 105 Attendees |
| Plan 1 and 2 | 286 Attendees |



- Held **over 500 one-on-one retirement counseling sessions**
- Answered nearly 500 employee questions
- Sent **22 informational emails** to employees with need-to-know information and transition reminders

VRS TRANSITION IS UNDERWAY FOR EXISTING EMPLOYEES

- As of January 1, 2024, permanent full-time **new hires** are automatically enrolled in VRS.
- Permanent full-time employees hired prior to January 1, 2024, have until the end of the year to decide to move to VRS or stay in RRS:



We are here

April 2024:

Over 3 months into the
join period

June 2024:

1 week of information
sessions

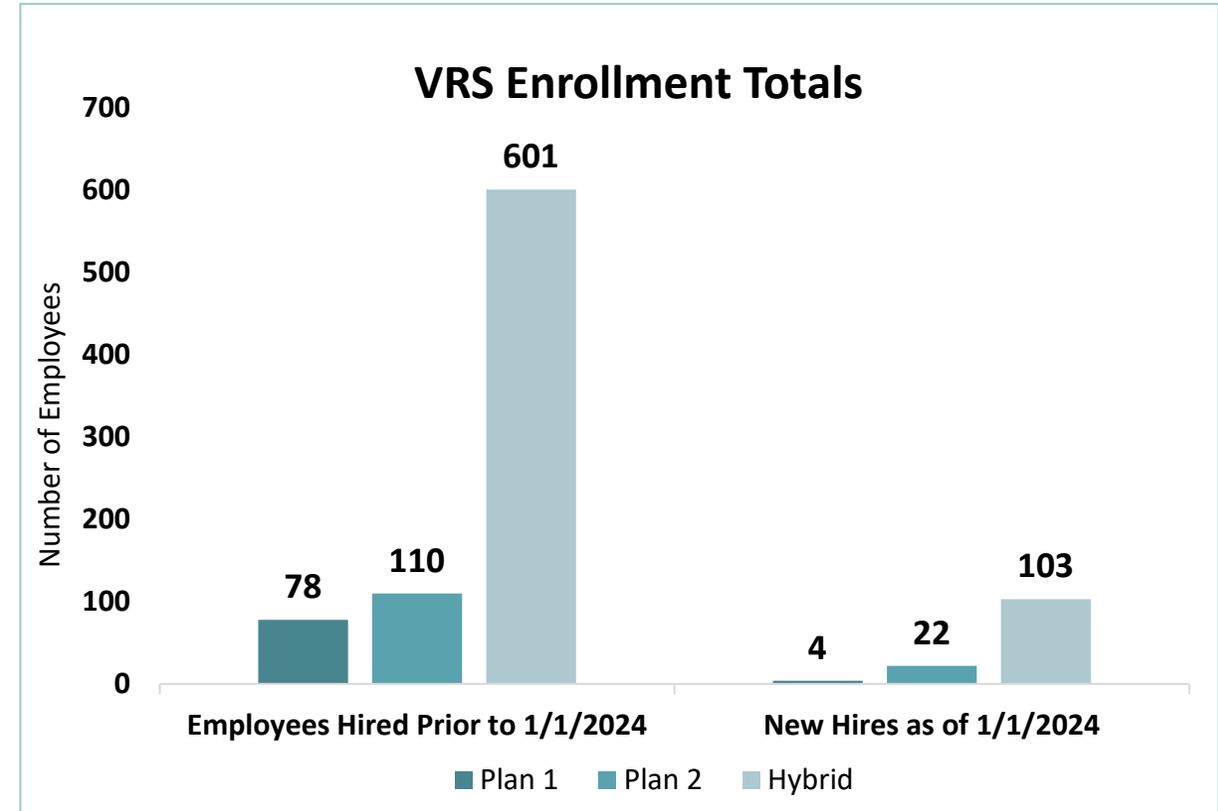
December 31, 2024:

Join period ends

789 EXISTING EMPLOYEES AND 129 NEW EMPLOYEES ARE IN VRS

Who has been enrolled in VRS since January 1?

| Plan | Employed prior to January 1, 2024 | New Employees Hired January – March 2024 |
|--------------|-----------------------------------|--|
| Total | 789 | 129 |
| Plan 1 | 78 | 4 |
| Plan 2 | 110 | 22 |
| Hybrid | 601 | 103 |



Transition Data as of April 3, 2024.

23% OF EXISTING EMPLOYEES HAVE ELECTED VRS SO FAR

VRS Transition Dashboard



3,438
Total

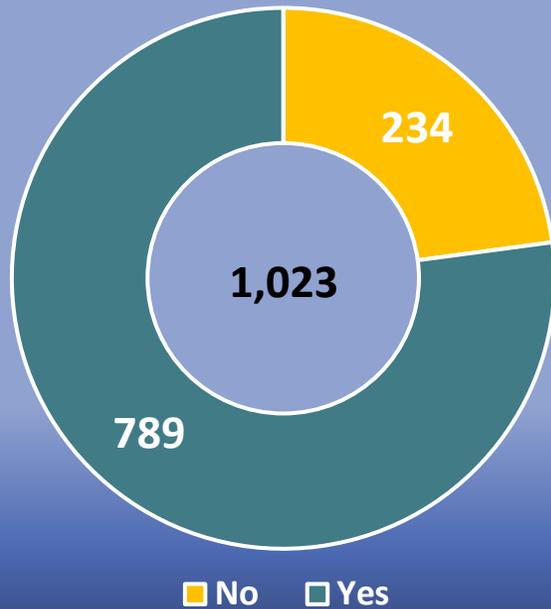


2,649
Members



789
Members

Total Employee Elections: Yes or No to VRS



Sworn Transitioning to VRS

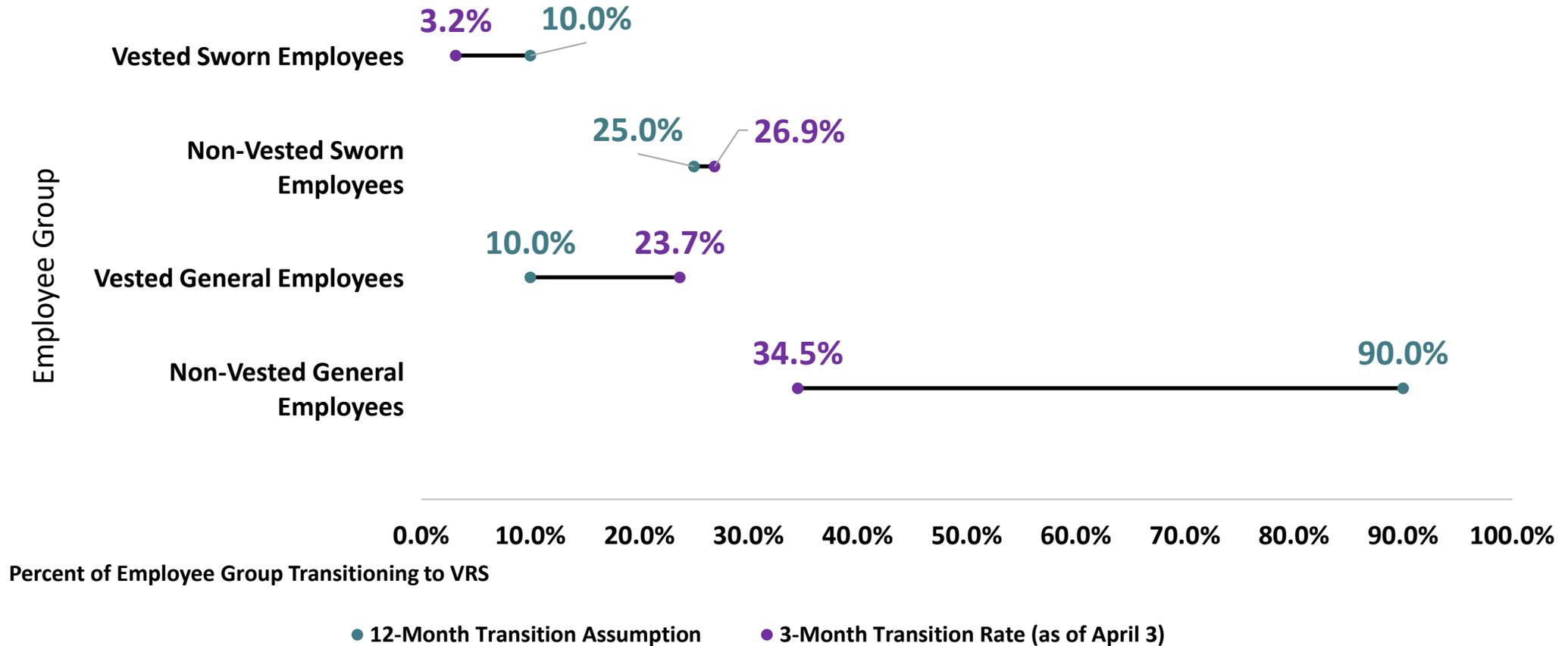
| Total | Fire | Police |
|-------|-------|--------|
| 9.5% | 14.5% | 2.7% |
| 90 | 64 | 26 |

Transition Data as of April 3, 2024.



VRS TRANSITION RATES AFTER THREE MONTHS

Existing Employee 3-Month vs. Assumed Transition Rates



Transition Data as of April 3, 2024.



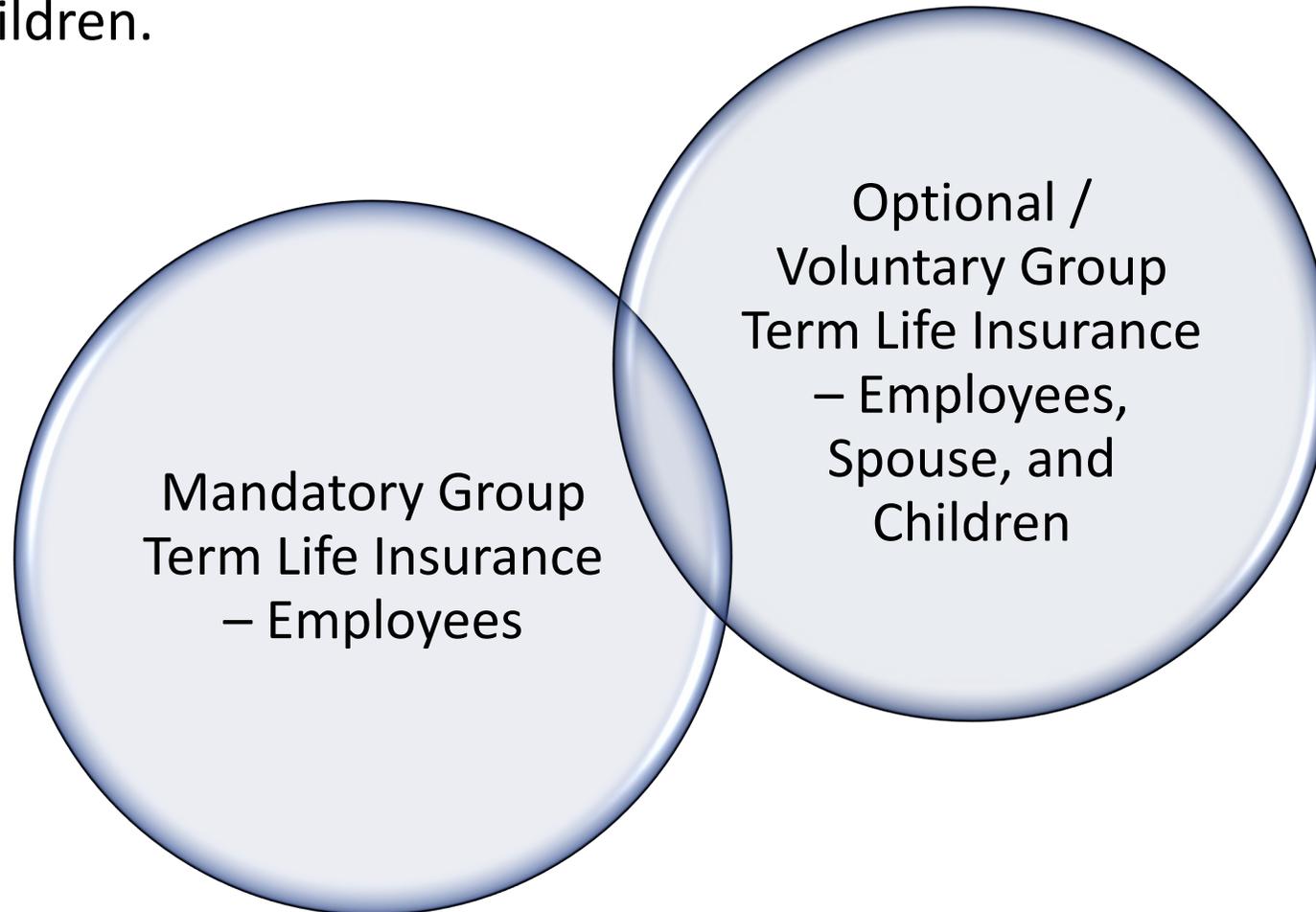
OFFERING CITYWIDE SHORT/LONG TERM DISABILITY INSURANCE

- Our goal: provide short- and long-term disability insurance to all employees to keep our workforce safe
- **\$1.3 million** in the proposed budget for disability insurance
- Estimated implementation January 2025
- VRS Hybrid members receive employee paid short-term disability automatically after a one-year wait period



MANDATORY AND VOLUNTARY LIFE INSURANCE

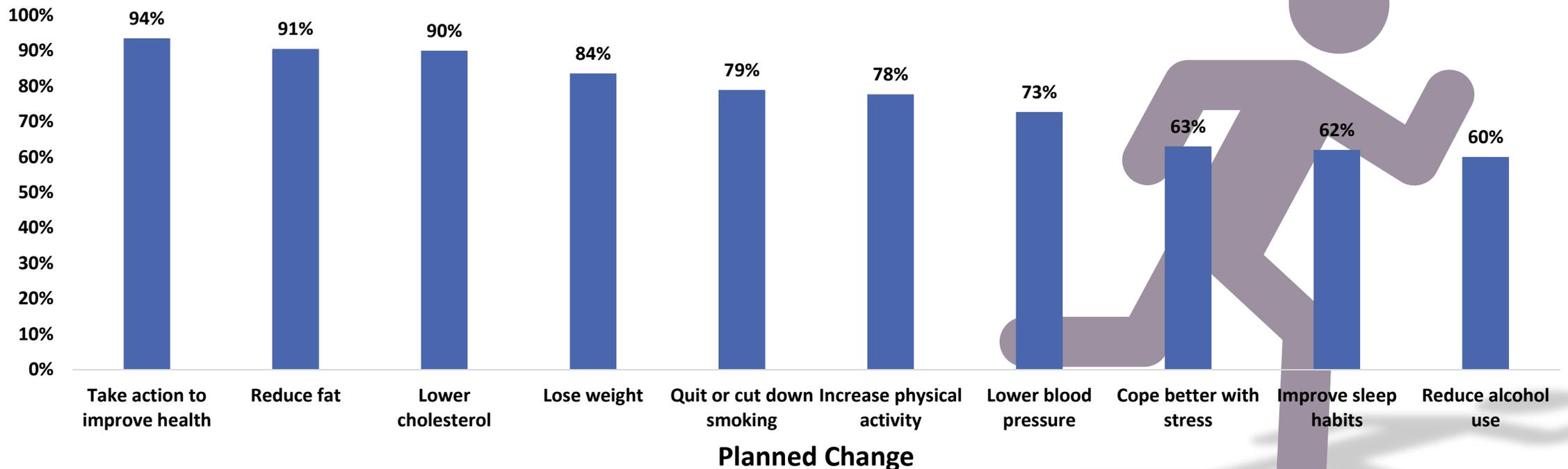
Full-time, permanent employees are covered by mandatory life insurance through VRS. Employees can purchase additional life insurance if they wish for themselves or their spouse or children.



PROMOTING A HEALTHY WORKFORCE

Offering comprehensive benefits and wellness programs can increase employee productivity, engagement, commitment, and attract employees who value health and wellbeing.

Employee Health Goals 2023



Source: Cigna Employee Health Assessment, July-August 2023.



OVER 3,400 EMPLOYEES ARE ENROLLED IN THE HEALTHCARE PLAN

| Cigna Medical Plan Categories | Number of Employees Per Category | Estimated FY 2025 City Cost | Estimated FY 2025 Employee Cost |
|-------------------------------|----------------------------------|-----------------------------|---------------------------------|
| Employee Only | 2,409 | \$25.5 million | \$3.1 million |
| Employee + One Child | 329 | \$5.2 million | \$1.4 million |
| Employee + Children | 62 | \$1.3 million | \$0.3 million |
| Employee + Spouse | 241 | \$5.2 million | \$1.5 million |
| Employee + Family | 401 | \$9.6 million | \$3.3 million |





Marathon Health™

EMPLOYEE CLINICS TRANSFORMING HEALTHCARE



Employees and their families can access employee Healthcare Clinics operated by Marathon Health.

- The first clinic, the Hioaks location, opened on January 17, 2024.
- A second location will open in Spring 2024, just a few blocks from City Hall.
- Employees have access to all other Marathon Network locations.



COMPREHENSIVE COST SAVING CARE

Clinics offer comprehensive care, revolutionizing healthcare access:



Marathon Health demonstrates cost savings and increased employee wellbeing:

\$2,000
average
annual savings
for every
engaged
employee

67% of
members use
Marathon
Health as
their primary
care provider

59% of high-
risk
members
improve
health



CLINICS PROVIDE SIGNIFICANT, IMMEDIATE BENEFITS TO EMPLOYEES AND THE CITY



Location convenience and mobile-friendly app remove time and scheduling barriers to entry



Employees and dependents receive holistic, wrap-around services and care at no to low cost



Productivity improves thanks to less sick time taken for doctor visits and enhanced health outcomes



Results in cost savings for employees and the city

EMPLOYEE FEEDBACK HAS BEEN POSITIVE

“ Access to Marathon *literally* saved my life.

Allison Beatty

Principal Management Analyst

Office of the Chief Administrative Officer



It's such a wonderful feeling to know that Marathon Health is really concerned about my health and wellbeing. I'm seeing positive results!!!!

Debra S. Williams

Administrative Technician, Senior

Department of Information Technology

”

EMPLOYEE FEEDBACK HAS BEEN POSITIVE

“

Initially, I harbored significant hesitation about visiting Marathon Health. However, to my pleasant surprise, the entire experience surpassed my expectations.

Donetta A. McQueen
Executive Assistant, Senior

My experience with Marathon Health has been nothing short of exceptional. Their commitment to delivering high-quality, patient-centered care is evident in every interaction, and I am grateful to have such a dedicated healthcare partner.

Roxana Talavera-Denson
Language Access Coordinator



”

EMPLOYEE FEEDBACK HAS BEEN POSITIVE



“ Marathon Health has been a blessing to me. I don't have to worry about copays or paying for prescriptions. Marathon Health has also assigned me a Health Coach, Laruen Stratton, which I never thought I needed, but I have used the services, along with the mental health counselor, Shardee Washington.

*Le'Charn D. Benton, MBA
Management Analyst II, Principal
Office of the DCAO for Human Services*

Marathon gives a professional service but family courtesy vibe. They care about YOU, not just your insurance. The providers are knowledgeable and very friendly.

Calvin Swann
Debt Setoff Coordinator
Department of Finance



”

EMPLOYEE FEEDBACK HAS BEEN POSITIVE

“



What struck me most was the seamless registration process at Marathon Health. It was evident that they prioritized patient convenience, making it remarkably easy for me to secure an appointment.

In essence, Marathon Health's impact extends far beyond the walls of its clinic. It serves as a cornerstone at the city, ensuring that employees, have access to the quality healthcare they deserve.

Tyrome Alexander
Director, Human Resources

My experience at Marathon Health Clinic was truly exceptional service and outstanding patient-centered care. They were not only professional but also genuinely caring, taking the time to listen to my concerns and address them with compassion and expertise.

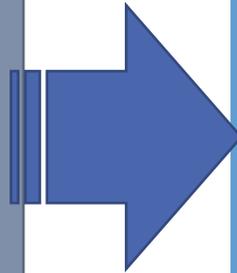
Cynthia Osborne



”

WIDE RANGE OF HEALTHCARE OPTIONS

Comprehensive
employee and
family care through
Cigna and
Marathon Health
(the Employee
Health Clinics)



Medical, Prescription,
Vision and Dental Care

Multiple Healthcare Programs
available through Cigna, all located
in the myCigna App

Healthy
Rewards with
fitness facility
discounts

Weight
Watchers

Health
Coaching
programs
and
consultations

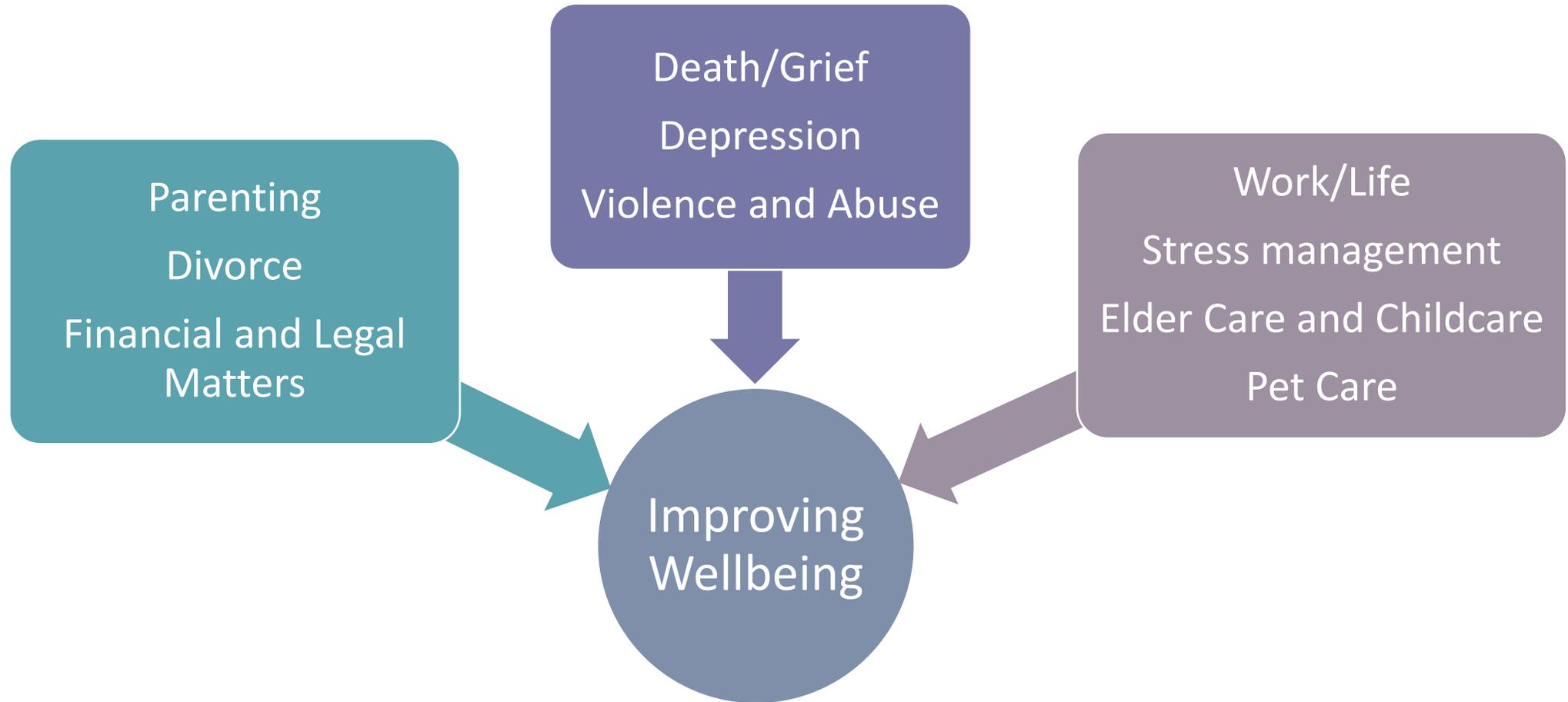
Urgent Care
virtually and
in-person

Diabetes
Prevention
and
management
Programs



HELP IS AVAILABLE THROUGH THE EMPLOYEE ASSISTANCE PROGRAM

Through the Cigna partnership, all employees and members of their households have access to six individualized sessions, and unlimited telephonic consultations, for issues relating to:



Cigna EAP also provides group onsite emotional wellbeing seminars and critical incident response workshops



INCENTIVE PROGRAMS FOR EMPLOYEES

Supporting continuing education

Tuition Assistance



Enhancing upward mobility

First-Time Homebuyer



Creating career paths and growth opportunities

Cultural and Professional Development



Employer identified need based-class offerings

Partnership with Reynolds Community College



Recognizing the importance of multilingual services

Language Incentive



Healthcare Premium Discount Program

Healthcare Savings

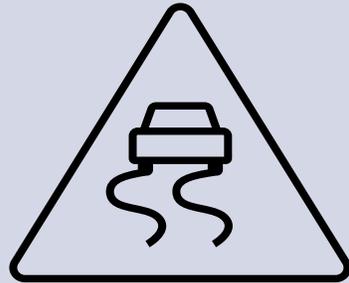


VOLUNTARY BENEFIT OPTIONS

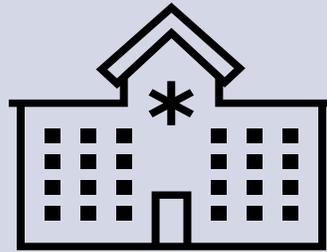
The city also offers voluntary benefits and employees may elect:



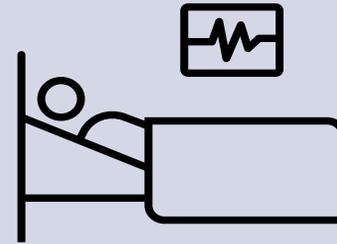
Personal
Cancer
Indemnity



Accident
Indemnity
Advantage



Hospital
Choice



Critical Care
and Recovery



Pre-Paid Legal
Services

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 rendered in a light gray, semi-transparent style.

BUILDING STRONGER CUSTOMER SERVICE STARTS WITH US!

DISCUSSION