



Overview of Fauquier County Compensation and Classification

Strategic Priority 6: Attract, hire, retain high quality staff.

Fauquier County
Department of Human Resources
March 2, 2018



Agenda

- Examine Compensation History
- Review results of internal compensation study
- Review compression issues
- Proposed recommendations for FY19 and FY20
 - Cost of Living Adjustments FY19-FY20
 - Merit Pay Opportunities



Compensation History

<u>Fiscal Year</u>	<u>Compensation Increases</u>	<u>Health Insurance Increases</u>	<u>CPI-U</u>	
			<u>Washington</u>	<u>MSA</u>
			<u>MSA</u>	<u>SSA Increases</u>
2006	Average 3.5% Merit	None	3.4%	2.7%
2007	3.5% COLA & 3% Merit	None	3.6%	4.1%
2008	3.5% COLA	None	4.6%	3.3%
2009	2.0% COLA	None	0.2%	2.3%
2010	None	Increase	2.2%	5.8%
2011	None	None	3.7%	0.0%
2012	None	None	2.2%	0.0%
2013	\$1,000 + 5% VRS	None	1.4%	3.6%
2014	Mid-Year 2% COLA	None	1.4%	1.5%
2015	None	Increase. All employees hired after 7/1/2014 or existing employees moving to County health insurance two plan options.	0.0%	1.7%
2016	2.0% COLA	None	1.1%	0.0%
2017	Mid-Year 2% COLA	None	1.4%	0.3%
2018	None. Sheriff's Office Compression Adjustments.	Average 5% increase to employee premiums.	TBD	2.0%
Avg Annual Increase	1.7%		2.1%	2.1%



Compensation Impacts

- Recruitment
- Retention
- Employee Morale
- Issues of equity



Factors Impacting Recruitment and Retention

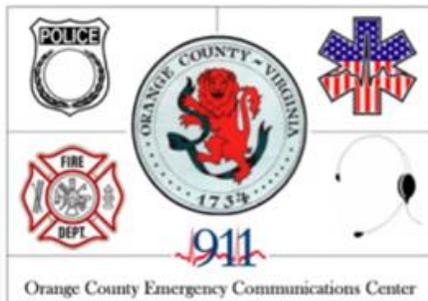
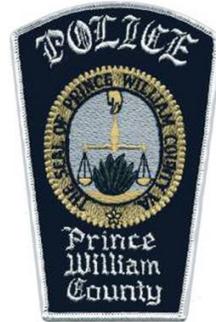
- Recruitment (I came here...)
 - Market Brand
 - Competiveness of Salary
 - Signing Bonuses
 - Competition for position
 - Labor Market conditions
- Retention (I stay here...)
 - Job Satisfaction
 - Morale
 - Compensation (competitive, annual incentives, increases, salary erosion)
 - Benefits
 - Work Conditions
 - Labor Market
 - Salary ability

Key Points impacting us

- Low levels of pay for mid-level employee groups
- Troubles seeing when next salary increase
- Small differences in pay or small annual increases causing relatively small movement on pay
- Pay Freezes
- Compression
- Overlapping of pay scales
- Hiring Patterns

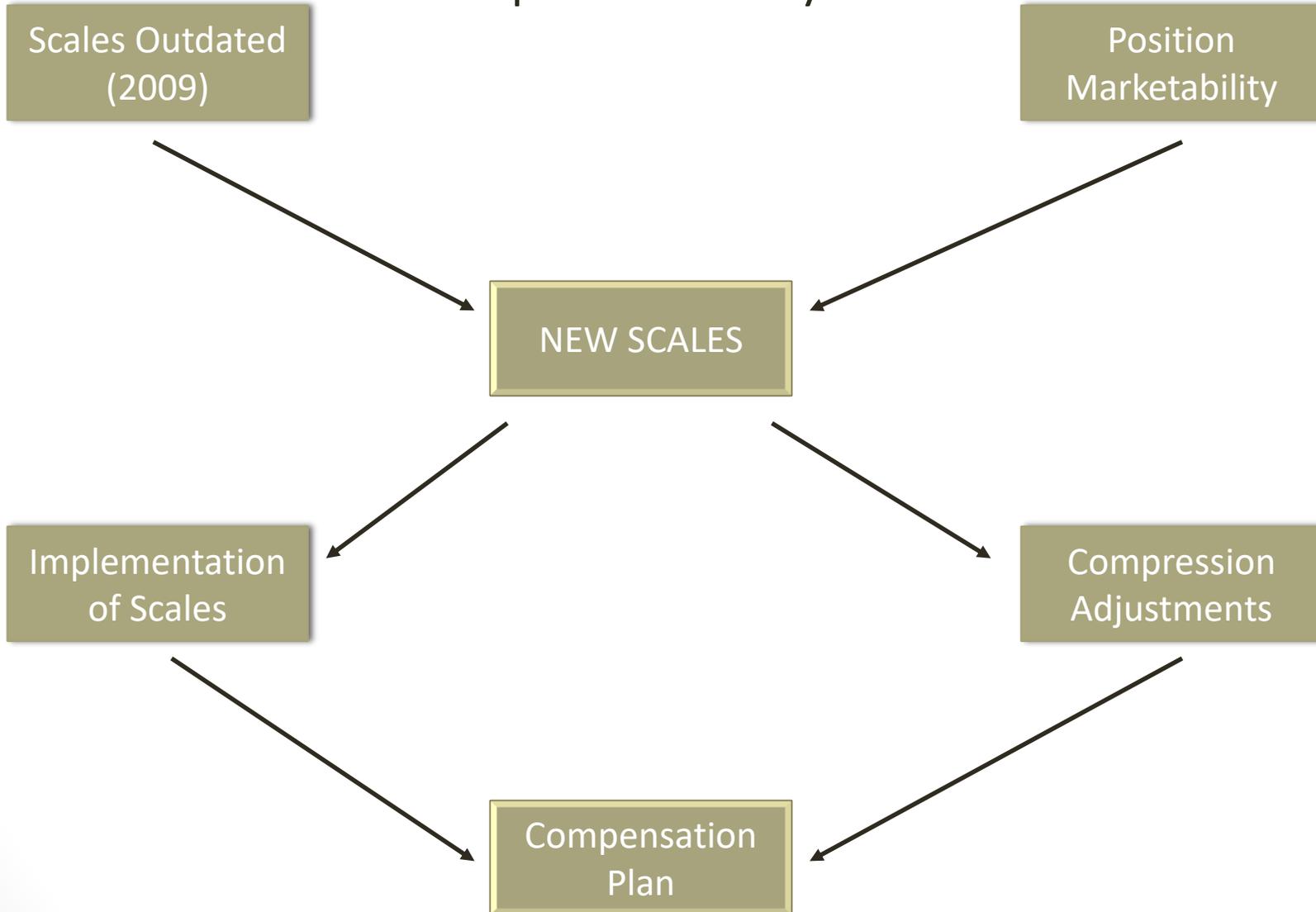


We are not alone.



FY2018-2022 Strategic Plan

Priority 6: Equitably compensate employees with competitive hourly rates



Findings

- **County Pay Scales**

	County	Public Safety
Classifications	227	30
Below Minimum	23	3
	10%	3%

- **Compression Overview**

- 392 employees out of 732 impacted (54%)
- 421 employees are within 20% of the minimum (57%)



Merit Pay

- Last merit pay was July 2007
- Performance-related pay for employees who meet goals and have strong performance
- 1% merit opportunity for all employees



Recommendations for FY 19 and FY20

- Implementation of new scales (\$400,000)
 - Improve pay scales
 - Move positions that market has justified changes
 - Creation of two scales
- Compression Adjustments (3 year plan \$700,000)
 - Over a 3 year period intentionally adjust salaries based on experience



Recommendations for FY 19 and FY20

- FY 19
 - COLA 1.4%
 - Merit 1%
- FY20
 - COLA 1.4%



Need for policy revisions

- Methodology for adjusting pay structure over time.
- Practice for hiring individuals based skills
- Plan for mitigating shortage and market positions
- Adjustment to career ladder methodology

