



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of April 21, 2007**

DATE: April 18, 2007

SUBJECT: Fiscal Year 2008 Pay Schedule

C. M. RECOMMENDATION:

Approve the attached pay schedule for County employees.

ISSUE: The amount of compensation for County employees

SUMMARY: The Fiscal Year 2008 pay schedule for County employees includes a 1.5% Market Pay Adjustment and the budget includes funding for merit steps.

BACKGROUND: In Fiscal Year 2008, the pay plan includes a Market Pay Adjustment (MPA). Employees will be eligible to receive a 1.5% increase if they are rated as “meets expectations” or higher, including employees at the top step of their pay range. Additionally, employees will be eligible for a performance step increase, up to step 18. This means that County employees will receive compensation increases ranging from 5.6% to 1.5%, depending on tenure. The average increase across the workforce will be 4.0%.

DISCUSSION: Each year we evaluate our payline and other compensation in comparison to the surrounding jurisdictions. Because of the tight labor market, it is critical that our compensation package remain competitive. Based on the County Board guidance to allocate additional funds from higher revenues projected at third quarter, I withdraw my earlier proposal to add a step 19 in order to use those funds to support the 1.5% MPA. Step 19 would have cost \$1 million. The 1.5% MPA will cost \$4.1 million. With the additional funds, it is our conclusion that the MPA will help better ensure that our pay plan does not lag behind our neighbors. Additionally, the County Board has authorized substantial additional funds for health care and for retirement.

We will continue to assess our total compensation plan to ensure both competitiveness and long-term sustainability.

FISCAL IMPACT: Funds for this increase are included in the Fiscal Year 2008 budget.

County Manager: _____

County Attorney: _____

Staff: Marcy Foster, Human Resources Department