

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 11, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMAN, CITY MANAGER

SUBJECT: BUDGET MEMO #42: THE NUMBER OF CITY AND SCHOOL EMPLOYEES THAT LIVE WITHIN THE CITY, TURNOVER RATES AS COMPARED WITH JURISDICTIONS IN THE REGION AND THE ESTIMATED COST OF REPLACING A LOST EMPLOYEE

Councilmen Krupicka requested information on how many City and school employees live within the City; also, employee turnover rates as compared to five other major jurisdictions in this area and the estimated cost of replacing a lost employee.

According to the City's Personnel Department and the Alexandria City Public Schools (ACPS), an estimated 14.8%, or 429, of City employees (2,899) and approximately 35.5%, or 759, of ACPS employees (2,138) currently live within the City limits.

The City's comparator jurisdictions include: Arlington County, Fairfax County, Prince William County, Montgomery County and Prince George's County as defined by the City's Compensation Philosophy. In some cases our comparators do not collect or have not yet collected turnover data to be included on the attached charts.

Highlights from the following attachments include:

- Overall City of Alexandria full-time and part-time regular position turnover was 10.4% (Attachment I) in calendar year 2004. This is the second highest in the region, with Prince William County (10.68%) being the highest and Montgomery County the lowest (6.15%).
- This 10.4% compares to a 9.5% turnover rate in calendar year 2003 (Attachment III) and a 8.4% turnover rate in 2002 (Attachment IV).
- However, when part-time employee turnover is removed and only full-time regular positions (including retirees) are evaluated, the Alexandria turnover rate drops to 8.5% in 2004. Furthermore, excluding employees who retired, the turnover rate for full-time regular positions further drops to 5.9% (Attachment II). This rate compares favorably to 6.1% in 2003 and 6.1% in 2002.

- The turnover rate for part-time regular positions alone was 17.5%, and this appears to affect the overall general rate. There are no part-time public safety positions.
- ACPS employee turnover was 13.94% (Attachment V) in calendar year 2004. This is the highest in the region, with Prince George's County (13.0%) being the second highest and Montgomery County the lowest (7.65%).
- This 13.94% ACPS turnover rate has been increasing compared to a 12.93% turnover rate in calendar year 2003 and a 10.5% turnover rate in 2002.

There are savings as a result of the lapsed salary due to the vacancy before a new employee is hired. For the past several years many departments have met their efficiency savings and other reduction scenarios by holding vacant certain positions for specified amounts of time. In the case where a long-term employee leaves the City and is replaced by an entry level employee, the City realizes savings from this type of turnover.

It is difficult to determine the exact cost to replace an employee that leaves City. Savings from vacant positions are sometimes offset by fees for temporary services and overtime. Costs associated with recruitment to fill vacant positions vary by department, as do costs for education and training. In addition to direct costs for training a new employee, there are costs realized by the department in lost "time on task" as existing employees are training new hires. There also exists a cost that results from the lost institutional knowledge and experience.

Attachments

**Regular Full-time and Part-time Government Employees
Comparative Turnover Statistics by Calendar Year 2004**

| JURISDICTION | YEAR | POLICE (SWORN) | FIRE (SWORN) | SHERIFF (SWORN) | GENERAL (ALL OTHER EMPLOYEES) | OVERALL (ALL EMPLOYEES) |
|-------------------------------|-------------|---------------------------|-------------------------|----------------------------|--|--|
| ALEXANDRIA | 2004 | 8.9% | 12.9% | 3.0% | 10.1% | 10.4% |
| ARLINGTON (1) | 2004 | 7.8% | 7.9% | 10.6% | 10.6% | 9.7% |
| FAIRFAX | 2004 | (3) | (3) | (3) | (3) | (3) |
| MONTGOMERY | 2004 | (4) | (4) | (4) | (4) | 6.15% |
| PRINCE GEORGE'S | 2004 | (4) | (4) | (4) | (4) | 7.0% |
| PRINCE WILLIAM (2) | 2004 | 11.59% | 10.3% | 11.0% | 11.04% | 10.68% |

(1) Data tracked by Fiscal Year 2004.

(2) Prince William County turnover statistics are for regular full-time employee turnover only.

(3) Fairfax County turnover statistics will not be available until 4/29/05.

(4) Jurisdictions that do not compile turnover statistics.

Source: Telephone survey to comparator jurisdictions' Personnel Departments or Public Safety support staff.

City of Alexandria Government Employees Turnover Rate in Calendar Year

| | 2002 | 2003 | 2004 |
|---|------|-------|-------|
| Overall Full-time Regular Employees including Retirees | 7.4% | 8.2% | 8.5% |
| Overall Full-time Regular Employees excluding Retirees | 6.1% | 6.1% | 5.9% |
| Overall Full-time and Part-time Regular Employees including Retirees | 8.4% | 9.5% | 10.4% |
| General Full-time Regular Employees including Retirees, excluding sworn Public Safety and Part-time Regular Employees | 8.4% | 9.4% | 8.6% |
| General Full-time Regular Employees excluding Retirees, sworn Public Safety and Part-time Regular Employees | 7.4% | 7.1% | 6.4% |
| General Full-time Regular and Part-time Regular Employees excluding sworn Public Safety | 8.7% | 10.8% | 10.1% |
| Overall Part-time Regular Employees | 15% | 17.5% | 17.5% |

Attachment III

**Regular Full-time and Part-time Government Employees
Comparative Turnover Statistics by Calendar Year 2003**

| JURISDICTION | YEAR | POLICE (SWORN) | FIRE (SWORN) | SHERIFF (SWORN) | GENERAL (ALL OTHER EMPLOYEES) | OVERALL (ALL EMPLOYEES) |
|-------------------------------|-------------|---------------------------|-------------------------|----------------------------|--|--|
| ALEXANDRIA | 2003 | 6.9% | 2% | 3.9% | 10.8% | 9.5% |
| ARLINGTON (1) | 2003 | 8.53% | 5.69% | 11.73% | 9.0% | 9.0% |
| FAIRFAX | 2003 | 5.68% | 5.04% | 8.84% | 9.36% | 8.26% |
| MONTGOMERY | 2003 | (3) | (3) | (3) | (3) | 6.16% |
| PRINCE GEORGE'S | 2003 | (3) | (3) | (3) | (3) | 4.58% |
| PRINCE WILLIAM (2) | 2003 | 5.37% | 7.34% | 5.0% | (3) | 9.0% |

(1) Data tracked by Fiscal Year 2003.

(2) Prince William County turnover statistics are for regular full-time employee turnover only.

(3) Jurisdictions that do not compile turnover statistics.

Regular Full-time and Part-time Government Employees
Comparative Turnover Statistics by Calendar Year 2002

| JURISDICTION | YEAR | POLICE (SWORN) | FIRE (SWORN) | SHERIFF (SWORN) | GENERAL (ALL OTHER EMPLOYEES) | OVERALL (ALL EMPLOYEES) |
|-----------------------|------|-------------------|-----------------|--------------------|-------------------------------------|-------------------------------|
| ALEXANDRIA | 2002 | 5.6% | 3.4% | 3.7% | 8.7% | 8.4% |
| ARLINGTON (1) | 2002 | 6.16% | 3.42% | 13.07% | 10.44% | 9.52% |
| FAIRFAX | 2002 | 6.98% | 5.84% | 10.34% | 8.95% | 8.37% |
| MONTGOMERY | 2002 | (3) | (3) | (3) | (3) | 6.05% |
| PRINCE GEORGE'S | 2002 | (3) | (3) | (3) | (3) | (3) |
| PRINCE WILLIAM (2) | 2002 | 10.37% | 12.20% | 15% | (3) | 10.46% |

(1) Data tracked by Fiscal Year 2002.

(2) Prince William County turnover statistics are for regular full-time employee turnover only.

(3) Jurisdictions that do not compile turnover statistics.

Regular Full-time and Part-time School Employees
Comparative Turnover Statistics by Calendar Year

| JURISDICTION | 2002 | 2003 | 2004 |
|-----------------|-------|--------|--------|
| ALEXANDRIA | 10.5% | 12.93% | 13.94% |
| ARLINGTON | (1) | (1) | (1) |
| FAIRFAX | 10.4% | 11.3% | 10.7% |
| MONTGOMERY | 7.95% | 6.87% | 7.65% |
| PRINCE GEORGE'S | (1) | 14.0% | 13.0% |
| PRINCE WILLIAM | 12.4% | 12.2% | 11.5% |

(1) Data not available.