



**County of Albemarle**  
*Charlottesville, Virginia*

**DEPARTMENT OF HUMAN RESOURCES  
ANNUAL REPORT**

**FY 2003-2004  
(July 1, 2003 ~ June 30, 2004)**

## **The Albemarle County Human Resources Department Fiscal Year 2003-2004 Annual Report**

The Albemarle County Department of Human Resources is pleased to present the Board of Supervisors with the Local Government Human Resources Annual Report. The report is intended to provide information for use in establishing the County's overall strategic plan and to assist in setting initiatives for future years. This report contains statistical information on the Local Government workforce as well as some highlights of the Human Resource Department's initiatives and accomplishments for fiscal year 2003-2004.

### Key Information Provided:

- Recruitment/Selection/Retention – full-time equivalent (FTE) count, new hires, terminations, retirements, turnover, years of service, pay grade changes, exit survey data
- Demographic data – age, Equal Employment Opportunity (EEO) data, geographic information
- Pay information – pay grades, average pay, pay by salary level
- Total Rewards – compensation, benefits, reward/recognition

In FY03-04 the Human Resources Department continued to focus on the projects and initiatives that support the Albemarle County Strategic Plan. One of the County's strategic directions is, "To Provide Effective and Efficient Services to the Public in a Courteous and Equitable Manner." A stated objective under this goal is to be recognized by June 2005 as a quality place of employment. This year we are pleased to have met our goals from last year, which included the following key initiatives and projects designed to attract and retain high performing employees:

- The web-based on-line employment application system was completed, to include all County and School Division jobs with the exception of Department of Social Services and the Regional Jail, which are required to use applications specific to their departments.
- New Recruitment Materials were created, including a professional and attractive recruitment booth for job fairs and a recruitment information compact disc to provide to candidates and applicants.
- Competency Based Management tools were created to assist in the recruitment and selection of new employees and to be the basis of the performance management process.
- A 360 Degree Feedback tool was employed with extensive training to provide the members of the County's Leadership Council with feedback used for professional and personal development.
- A Quarterly New Employee Orientation training program was put in place to help instill the mission, vision, values and competencies the County upholds in its desire to become a high performing organization.

The Human Resources Department has continued to be instrumental in assisting with the recruitment, selection and internal promotion of several key positions during FY03-04. The HR Team provided interview training, coordinated interviews, conducted pre-employment testing, and assisted with filling all vacant positions.

The Albemarle County Department of Human Resources will continue its efforts to focus on: competitive salaries/benefits, alternative reward strategies, recruitment/selection/retention, professional development, aging workforce/retirements, as well as assessment and improvement of our internal systems and processes. The HR Team is dedicated to providing excellent human resource support to our customers through the implementation of the County's strategic plan.



Kimberly L. Suyes, SPHR  
Director, Human Resources  
December 2004

# RECRUITMENT, SELECTION AND RETENTION

(See Appendix A: "County of Albemarle Department Statistics – Group A" for list of departments included in the following data.)

## Staffing

The Human Resources Department supported the hiring of 93 new Local Government employees during this fiscal year. This Annual Report predominantly focuses on the "Group A" Departments as defined in Appendix A. For this group, we hired 54 new regular full and part-time employees. Of these, 21 are female, 33 are male, 12 are minorities and 42 are non-minorities.

Specific critical staffing efforts during the year included:

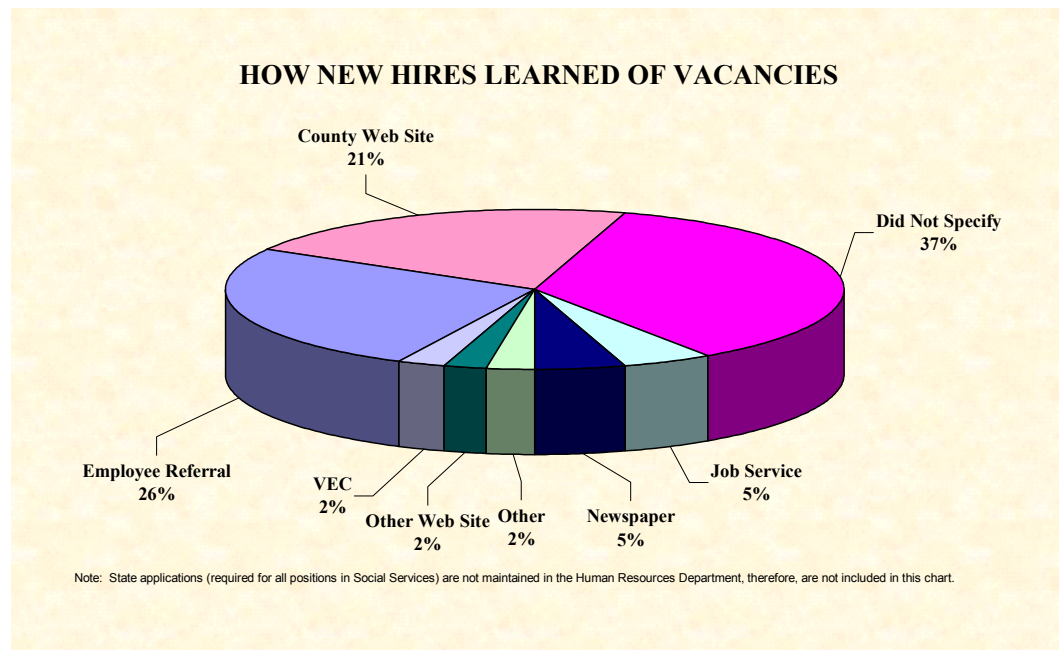
- **Police Department:** Human Resources supported the Police Department in its search, selection and placement for the Captain position. This culminated in the internal promotion of an ACPD Lieutenant.
- **Finance Department:** The transfer of the Director of Finance to the position of Director of Office of Management and Budget left the Director of Finance position vacant. Human Resources supported the County Executive's office in the search, selection and appointment of a new Director of Finance.

## Recruitment

New hires learned of job vacancies through the sources identified in the graph below.

Albemarle County has been nationally recognized for the quality of its web site. We believe that this, coupled with the new easy-to-use on-line application, contributed to the jump in percent of new hires who listed the County Web Site as their job vacancy source (up from 17% to 21%.)

Newspapers, as a source, dropped from 11% to 5%. This shift from newspaper to web-based sources influences how Human Resources advises hiring managers on where to spend their recruiting dollars.



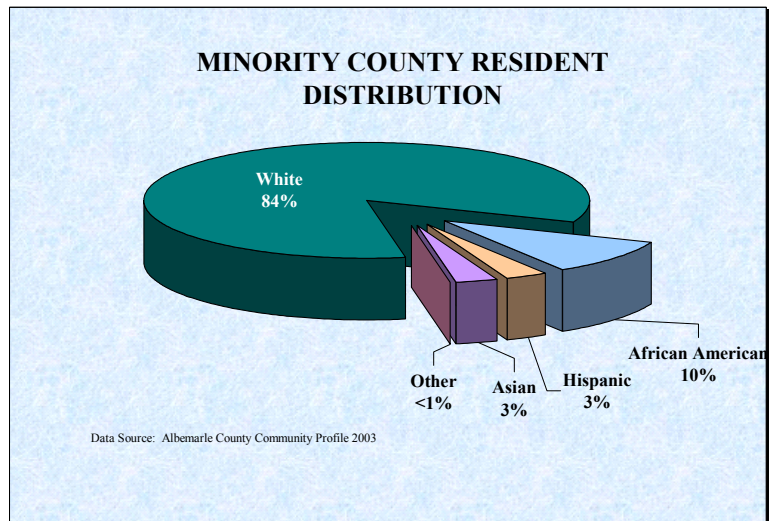
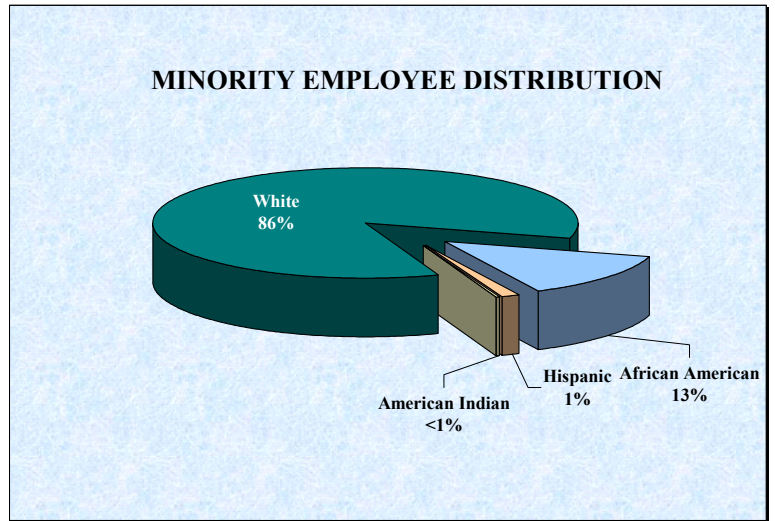
Employee Referral, as a source, continues to increase (up from 22% to 26%) confirming the idea that *all* County employees are potential recruiters and that presenting a positive image of employment with the County is a powerful recruitment tool. This reinforces the value of the work we are doing to create a quality place of employment.

**EEO Data** (see Appendix B)

As of June 30, 2004, there were 222 female and 287 male employees in the government operations. Of those, 76 were minorities and 433 were non-minority.

The Human Resources Department has engaged in the following activities and practices over the past year, in an effort to recruit a workforce more representative of the diversity of the Albemarle County population:

- Reviewed the recruiting, selection and promotion processes and materials to identify any possible improvement to attract and encourage the hiring, training and promotion of minorities.
- Identified websites and print publications with high female or minority readership for advertising and recruiting.
- Trained all new employees on the County’s Equal Employment Opportunity and Sexual Harassment policies.
- Encouraged minority participation on County interview teams.
- Recruited at minority career fairs and colleges.
- Developed new recruitment materials designed to show women, minorities, public safety, and professional roles.



**Average Years of Service**

The County’s 509 regular full-time and part-time employees represent an aggregate of over 4,645 years of service. The average age of County employees is 42 and the average years of service is 9.

**Paygrade Changes**

Thirty-seven (37) employees in 8 departments experienced a salary increase as a result of either a promotion or a reclassification of their position. The breakdown by department is displayed in the table below:

| <u>Department</u>                        | <u>Number of Employees</u> |
|--|----------------------------|
| Community Development & General Services | 11                         |
| County Executive                         | 1                          |
| Finance                                  | 1                          |
| Fire Rescue                              | 11                         |
| Housing                                  | 1                          |
| Information Technology                   | 2                          |
| Police                                   | 8                          |
| Social Services                          | 2                          |

A classification study was begun at the end of this fiscal year to evaluate every position in the newly created Community Development Department. This department combined the previously-named Planning, Building Code & Zoning, and Engineering departments. Public Works was separated out from Engineering and combined with the new General Services Division.

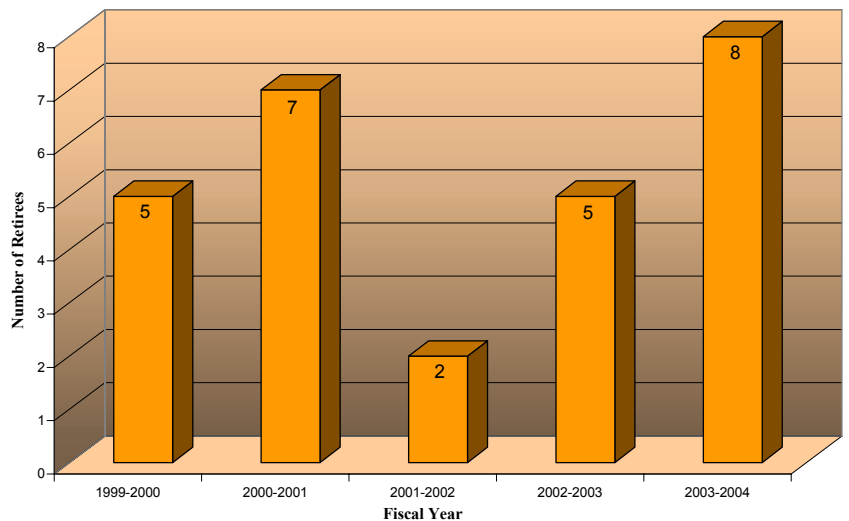
### Turnover

We are pleased to report that employee turnover remains at a low single-digit rate of 7.8%. Including retirements, this number increases to 9.4%. Our low turnover rate and high average years of service are positive indicators of the strong stability and commitment of our workforce. Turnover information by department is included in the chart in Appendix A. Consistently low turnover rates contribute to Albemarle County being perceived as a quality place of employment.

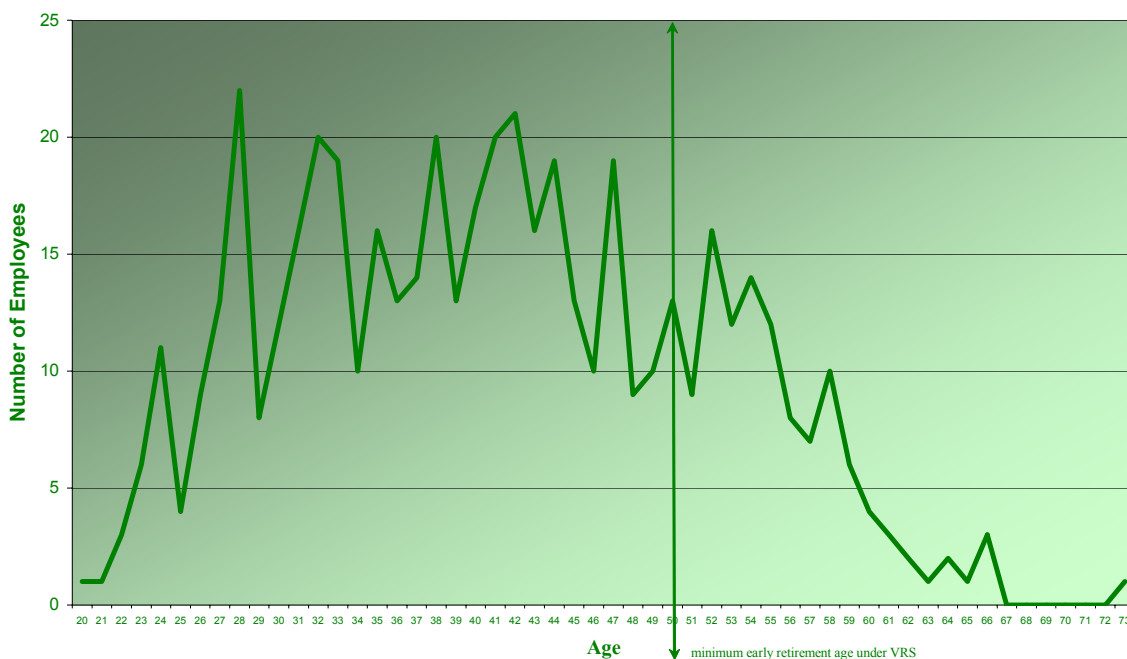
### Retirements

In FY2003-2004 eight (8) local government employees retired compared to five (5) employees in the previous year. The graph on the right shows the number of employee retirements since FY1999-2000. A trend toward more retirees will undoubtedly be present as the organization's workforce ages. The graph below provides information on the age distribution of Albemarle County Local Government employees. From this data, we can anticipate a steady increase in the retirement rate over the next 10 years, as 111 employees are over 50 years old (22% of the work force).

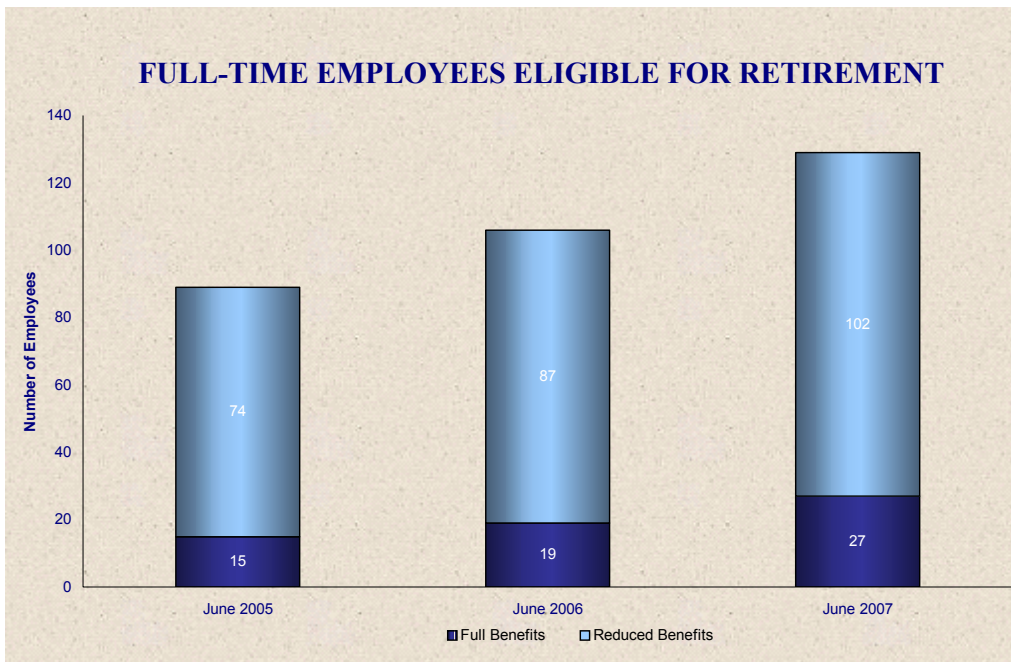
**General Government Retirees**



**Employees by Age**



Of the eight employees who retired this year, 4 were disability retirements and 1 took retirement with reduced benefits, rather than wait for full retirement. As the graph below indicates, employees eligible for retirement will continue on an upward trend as follows:



The number of employees eligible to take advantage of the County sponsored Voluntary Early Retirement Program (VERIP) is as follows:

- June 2005 - 75
- June 2006 - 82
- June 2007 - 99

Human Resources' strategy for meeting the workforce needs of the future includes providing tools and opportunities for reward and recognition, training, competitive pay and above average health benefits. This helps us attract a diverse and qualified pool of candidates and retain employees longer.

Human Resource goals focus on partnering to create a high performing organization that will have the means to both attract and retain highly qualified candidates. Key components of this are HR efforts to:

- Provide equitable and competitive compensation: HR recommendations were approved by Joint Boards to identify competitive salary structure for positions which are recruited regionally and nationally.
- Ensure employees are recognized and rewarded: The *Total Rewards Work Team* was put in place this fiscal year for the purpose of designing a Total Rewards strategy for the County to recognize and reward employee contributions.
- Provide greater flexibility and comprehensive communication in benefits: The benefits open enrollment process was revised this year for FY04-05.
- Provide for internal growth and development: This fiscal year saw the creation of the new HR Organizational Development Manager dedicated to the Local Government employees. An Employee Satisfaction Survey was completed with a 60% response rate. Survey results have been provided to departments to support the creation of targeted initiatives. A Competency Based Management Program was created to provide tools for selection, training and development, and performance management.

## Exit Surveys

Our Exit Survey data continues to identify the County's strengths and opportunities for improvement. The data on the following page reflects responses from Local Government Department employees who left between July 1, 2003 and June 30, 2004.

Of the 48 employees who terminated employment, we received exit surveys from 14, a statistically significant percentage (29%). As we continue to collect exit data over a longer period of time, the data will increase in value.

Some highlights of the results (the numbers represent percent of favorable responses):

- Looking at Column B, we see an overall increase in the percent of favorable responses from FY02-03 to FY03-04.
- There are two notable exceptions, where the percent of favorable response declined, Dimension #6, “Supervisory Consideration” and Dimension #8, “Organizational Culture.”
- The low percent of favorable response to the five survey questions that comprise “Supervisory Consideration” inform us of the need for additional training of supervisors and managers.
- The low percent of favorable response for the two questions that make up “Organizational Culture” point to the need to communicate the County’s Strategic Plan more clearly and consistently to employees.
- To date, there is insufficient National Exit Data gathered for comparing responses to the questions that we asked for the purpose of assessing the Dimension “Organizational Culture.” However, we can still observe the trends in our own data over the years until that data is available.
- All in all, the data collected indicates that employees are leaving with a positive image of their employment with the County. This suggests that the County is moving towards achieving its strategic objective of being recognized by June 2005 as a quality place of employment.

| <b>A</b>                                  | <b>B</b>                               |                | <b>C</b>                              | <b>D</b>            |                | <b>E</b>   |
|---|--|----------------|---------------------------------------|---------------------|----------------|--|
| <b>Dimension</b>                          | <b>County of Albemarle % Favorable</b> |                | <b>National Exit Data % Favorable</b> | <b>Variance (%)</b> |                | <b>Government/ Public Sector Education % Favorable</b> |
|   | <b>FY02-03</b>                         | <b>FY03-04</b> |                                       | <b>FY02-03</b>      | <b>FY03-04</b> |  |
| 1. Work Satisfaction                      | 82                                     | 85             | 58                                    | 24                  | 27             | 60   |
| 2. Work Distribution/Schedule Flexibility | 59                                     | 62             | 47                                    | 12                  | 15             | 45   |
| 3. Pay/Benefits                           | 68                                     | 72             | 55                                    | 13                  | 17             | 51   |
| 4. Training and Development               | 55                                     | 66             | 42                                    | 13                  | 24             | 53   |
| 5. Career Advancement Opportunities       | 45                                     | 45             | 34                                    | 11                  | 11             | 37   |
| 6. Supervisory Consideration              | 73                                     | 63             | 48                                    | 25                  | 15             | 53   |
| 7. Work Group Communication               | 64                                     | 71             | 53                                    | 11                  | 18             | 51   |
| 8. Organizational Culture                 | 68                                     | 52             | n/a                                   | n/a                 | n/a            | n/a  |

## **Safety and Risk Management**

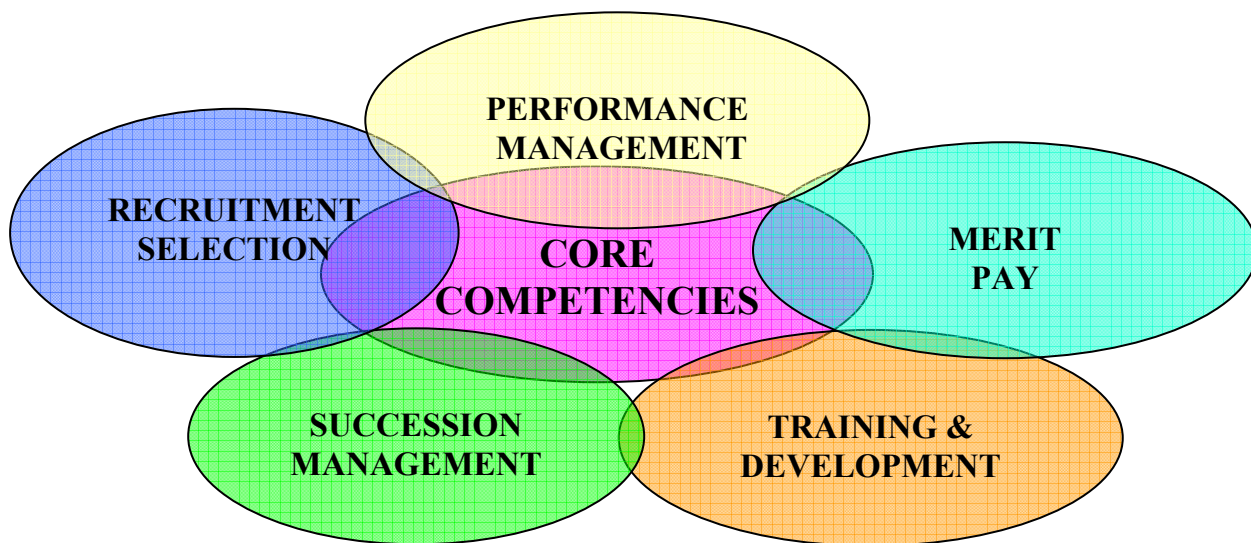
### *Workers Compensation*

A safety consultant from the Virginia Municipal League (VML), the County’s insurance vendor, provided us with recommendations as to how Albemarle County can more effectively meet the Risk Management Minimum Guidelines (RMMG). These recommendations include the implementation or augmentation of incident investigations, self-inspections, training and the development of a safety committee. Fortunately, the budget initiative for a Human Resources Manager with Loss Control as the specific area of accountability was approved by the Board of Supervisors in FY04. In FY05, Human Resources will have the opportunity to negotiate the development and improvement of these types of programs. The coming months will see the finalization of an OSHA compliant procedure manual, the performance of various needs analyses and the foundations a formal safety program put into place.

## Organizational Development

In October of 2003, Albemarle County hired an Organizational Development Manager to help focus on the County's developmental goals. The following initiatives have been completed:

- The successful pilot of a supervisory skills training course called Leadership Foundations. This course will be offered to all supervisors over the next two years.
- The establishment of core competencies (see chart below) based on the County's values and high performance practices with cross-functional team input. There are eight competencies for all employees and four additional ones for supervisory employees.
- The development and implementation of competency-based performance evaluation and personnel selection tools. These tools are used to better appraise performance and select the best employees.
- The establishment of department specific customer service standards to better serve our customers.
- The establishment of quarterly new employee orientation sessions to share the County's structure and culture.
- The creation of an internal web site focused on learning that contains developmental information and tools for all employees.
- The establishment of a book, video, and audio learning library for all Local Government employees to use.
- The establishment of monthly Manager Learning Group meetings to openly discuss developmental topics such as book readings and general discussions to learn from each other.
- The completion of a Darden Business School class for members of the Leadership Council on "Leading Strategic Change".
- The completion of a learning needs assessment survey to assess the County employees' learning needs which resulted in a training curriculum.
- The completion of an Employee Satisfaction Survey which resulted in the distribution to each county department of an individual report with results specific to that department.



## Supporting the County Goals through Partnership and Participation

Human Resources personnel were proud to participate in the following initiatives, teams and events:

- Web Design Team
- Customer Service Academy Team
- County Strategic Plan Development Team
- County Day for Citizens at the County Office Building
- BPKSE (Business Processes and Key Systems Evaluation)
- Redesign of the Engineering, Building Code & Zoning, and Planning Departments

## TOTAL REWARDS

### Compensation and Benefits

In 2000/2001, the Joint Boards adopted the following Total Compensation strategy:

- **Overall Goal:** The overall goal of the County's Compensation and Benefits strategy is to provide competitive compensation opportunities that reinforce high performance from all employees and the achievement of organizational goals.
- **Base Salary:** Base salary range midpoints are targeted at 100% of the competitive market median levels.
- **Benefits:** Benefits will be targeted slightly above the County's competitive market (*i.e.*, @105<sup>th</sup> percentile).
- **Competitive Market:** The primary competitive market for all County positions is defined as:
  - Counties and School systems of similar size within the State of Virginia;
  - Counties and School systems located in the same geographic region of the State of Virginia; and,
  - Local private employers within the Charlottesville area for positions that are not unique to government and/or education industry.
- **Internal Equity:** Our focus on establishing an equitable compensation program is reflected in our dedication to considering internal equity and market compensation levels in establishing base salary ranges.

The Joint Boards also adopted a process by which to establish the annual merit pool increase and salary scale adjustment. Based on the Board adopted process and compensation strategy to achieve 100% of market for salaries and scales in FY04-05, the following was recommended and approved:

- 2% increase in the Classified Salary Scale (*This mainly impacts new employees going forward.*)
- 3% merit pool for classified staff

The following issues have emphasized the difficulties of attracting and retaining a highly qualified workforce. These difficulties include:

- Recent recruitments have resulted in a very small pool of candidates for many positions;
- Top candidates have declined offers;
- The high cost of living relative to salary in Albemarle is apparent to candidates;
- A growing percentage of our workforce is eligible for retirement.

The Joint Boards recognize that competitive salaries are critical for Albemarle County to attract and retain high performing employees. Therefore, in FY04 the Joint Boards adopted a new strategy for positions recruited for on a regional/national level:

- **The comparative market for positions recruited for regionally and nationally was identified as the localities (subset) within our adopted market with which we typically compete for those positions.** This subset of our adopted market should address cost of living issues and target competitive market position. To remain consistent with Board adopted strategy, the recommended target is the median of that comparative market (subset). All localities of the subset comparative market are within the wider competitive market and include: Hanover County, Loudoun County, City of Charlottesville, Prince William County, Spotsylvania County, Chesterfield County, City of James City County, City of Chesapeake, and City of Roanoke.
- **Maintain current salary structure and increase the span of our scale.**
- **Waive policy to allow reclassification increases to be phased in over a two-year period (versus one-year per policy).**

Positions in the School Division and Local Government that are recruited for on a national and/or regional level were identified. Market data was collected on a number of benchmark positions. Pay grade determination was based on market information, as well as internal equity considerations.

**Benefits Administration:**

The Human Resources staff strives to provide quality benefits in a cost-effective manner and communicate those benefits to Albemarle County employees, family members, applicants and retirees. The County continues to offer a wide variety of employee benefits to meet the needs of our workforce. These include employee healthcare, retiree healthcare, deferred compensation, dental, flexible spending accounts (Beneplus), optional life insurance, direct deposit, family medical leave, annual leave, sick leave, etc.

Pension and life insurance plans for full-time employees are offered through the Virginia Retirement System (VRS) and for part-time employees through a separate pension/life insurance plan. Of 744 total employees (Groups A and B), 213 contribute to deferred compensation.

Benefits are communicated through a variety of methods, some of which are listed below:

- Weekly Benefits Orientation sessions
- Benefits information on the County web site
- Financial Education and Pre-retirement seminars
- Monthly on-site availability of our deferred compensation vendor

The Board adopted strategy is to target our benefits slightly above market and to offer benefit programs that meet our employees' needs. However, many employees are not aware of or do not understand the benefit programs available to them. To enhance employee understanding and appreciation of their benefit package and total compensation, we recognized the need for a well-planned communications program and simple enrollment process. In light of this, HR began developing a comprehensive communication plan and electronic enrollment process for the FY04-05 Open Enrollment period. In addition, several options for voluntary benefits were identified and were offered for the 2004-2005 Open Enrollment.

**Medical Insurance:**

To provide employees options, better meet individual needs, and offer affordable health care choices, three plans with differences in deductibles, co-pays, and premiums were offered again for the plan year beginning October 2003. The majority of employees (94%) opted to pay higher premiums and remain with the high plan. Our high option plan is rich in terms of no cost sharing for many services. However, this plan may not be offered by insurers in the future. In anticipation of this, the rates for the high plan were increased for the 2004/2005 plan year in an effort to encourage employees to select the low and middle options.

**Total Rewards Program**

A cross-departmental team was formed in January and met over several months in FY04 to develop a total rewards strategy that supports the Albemarle County strategic plan. This involved evaluating our current compensation and performance management systems. The Total Rewards Team worked with Segal Consultants to obtain an understanding of the basic concepts of total rewards, information on new trends and best practices, and the advantages and disadvantages of different reward programs. Interviews were conducted with key executives, managers and several members of the Board of Supervisors to identify perceptions of the County's current programs. An Employee Satisfaction Survey was conducted, which included questions designed to get input on rewards preferences, and cross-functional focus groups were held to get additional feedback. Based on this assessment, the team made the following four recommendations on Total Rewards Programs and a phased in implementation schedule for FY05:

- Recognition Program (cash and non-cash rewards)
- Revision to Merit Pay Plan
- Skill/Competency Differentials
- Broadbanding

## Rewards and Recognition

The County's Employee Recognition Program for length of service continues to be improved to better meet the needs of the individual employees and provide more meaningful forums for providing recognition for years of service. Instead of a centralized annual event, the recognition is now provided in two ways. First, employee recognition is now conducted within the employee's department; various studies and feedback from our employees have indicated that this more personalized form of recognition is greatly valued by employees. Second, all recipients are recognized at the annual recognition ceremony. In addition, the choice of recognition items has been expanded:

- for 10, 15, and 20 years of service, employees now receive an attractive gift
- for 25+ years, employees choose from a selection of gifts that best suit their needs
- employees with the longest length of service, who reach a milestone this year, are recognized with a special presentation and gift at the Employee Recognition Ceremony

On October 15, 2004, 130 employees were recognized for their service milestones that occurred between July 1, 2003 and September 30, 2004. Employee feedback indicated that October is the preferred month for this event, so this year we included employees who met service milestones in July – September. Going forward the employees who reach milestones between October 1 and September 30 will be recognized at the October event. This eliminates the time lag between the service cut-off date and the recognition event.

We are pleased to report that the feedback from last year's event was extremely positive. Employees were pleased with the change in format, commenting specifically on how it made them feel more valued to be recognized among their peers and co-workers. Human Resources will continue to build on this model to provide the County's employees with the recognition they have earned.

## GOING FORWARD

The Albemarle County Local Government's success in delivering against the County's Strategic Plan and meeting its stated goals will depend on its ability to attract and maintain a high quality and high performing workforce in an extremely competitive environment.

The recruitment, selection, development and retention of a quality workforce is a function of the interaction of a number of factors, including, but not limited to: Compensation/Benefits, Performance Management, Organizational Development, and Quality of the Work Environment.

The Human Resources Department has identified areas of commitment for the next fiscal year to ensure that the County is provided with a workforce of employees that continuously provides high quality customer-focused service to its citizens in support of the County's Strategic Plan. Our focus will be on developing and retaining employees with excellent supervisory and management skills by:

- Providing supervisors and managers with the "Leadership Foundations" training that was piloted in the previous fiscal year. This includes training in coaching, communication, continuous improvement, customer service and project management, to name just a few topics;
- Creating and providing an on-line "Procedure Manual" for all supervisory staff as well as training in Human Resources processes and the basics of employment law required for good management;
- Developing a "Toolbox" for managers and supervisors to use when rewarding and recognizing excellent performance of their employees;
- Developing a succession management program to provide the foundation for current employees to be identified, trained and developed for possible future leadership roles;
- Implementing safe workplace programs and procedures for ensuring a safe and healthy work environment;
- Beginning the development of skill and competency pay differentials and the evaluation of broadbanding.

The Human Resources Department is looking forward in this next fiscal year to proactively providing the services and solutions that meet the needs of the Albemarle County employees and citizens.