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TO: Ande Banks, City Manager

FROM: Angela K. Clem, Director of Human Resources

DATE: October 1, 2024

RE: Agenda Item Addition (City Council Meeting of October 8, 2024) – Benefits Study

Update + Parental Leave Implementation (Informational Item)

<u>Summary:</u> Human Resources is providing an update on the City's comprehensive Employee Benefits Study and the most recent implementation of the Parental Leave Policy as an informational item to City Council.

Background: As a result of the Classification & Compensation Study completed in early 2023, Human Resources included a benefits report and assessment in the scope of services for its consultant. In planning Fiscal Year 2024, Administration and Human Resources recommended the prioritization of the compensation portion to City Council in order to provide for equitable pay for City employees. As data suggests, compensation is not the only factor an employee considers as a part of job satisfaction. Administration and Human Resources, in consultation with the Executive Leadership Team, compiled a multi-disciplinary workgroup to review current employee benefits offerings for future recommendation to Administration.

The Benefits Study was initiated In January 2024. During the months of January and February, the Benefits Study Group hosted 70 listening sessions across city departments. There was an 85% participation rate in the full-time employee listening sessions, followed by an overall 75% participation rate across all employment statuses. The Benefits Study Listening Sessions were followed by a confidential employee survey, creation of a Benefits Study Report and a Benefits Evaluation Schedule (completed in April 2024). The Benefits Study Report can be found at www.harrisonburgva.gov/benefits-study. To date, the Benefits Study Group has worked with Administration to accomplish (1) An increase in the City's contribution to employee health insurance premiums, and (2) the creation and implementation of a parental leave policy (effective January 1, 2025).

The study has been developed through the support of City Council and in accordance with City Council's focus area, which outlines the importance of distinctive, reliable delivery of high-quality City services; that a comprehensive total rewards package is part of attracting and retaining talented public servants to our organization.

<u>Key Issues:</u> The Benefits Study Group continues its work with the support of City Council and Administration. The next priority items include the evaluation of Retiree Healthcare, Health Insurance

(Cost/Coverage), Family Sick Leave, Leave – Other, Leave – Paid Time Off/Vacation & Sick Leave, and Leave for Part-Time Employees. The Workgroup has already begun its next phase.

Environmental Impact: None

<u>Fiscal Impact</u>: While the implementation of parental leave will have minimal financial impact, it is expected that the provision of future benefits under evaluation at this time will have a financial impact – whether it is related to the provision of health insurance for employees who have dedicated years of service to our organization and are ready for retirement, or the provision of additional paid time off.

Prior Actions: N/A

Alternatives: N/A

Community Engagement: N/A

Recommendation: Staff recommends the receipt of the Benefits Study Update as an informational item.

Attachments: Brief Presentation

Review: N/A

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.