

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 11, 2006

TO: JAMES K. HARTMANN, CITY MANAGER *J*

FROM: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

SUBJECT: BUDGET MEMO # 116 : BUDGET IMPACT OF HOLDING CITY
EMPLOYEE COMPENSATION INCREASES TO 3.25%, 3.50%, 3.75%, 4.00%,
4.50% AND 5.00%

This is in response to Councilman Krupicka's request for the budget impact of holding total City employee compensation increases (COLA, merit, and planned mid-year adjustments) to 3.25%, 3.50%, 3.75%, 4.00%, 4.50%, and 5.00%.

The FY 2007 proposed budget contains \$12.5 million for employee compensation increases, including \$5.7 million for a 3.0 percent COLA, \$2.8 million for merit pay increases, and \$4.0 million designated in fund balance for a mid-year adjustment for general employees.

The following table illustrates the amount the dollar increase would be under each scenario and the difference between that amount and the \$12.5 million in the proposed budget.

Percent Increase	Dollar Increase (in millions)	Difference from FY 2007 Proposed Budget (in millions)
5.00%	\$9.5	\$3.0
4.50%	\$8.6	\$4.0
4.00%	\$7.6	\$4.9
3.75%	\$7.1	\$5.4
3.50%	\$6.7	\$5.9
3.25%	\$6.2	\$6.3