



CITY OF MORRO BAY CITY COUNCIL AGENDA

*The City of Morro Bay is dedicated to the preservation and enhancement of the quality of life.
The City shall be committed to this purpose and will provide a level of municipal service and
safety consistent with and responsive to the needs of the public.*

Regular Meeting - Tuesday, January 10, 2017 Veterans Memorial Hall - 6:00 P.M. 209 Surf St., Morro Bay, CA

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
RECOGNITION
CLOSED SESSION REPORT
MAYOR & COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS
CITY MANAGER REPORTS, ANNOUNCEMENTS AND PRESENTATIONS

PRESENTATIONS

- Bird Festival Proclamation

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the Council on City business matters not on the agenda may do so at this time. For those desiring to speak on items on the agenda, but unable to stay for the item, may also address the Council at this time.

To increase the effectiveness of the Public Comment Period, the following rules shall be followed:

- When recognized by the Mayor, please come forward to the podium and state your name and city of residence for the record. Comments are to be limited to three minutes.
- All remarks shall be addressed to Council, as a whole, and not to any individual member thereof.
- The Council respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the City Council to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in City Council meetings is welcome and your courtesy will be appreciated.

A. CONSENT AGENDA

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion. The public will also be provided an opportunity to comment on consent agenda items.

A-1 APPROVAL OF MINUTES FROM THE DECEMBER 12, 2016 SPECIAL CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FROM THE DECEMBER 13, 2016 SPECIAL CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FROM THE DECEMBER 13, 2016 CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 APPOINTMENT OF MAYOR PRO TEMPORE AND APPOINTMENT OF REPRESENTATIVES ON DISCRETIONARY BOARDS, COUNCIL LIAISON ASSIGNMENTS AND COUNCIL SUB-COMMITTEES; (MAYOR)

RECOMMENDATION: Council affirm the appointment of Councilmember John Heading as Mayor Pro Tempore as well as the appointment of Representatives to serve on the various County or Regional Discretionary Boards, Council Liaison Assignments and Sub-Committees for calendar year 2017.

A-5 AUTHORIZATION FOR ATTENDANCE AT THE CALIFORNIA MARINE AFFAIRS AND NAVIGATION CONFERENCE (C-MANC) ANNUAL WASHINGTON D.C., "WASHINGTON WEEK" MEETINGS; (HARBOR)

RECOMMENDATION: Council approve authorization for a three-person delegation (the Mayor, City Manager and Harbor Director) to attend the California Marine Affairs and Navigation Conference (C-MANC) 2017 "Washington Week" meetings in Washington, D.C.

A-6 ADOPTION OF RESOLUTION NO. 01-17 AMENDING THE COUNCIL POLICIES AND PROCEDURES TO ALLOW FOR EXCEPTIONS TO THE AGE REQUIREMENT FOR ADVISORY BOARD MEMBERS, ADOPTION OF RESOLUTION NO. 02-17 AMENDING THE ADVISORY BOARD BY-LAWS REGARDING QUALIFICATION, AND AFFIRMATION OF APPOINTMENT TO THE RECREATION AND PARKS COMMISSION; (ADMINISTRATION)

RECOMMENDATION: Council adopt Resolution No. 01-17 amending the Council Policies and Procedures to allow for exceptions to the age requirement for Advisory Board Members; and, adopt Resolution No. 02-17 amending the Advisory Board By-Laws for the Recreation & Parks Commission regarding qualifications. With the adoption of those policy changes, the Council can affirm its December 13, 2016, appointment of Michelle Morosin, a Morro Bay High School student to the Recreation and Parks Commission.

A-7 AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR THE PROJECT NO. MB2016-MA01: HEATING VENTILATION AIR CONDITIONING (HVAC) UPGRADE; (PUBLIC WORKS)

RECOMMENDATION: Council authorize staff to file the Notice of Completion of the project MB2016-MA01: HVAC Upgrade.

A-8 AUTHORIZATION TO FILE NOTICE OF COMPLETION FOR THE PROJECT NO. MB2016-MA04: SOLAR PHOTOVOLTAIC INSTALLATION PROJECT; (PUBLIC WORKS)

RECOMMENDATION: Council authorize staff to file the Notice of Completion of the project MB2016-MA04: Solar Photovoltaic Installation.

A-9 PROCLAMATION DECLARING JANUARY 2017 AS MORRO BAY WINTER BIRD FESTIVAL MONTH; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

B. PUBLIC HEARINGS - NONE

C. BUSINESS ITEMS

C-1 DISCUSSION OF SUPPLEMENTAL COMPENSATION INFORMATION TO GO ALONG WITH RESULTS FROM THE SALARY SURVEY CONDUCTED BY KOFF & ASSOCIATES, AND CONSIDERATION OF COMPENSATION POLICY EXAMPLES; (FINANCE)

RECOMMENDATION: Council receive information and a presentation regarding supplemental compensation information to go along with results of the Salary Survey; and consider draft compensation policies as identified.

C-2 STREETS FUNDING DISCUSSION; (CITY MANAGER)

RECOMMENDATION: Council discuss options to raise funds for street improvements and provide staff direction. The key question for consideration now is whether the Council wants to consider a special election in 2017 for a ballot measure to generate funding for street improvements.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS

E. ADJOURNMENT

There will be a Special Closed Session Meeting on **January 11, 2017** at 4:30 p.m., followed by a Special Joint Meeting with the Planning Commission at 5:30 p.m. The next Regular Meeting will be held on **Tuesday, January 24, 2017 at 6:00 p.m.** at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

THIS AGENDA IS SUBJECT TO AMENDMENT UP TO 72 HOURS PRIOR TO THE DATE AND TIME SET FOR THE MEETING. PLEASE REFER TO THE AGENDA POSTED AT CITY HALL FOR ANY REVISIONS OR CALL THE CLERK'S OFFICE AT 772-6205 FOR FURTHER INFORMATION.

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE CITY COUNCIL AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION AT CITY HALL LOCATED AT 595 HARBOR STREET; MORRO BAY LIBRARY LOCATED AT 625 HARBOR STREET; AND MILL'S COPY CENTER LOCATED AT 495 MORRO BAY BOULEVARD DURING NORMAL BUSINESS HOURS.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 24 HOURS PRIOR TO THE MEETING TO INSURE REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL MEETING – DECEMBER 12, 2016
VETERANS MEMORIAL HALL
209 SURF STREET – 7:00 P.M.

AGENDA NO: A-1
MEETING DATE: January 10, 2017

PRESENT:	Jamie Irons	Mayor
	John Headding	Councilmember
	Christine Johnson	Councilmember
	Matt Makowetski	Councilmember
	Noah Smukler	Councilmember
STAFF:	Dave Buckingham	City Manager
	Joe Pannone	City Attorney
	Dana Swanson	City Clerk
	Ikani Taumoepeau	Deputy City Manager
	Craig Schmollinger	Finance Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Director
	Larry Todd	Interim Police Chief
	Steve Knuckles	Fire Chief
	Eric Endersby	Harbor Director

I. ESTABLISH QUORUM AND CALL TO ORDER

Mayor Irons established a quorum and called the meeting to order at 7:00 p.m. with all members present.

II. MOMENT OF SILENCE

III. PLEDGE OF ALLEGIANCE

IV. ADOPTION OF RESOLUTION NO. 77-16 DECLARING THE RESULTS OF THE GENERAL MUNICIPAL ELECTION

<https://youtu.be/yK0q70Qje-0?t=2m59s>

MOTION: Councilmember Johnson moved for approval of Resolution No. 77-16 declaring the results of the General Municipal Election. The motion was seconded by Councilmember Smukler and carried unanimously, 5-0.

V. PUBLIC COMMENT

<https://youtu.be/yK0q70Qje-0?t=3m48s>

Ermina Karim, resident of San Luis Obispo County, expressed appreciation to the Council and special thanks to Councilmember Johnson for her leadership.

Eric Justesen, thanked Councilmembers Johnson and Smukler for serving Morro Bay so well and congratulated the new Councilmembers.

Sharon O'Leary, Morro Bay, thanked Councilmembers Smukler and Johnson for their support of Estero Bay Alliance of Care (EBAC) and the Community Resource Office.

Jen Ford, Morro Bay, thanked members of the Council for their dedication to the city and congratulated Robert Davis and Marlys McPherson.

Walter Heath, Morro Bay, conveyed his thanks to the Council for listening to all voices to gain a fresh perspective.

Jane Heath, Morro Bay, added her thanks to those on the dais, as well as their spouses and families.

Betty Winholtz, Morro Bay, encouraged the Council to reach out to other candidates and those who supported them and to look at diversity on committees and advisory boards to help bring the community together.

Nancy Castle, Morro Bay, presented certificates of appreciation for contributions to the Thanksgiving dinner and expressed her appreciation to Councilmembers Johnson and Smukler for their support of EBAC, Monday night dinners, Community Resource Center and Homeshare SLO.

Amy Burton, Morro Bay, expressed her gratitude to Councilmembers Smukler and Johnson for their years of service to the community.

The public comment period was closed.

- VI. COMMENTS BY CURRENT MAYOR AND COUNCILMEMBERS
<https://youtu.be/yK0q70Qje-0?t=19m48s>

- VII. PRESENTATIONS TO COUNCILMEMBER CHRISTINE JOHNSON AND COUNCILMEMBER NOAH SMUKLER
<https://youtu.be/yK0q70Qje-0?t=55m48s>

- VIII. OATH OF OFFICE AND PRESENTATION OF CERTIFICATES OF ELECTION TO MAYOR JAMIE IRONS, COUNCILMEMBER MARLYS MCPHERSON AND COUNCILMEMBER ROBERT DAVIS
<https://youtu.be/yK0q70Qje-0?t=59m16s>

- IX. COMMENTS BY RE-ELECTED MAYOR AND NEWLY ELECTED COUNCILMEMBERS
<https://youtu.be/yK0q70Qje-0?t=1h2m27s>

- X. ADJOURNMENT
The meeting adjourned at 8:21p.m.

Recorded by:

Dana Swanson
City Clerk

MINUTES - MORRO BAY CITY COUNCIL
SPECIAL MEETING – DECEMBER 13, 2016
VETERANS MEMORIAL HALL
209 SURF STREET – 4:00 P.M.

AGENDA NO: A-2
MEETING DATE: January 10, 2017

PRESENT: Jamie Irons Mayor
 Robert Davis Councilmember
 John Headding Councilmember
 Matt Makowetski Councilmember
 Marlys McPherson Councilmember

STAFF: Dana Swanson City Clerk
 Joe Pannone City Attorney

ESTABLISH QUORUM AND CALL TO ORDER

Mayor Irons established a quorum and called the meeting to order at 4:05 p.m. with all members present.

PUBLIC COMMENT

<https://youtu.be/HWSP1NLxijM?t=48s>

Barbara Spagnola, Citizens Finance Advisory Committee Chair, requested the Council emphasize with any of the candidates the role of committee members is advisory in nature and they investigate financial and budgeting related matters as requested by Council and staff. She also requested the application deadline be extended to seek more applicants.

The public comment period was closed.

SPECIAL MEETING AGENDA ITEMS:

- I. ADVISORY BOARD INTERVIEWS
 - a. Planning Commission interviews for two (2) openings:
 - i. Two (2) openings for a 4-year term beginning 2/1/17 and ending 1/31/21
 - b. Public Works Advisory Board (PWAB) interviews for four (4) openings:
 - i. One (1) current vacancy plus 4-year term ending 1/31/21
 - ii. Three (3) openings for a 4-year term beginning 2/1/17 ending 1/31/21
 - c. Citizens Oversight & Citizens Finance Committee interviews for three (3) openings:
 - i. Two (2) current vacancies for a term ending 1/31/19
 - ii. One (1) current vacancy for term ending 1/31/22
 - d. Tourism Business Improvement District (TBID) Advisory Board for three (3) openings:
 - i. One (1) current vacancy for the remainder of a term ending 1/31/19 (Member-at-large)
 - ii. One (1) current vacancy plus 4-year term ending 1/31/21 (Hotelier Member-at-large)
 - iii. One (1) opening for a 4-year term beginning 2/1/17 and ending 1/31/21 (Preference given for hotelier with 50 rooms or less)

Recreation & Parks Commission interviews for three (3) openings:

- iv. Three (3) openings for 4-year terms beginning 2/1/17 and ending 1/31/21
- e. Harbor Advisory Board interviews for three (3) openings:
 - i. One (1) opening for a 4-year term beginning 2/1/17 and ending 1/31/21 (Marine-oriented business)
 - ii. One (1) opening for a 4-year term beginning 2/1/17 and ending 1/31/21 (member-at-large)
 - iii. One (1) opening and up to two (2) alternates for a term beginning 2/1/17 and ending 1/31/21 (representatives of Morro Bay Commercial Fishermen's Organization)

The following applicants were interviewed to fill two (2) upcoming vacancies on the Planning Commission: Michael Lucas and Robert Tefft. The City Council voted by written ballot and the City Clerk read the results. Mr. Lucas and Mr. Tefft each received unanimous support from the Council to fill new 4-year terms beginning 2/1/17 and ending 1/31/21.

The following applicants were interviewed to fill upcoming vacancies on the Recreation & Parks Commission: Michelle Morosin, Drew Sidaris and Skip Sorich. The Council voted by written ballot and the City Clerk read the results. Miss Morosin, Mr. Sidaris and Mr. Sorich each received unanimous support from the Council to fill new 4-year terms beginning 2/1/17 and ending 1/31/21. The Council discussed current City policies require all advisory board members be at least 18 years of age. Miss Morosin is a Los Osos resident, student at Morro Bay High School, and not yet 18 years old. The Council requested amendments to the Council Policies & Procedures and Advisory Board Bylaws be brought back at the next meeting to allow the Council to appoint Morro Bay High School students under the age of 18 to participate on advisory boards and also affirm Miss Morosin's appointment to the Recreation & Parks Commission.

The following applicants were interviewed to fill current and upcoming vacancies on the Public Works Advisory Board: Ric Deschler, Jan Goldman and John Erwin.

Mr. Erwin had applied to serve on both the Public Works Advisory Board and Citizens Oversight / Citizens Finance Committee. Current City policy prohibits a person from serving on two permanent advisory boards, but the Council has made exceptions to that policy in the past. Mayor Irons asked Mr. Erwin if he had a preference of serving on one board over the other. Mr. Erwin responded his preference was the Citizens Oversight / Citizens Finance Committee, but depending on the workload he was willing to serve on the PWAB on a trial basis. It was noted the application period for both Citizens Oversight / Citizens Finance Committee and PWAB would be extended to fill additional vacancies on those advisory boards.

The Council voted by written ballot and the City Clerk read the results. Mr. Deschler and Ms. Goldman each received unanimous support from the Council and were appointed to fill new 4-year terms beginning 2/1/17 and ending 1/31/21. Mr. Erwin received three votes to fill the current vacancy plus a 4-year term ending 1/31/21 (Irons, Heading and McPherson) and two votes to fill a 4-year term beginning 2/1/17 and ending 1/31/21 (Davis and Makowetski). Mr. Erwin was appointed to fill the current vacancy plus new 4-year term ending 1/31/21.

Mr. Erwin was interviewed to fill current vacancies on the Citizens Oversight / Citizens Finance Committee. The Council voted unanimously (5-0) to have Mr. Erwin fill a current vacancy for a term ending 1/31/19.

Mr. Akesh Patel submitted an application for the Tourism Business Improvement District (TBID) Advisory Board but was unable to attend the interview. He submitted a written request to the

Council to excuse his absence as he is a student taking finals at San Diego State University. As the liaison to the TBID, Councilmember Headding recommended Mr. Patel's appointment to the TBID; the rest of the Council agreed.

MOTION: Mayor Irons moved the Council excuse Mr. Patel's absence and appoint him to fill a new 4-year term beginning 2/1/17 and ending 1/31/21 for hotelier (50 rooms or less). The motion was seconded by Councilmember Headding and carried unanimously, 5-0.

The following applicants were interviewed to fill upcoming vacancies on the Harbor Advisory Board: Peter Griffin, Owen Hackleman, Jeremiah O'Brien, William Luffee and Ron Reisner. The Council voted by written ballot and the City Clerk read the results:

- Mr. Reisner to fill a 4-year term beginning 2/1/17 and ending 1/31/21 for Marine-oriented business
- Mr. Luffee to fill a 4-year term beginning 2/1/17 and ending 1/31/21 for Member-at-Large
- Mr. O'Brien as the designee with Mr. Hackleman as 1st alternate and Mr. Griffin as 2nd alternate to represent the Morro Bay Commercial Fishermen's Organization for a 4-year term beginning 2/1/17 and ending 1/31/21.

ADJOURNMENT

The meeting adjourned at 6:02p.m.

Recorded by:

Dana Swanson
City Clerk

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MINUTES - MORRO BAY CITY COUNCIL
REGULAR MEETING – DECEMBER 13, 2016
VETERAN'S MEMORIAL HALL – 6:00 P.M.

AGENDA NO: A-3

MEETING DATE: January 10, 2017

PRESENT:	Jamie Irons	Mayor
	Robert Davis	Councilmember
	John Headding	Councilmember
	Matt Makowetski	Councilmember
	Marlys McPherson	Councilmember
STAFF:	Dave Buckingham	City Manager
	Joe Pannone	City Attorney
	Dana Swanson	City Clerk
	Ikani Taumoepeau	Deputy City Manager
	Craig Schmollinger	Finance Director
	Rob Livick	Public Works Director
	Scot Graham	Community Development Director
	Larry Todd	Interim Police Chief
	Steve Knuckles	Fire Chief
	Eric Endersby	Harbor Director

ESTABLISH QUORUM AND CALL TO ORDER

The meeting was called to order at 6:07 p.m., with all members present.

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

RECOGNITION

https://youtu.be/2zm3R0a_3K4?t=1m57s

The City Council, City Manager and Interim Police Chief presented Lifesaving Awards to Sergeant Tony Mosqueda, Sergeant Nicole Canby, and Officer Thomas Nolan.

Chief Todd presented a Certificate of Appreciation to the Morro Bay High School (MBHS) Automotive Technology Class and Teacher James Bueno for repairing a Police Department vehicle, allowing it to be used as a volunteer car.

Ken Vesterfelt and Chris Parker of Cruisin' Morro Bay Car Show presented a donation to the MBHS Automotive Technology Class.

CLOSED SESSION REPORT – No Closed Session Meeting was held.

MAYOR AND COUNCILMEMBERS' REPORTS, ANNOUNCEMENTS & PRESENTATIONS

CITY MANAGER REPORTS, ANNOUNCEMENTS & PRESENTATIONS

PRESENTATIONS - None

PUBLIC COMMENT

https://youtu.be/2zm3R0a_3K4?t=24m39s

Sophia Tolle of Poppy Boutique, located at 911 Embarcadero, provided the business spot. Poppy Boutique offers a variety of beauty, comfort, clothing, shoes, and gift items in a friendly environment. She thanked those who participated in this year's 12 Days of Christmas event.

Rigmor, Morro Bay, shared her appreciation to Council for its leadership and the Fire Department for lighting her neighborhood during a recent power outage. She commented on the proposed Centennial Stairway project suggesting it should look more natural; she does not favor the glass elevator. She also suggested building a parklet at the end of Surf Street.

Richard Sadowski, Morro Bay, spoke to Item C-2 stating the WRF consultants are misusing his 2004 work product, and building the lift station near the current wastewater treatment plant is a fatal flaw.

Bill Woodson, Morro Bay, spoke to Item C-2 suggesting the wastewater reclamation facility project must be managed by a constructed manager at risk to bring the project in on time and under budget. He believes the proposed 20% contingency is too high and Chorro Valley is the right location but does not see the needed extra protection in the FMP to prevent spills into the estuary.

The public comment period was closed.

The Council and staff responded to issues and questions raised during the public comment period.

A. CONSENT AGENDA
https://youtu.be/2zm3R0a_3K4?t=49m24s

Unless an item is pulled for separate action by the City Council, the following actions are approved without discussion.

A-1 APPROVAL OF MINUTES FROM THE NOVEMBER 15, 2016 CLOSED SESSION CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-2 APPROVAL OF MINUTES FROM THE NOVEMBER 15, 2016 CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-3 APPROVAL OF MINUTES FROM THE DECEMBER 5, 2016 CLOSED SESSION CITY COUNCIL MEETING; (ADMINISTRATION)

RECOMMENDATION: Approve as submitted.

A-4 ADOPTION OF RESOLUTION NO. 79-16, TO REAFFIRM INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND (LAIF) AND DESIGNATE TRANSACTION OFFICERS; (FINANCE)

RECOMMENDATION: Council adopt Resolution No. 79-16.

A-5 ADOPTION OF RESOLUTION NO. 80-16, DESIGNATING AND AUTHORIZING INVESTMENT TRANSACTION OFFICERS; (FINANCE)

RECOMMENDATION: Council adopt Resolution No. 80-16.

A-6 APPROVAL OF REVISED JOB DESCRIPTIONS AND SALARY SCHEDULE TO INCORPORATE NEW UTILITIES DIVISION POSITIONS; (ADMINISTRATION)

RECOMMENDATION: Council review the update contained in this staff report and approve the attached job description and updated salary schedule.

A-7 PUBLIC RATIFICATION OF TENTATIVE SETTLEMENT AGREEMENT WITH PG&E REGARDING CLOSURE OF DIABLO CANYON POWER PLANT; (ADMINISTRATION)

RECOMMENDATION: Ratify the Council approval of the tentative settlement agreement among PG&E and the cities of Arroyo Grande, Atascadero, Morro Bay, Paso Robles, Pismo Beach and San Luis Obispo to assist with mitigation of the economic impacts that will result from the closure of the Diablo Canyon Power Plant.

A-8 WATER RECLAMATION FACILITY (WRF) PROGRAM UPDATE

RECOMMENDATION: Council review the current status of the WRF program.

Councilmember Makowetski pulled A-6. Councilmember Headding pulled A-7.

MOTION: Councilmember Headding moved the Council approve Items A-1 through A-5 and A-8 on the Consent Agenda. The motion was seconded by Councilmember Davis and carried unanimously, 5-0.

A-6 APPROVAL OF REVISED JOB DESCRIPTIONS AND SALARY SCHEDULE TO INCORPORATE NEW UTILITIES DIVISION POSITIONS; (ADMINISTRATION)
https://youtu.be/2zm3R0a_3K4?t=50m18s

At Councilmember Makowetski's request, City Manager Buckingham further explained the Utilities Division staff transition plan.

A-7 PUBLIC RATIFICATION OF TENTATIVE SETTLEMENT AGREEMENT WITH PG&E REGARDING CLOSURE OF DIABLO CANYON POWER PLANT; (ADMINISTRATION)
https://youtu.be/2zm3R0a_3K4?t=55m40s

Councilmember Headding pulled the item to thank the cities involved for the great effort securing funding to help mitigate the closure of the Diablo Canyon Power Plant. Councilmember McPherson asked staff to explain the funding to be received and timing of that funding.

The public comment period for the Consent Agenda was opened.

Jane Oliveira, Pacific Gas & Electric (PG&E), spoke to Item A-7 and shared PG&E has been part of this community for many years and is privileged to continue working with the community through the retirement of the Diablo Canyon Power Plant.

The public comment period was closed.

MOTION: Councilmember Headding moved the Council approve Items A-6 and A-7. The motion was seconded by Councilmember McPherson and carried unanimously, 5-0.

B. PUBLIC HEARINGS

- B-1 ADOPTION OF ORDINANCE NO. 609, REPEALING AND REENACTING VARIOUS CHAPTERS OF TITLE 14 OF THE CITY OF MORRO BAY MUNICIPAL CODE RELATING TO BUILDINGS AND CONSTRUCTION; (COMMUNITY DEVELOPMENT)
https://youtu.be/2zm3R0a_3K4?t=1h26s

Community Development Director Graham presented the staff report and responded to Council inquiries.

The public comment period for Item B-1 was opened; seeing none, the public comment period was closed

MOTION: Councilmember McPherson moved the Council adopt Ordinance No. 609: An Ordinance of the City of Morro Bay, California, repealing and reenacting Chapters 14.01 – 14.12 of the Morro Bay Municipal Code adopting by reference and amending the 2016 California Building, Residential, Electrical, Mechanical, Plumbing, Engineering, Historical Building, Fire, Existing Building, Green Building Codes and 1997 Uniform Housing and Abatement of Dangerous Building Codes and Appendix Chapter 33 of the 1997 Uniform Building Code. The motion was seconded by Councilmember Heading.

AMENDED MOTION: Councilmember Davis requested the motion be amended to correct the reference to “engineering” to be “energy”. Councilmember McPherson agreed to the amendment.

The amended motion carried unanimously, 5-0.

C. BUSINESS ITEMS

There was Council concurrence to hear Item C-3 next.

- C-3 DISCUSSION OF INITIAL RESULTS FROM THE SALARY STUDY CONDUCTED BY KOFF & ASSOCIATES, AND CONFIRMATION OF NEXT STEPS; (FINANCE)
https://youtu.be/2zm3R0a_3K4?t=1h9m45s

Finance Director Schmollinger reviewed the purpose of this item and proposed next steps then introduced Georg Krammer of Koff & Associates, who presented the findings of the compensation study and responded to Council inquiries.

The public comment period for Item C-3 was opened.

Bill Woodson, Morro Bay, suggested more information was needed including employee attrition rates in these various positions, how retirement and health plan contributions compare, and quality and quantity of candidate pool.

The public comment period for Item C-3 was closed.

The Council directed staff to identify and separate out those positions that need a broader market comparison, bring back comparative information regarding benefits and other benchmark data that could be used to establish where the City should be in terms of compensation, along with potential draft policy language.

MOTION Mayor Irons moved the Council receive the presentation and report completed by Koff & Associates, confirm the proposed timeline for next steps, and return to Council with the additional data requested regarding employee salary study information. The motion was seconded by Councilmember Headding and carried unanimously, 5-0.

The Council took a short recess at 8:38 p.m. The meeting reconvened at 8:48 p.m. and the Council agreed to hear Item C-2 next.

C-2 PRESENTATION AND DISCUSSION OF THE DRAFT WATER RECLAMATION FACILITY MASTER PLAN; (PUBLIC WORKS)
https://youtu.be/2zm3R0a_3K4?t=2h33m18s

WRF Deputy Program Manager Rickenbach, WRF Program Manager Nunley and Matt Thomas of Black & Veatch presented the staff report and responded to Council inquiries.

The public comment period for Item C-2 was opened.

John Maino, Morro Bay, expressed concern about potential decrease to his property value should the City move public works offices to that location. He urged the Council to pursue a minimal footprint for the water reclamation facility only, with no other commercial uses.

Bill Woodson, Morro Bay, shared the importance of keeping the project on schedule and under budget. He suggested the finance team be more involved to ensure appropriate checks and balances.

The public comment period for Item C-2 was closed.

The Council discussed the importance of bringing the project to a scope that meets affordability of the community, that cost must be a primary consideration. Responding to Mr. Woodson's comments, contracts should be structured to provide incentives to keep the project on time and under budget.

No formal action was taken on this item.

C-1 STRATEGIC PLANNING OVERVIEW AND APPROVAL OF 2017 MEETING AND BUDGET SCHEDULE; (CITY MANAGER)
https://youtu.be/2zm3R0a_3K4?t=4h28m43s

City Manager Buckingham presented the staff report and responded to Council inquiries.

The public comment period for Item C-1 was opened; seeing none, the public comment period was closed.

The Council discussed the importance of encouraging residents and community groups to provide more input during the goals process, and directed staff to develop an outreach plan using various methods, including social media, to gain input from residents and service groups throughout that process.

MOTION: Councilmember Headding moved the Council adopt Resolution No. 81-16, including the City Council meeting, goal setting, budget, and advisory board workplan process for calendar year 2017 with the incorporation of significant community outreach according to a plan established by staff. The motion was seconded by Councilmember Davis and carried unanimously, 5-0.

MOTION: Councilmember Heading moved the meeting go past 11:00 p.m. The motion was seconded by Councilmember McPherson and carried 4-1 with Councilmember Davis opposed.

D. COUNCIL DECLARATION OF FUTURE AGENDA ITEMS
https://youtu.be/2zm3R0a_3K4?t=4h46m19s

Councilmember Heading requested discussion of issues related to the future community theater. Mayor Irons announced his property lies within 500 ft. of the location and he would recuse himself from discussion of this future agenda item. Mayor Irons stepped down from the dais.

Councilmember Heading requested discussion of waiving or reducing special use permit fees for the community theater. Councilmembers McPherson and Makowetski supported the item.

Mayor Irons rejoined the meeting.

Councilmember Davis requested discussion of supplemental funding options for street repairs and transportation items, including scope of work (streets only or transportation improvements as well, such as Highway 1 / 41 intersection improvements, extension of the California Coastal Trail), amount of money that could be raised, sunset date, possible source of funding (sales tax, parcel tax, utility user tax, TOT), vote requirements, oversight, timing of election, and other County sales tax issues. Mayor Irons and Councilmember Makowetski supported the item. Councilmember McPherson suggested the PWAB consider the various alternatives before coming to Council. There was concurrence the Council would have a general discussion, then forward to PWAB for further analysis.

Councilmember Davis requested discussion of establishing formal relationships with various community groups, like that established with the Citizens Bike Committee in 2001. There was no support for this item.

E. ADJOURNMENT

The meeting adjourned at 11:12 p.m. The next Regular Meeting will be held on Tuesday, January 10, 2017 at 6:00 p.m. at the Veteran's Memorial Hall located at 209 Surf Street, Morro Bay, California.

Recorded by:

Dana Swanson, City Clerk



AGENDA NO: A-4
MEETING DATE: January 10, 2017

Council Report

TO: City Council **DATE:** January 4, 2017

FROM: Jamie L. Irons, Mayor

SUBJECT: Appointment of Mayor Pro Tempore and Appointment of Representatives on Discretionary Boards, Council Liaison Assignments and Council Sub-Committees

RECOMMENDATION

Affirm the appointment of Councilmember John Headding as Mayor Pro Tempore as well as the appointment of Representatives to serve on the various County or Regional Discretionary Boards, Council Liaison Assignments and Sub-Committees for calendar year 2017 as shown on the attached appointment list.

DISCUSSION

The City Council Policies and Procedures Section 3.2 states:

“The appointment of the Mayor Pro Tempore shall be for a one-year term and shall be made at the first meeting in January. For appointment as Mayor Pro Tempore, a Council Member must be on the Council at least one year. Of those who have been on the Council for at least one year, the Council Member who has not yet held the position shall be appointed Mayor Pro Tempore. If there are two Council Members who have not yet held the position, the Council Member receiving the highest number of votes in the most recent election shall be appointed Mayor Pro Tempore.”

Last year Councilmember Makowetski was appointed as Mayor Pro Tempore and Councilmember Headding served in the capacity while Councilmember Makowetski was out on an approved medical leave. I recommend the Council appoint Councilmember Headding as Mayor Pro Tempore for 2017.

The City Council Policies and Procedures Section 6.1 states:

“Annually the Mayor shall make appointments to a variety of County and/or regional committees and boards (discretionary appointments). One member of the Council shall serve as a voting representative and one member shall serve as alternate. To the best of their ability, voting delegates shall reflect the majority view of the Council as a whole, rather than their own personal opinions.”

Pursuant to Council Policies and Procedures Section 6.1, the Mayor can seek input from City

Prepared By: JL Irons Dept Review: _____
City Manager Review: _____ City Attorney Review: _____

Council regarding the appointment to County and/or Regional Boards, but ultimately, the Mayor is responsible for the appointment of these positions. Attached for your review is a list of the proposed City Council Discretionary Appointments.

The City Council Policies and Procedures Section 6.2.1 States:

“The City Council shall assign a Council liaison to each of the following advisory boards: Recreation & Parks Commission, Harbor Advisory Board, Public Works Advisory Board, and Tourism Business Improvement District Advisory Board.”

“The purpose of the liaison assignment is to facilitate communication between the City Council and the advisory body. The liaison also helps to increase the Council’s familiarity with the membership, programs and issues of the advisory body. In fulfilling their liaison assignment, members should either attend advisory body meetings or watch the meeting broadcasts and maintain communication with the advisory body on a regular basis.”

“Members should be sensitive to the fact that they are not participating members of the advisory body, but are there rather to create a linkage between the City Council and the advisory body. In interacting with advisory bodies, Council Members are to reflect the views of the Council as a body. Being an advisory body liaison bestows no special right with respect to advisory body business.”

Pursuant to City Council Policies and Procedures Section 6.2.1 the City Council shall assign Council Liaisons to the Advisory Bodies, including the Citizens Finance Committee, General Plan Advisory Committee, and Water Reclamation Facility Citizens Advisory Committee. Attached for your review is a list of the proposed City Council Liaisons.

The City Council Policies and Procedures Section 6.2.2 States:

“Council may establish several sub-committees of no more than two members to address areas of concern and/or study.”

Attached for your review is the list of board appointment and liaison assignments. Thank you for the cooperative work on these board assignments. Below is a list of sub-committees that have been established by the Council. I ask to keep the Morro Bay Power Plant sub-committee the same and appoint Marlys McPherson as the replacement for former Council Member Noah Smukler consistent with his appointments to PWAB and WRFAC.

JPA SUB-COMMITTEE

Jamie Irons
Marlys McPherson

MORRO BAY POWER PLANT

Jamie Irons
John Heading

ATTACHMENT:

1. City Council Discretionary Appointments 2017

CITY COUNCIL DISCRETIONARY APPOINTMENTS (2017)

INTEGRATED WASTE MANAGEMENT AUTHORITY (meets the 2nd Wednesday of every other odd numbered month; 130pm; Board of Supervisors Chambers, SLO Government Center)

Red Davis Designee
John Headding Alternate

COUNTY WATER RESOURCES ADVISORY COMMITTEE (meets the 1st Wednesday of the month; 1:30-3:30pm; City County Library Room, 995 Palm, SLO)

Matt Makowetski Delegate
City Manager (or their designee) Alternate

SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY (SLORTA) &

SAN LUIS OBISPO AREA COORDINATING COUNCIL (SLOCOG) (RTA meets the 1st Wednesday of every other odd numbered month; 8:30am; Board of Supervisors Chambers, SLO County Government Center) (COG meets the 1st Wednesday of every other odd numbered month; at conclusion of RTA meeting; Board of Supervisors Chambers, SLO County Government Center)

Jamie Irons Delegate
John Headding Alternate

CMC CITIZENS' ADVISORY COMMITTEE (1-year term) (meets the 3rd Friday of every other month; 1-2pm; at CMC)

Council to appoint Citizen Member

AIR POLLUTION CONTROL DISTRICT (meets the 4th Wednesday of every other odd numbered month; 9am; Board of Supervisors Chambers, SLO County Government Center)

John Headding Member
Red Davis Alternate

COMMUNITY ACTION PARTNERSHIP OF SAN LUIS OBISPO COUNTY, INC.

(formerly EOC) - (3-year term) (meets the 3rd Thursday of every month; 5pm; CAPSLO Board Room, 1030 Southwood, SLO). Morro Bay rotated off the Board in 2014. Los Osos CSD is the coastal city representative for 2017-19. The next opportunity to cycle back in, at CAPSLO's request, will be in 2020.

ECONOMIC VITALITY CORPORATION (meets the 3rd Wednesday of every month; 4-5:30pm; Cannon & Assoc, 1050 Southwood, SLO)

John Headding Liaison
Red Davis Alternate

NATIONAL ESTUARY PROGRAM (Executive Committee meets quarterly; 2nd Wednesday of the month in February, May, August and November; 4-6pm)

Matt Makowetski Member
Red Davis Alternate

CITY SELECTION COMMITTEE (as needed)

Jamie Irons (Mayor) Member
Mayor Pro Tem Alternate

LEGISLATIVE DELEGATE (as needed)

Jamie Irons (Mayor) Member
Mayor Pro Tem Alternate

SAN LUIS OBISPO COUNTY HOUSING TRUST FUND

City Manager or designee (Community Development) Member

HOMELESS SERVICES OVERSIGHT COMMITTEE (meets the 3rd Wednesday of odd numbered months; 1-3pm; SLO Vets Building Lounge Room, 801 Grand, SLO)

Marlys McPherson Member
Red Davis Alternate

The following City Council Liaison Assignments were made to City Committees and Boards:

PLANNING COMMISSION (meets 1st and 3rd Tuesday of every month; 6:00pm; Vets Hall)

Jamie Irons Liaison

HARBOR ADVISORY BOARD (meets the 1st Thursday of every month; 6:00pm; Vets Hall)

Matt Makowetski Liaison

RECREATION AND PARKS COMMISSION (meets the 3rd Thursday of the month; 6:00pm; Vets Hall)

Red Davis Liaison

PUBLIC WORKS ADVISORY BOARD (meets the 3rd Wednesday of the month; 5:30pm; Vets Hall)

Marlys McPherson Liaison

MORRO BAY TOURISM BUSINESS IMPROVEMENT DISTRICT BOARD (meets the 3rd Thursday of every month; 9:00am; Vets Hall) AND SAN LUIS OBISPO COUNTY TOURISM MARKETING DISTRICT ADVISORY COMMITTEE (meets semi-annually on the first Thursday of May and December at Embassy Suites, 333 Madonna Rd., SLO)

Red Davis Liaison

CITIZENS OVERSIGHT / FINANCE COMMITTEE (meets the 3rd Tuesday of every month; 3:30pm; Vets Hall)

John Heading Liaison

WATER RECLAMATION FACILITY CITIZEN ADVISORY COMMITTEE (meets the 1st Tuesday of every month at 3pm; Vets Hall)

Marlys McPherson Liaison

GENERAL PLAN ADVISORY BOARD COMMITTEE (meets the third Thursday of the month at 4pm; Vets Hall)

Red Davis Liaison

The following appointments were made on City Council Sub-Committees:

COUNCIL SUBCOMMITTEE ON EMPLOYEE GRIEVANCES (meets as needed)

John Heading Member
Marlys McPherson Member

JPA SUB-COMMITTEE

Jamie Irons Member
Marlys McPherson Member

MORRO BAY POWER PLANT

Jamie Irons Member
John Heading Member



AGENDA NO: A-5
MEETING DATE: January 10, 2017

Staff Report

TO: Honorable Mayor & City Council **DATE:** December 23, 2016
FROM: Eric Endersby, Harbor Director
SUBJECT: Authorization for Attendance at the C-MANC Annual Washington, D.C.,
“Washington Week” Meetings

RECOMMENDATION

Staff recommends the City Council approve authorization for a three-person delegation (the Mayor, City Manager and Harbor Director) to attend the California Marine Affairs and Navigation Conference (C-MANC) 2017 “Washington Week” meetings in Washington, D.C. Although the exact schedule is not yet set, this year’s meetings are slated for the first or second week in March.

ALTERNATIVES

- A. Approve authorization for a three-person “Washington Week” C-MANC delegation.
- B. Do not approve authorization for the “Washington Week” C-MANC delegation.

FISCAL IMPACT

The total cost for airfare, hotel, and monetary contribution to the Golden State Reception for the “Washington Week” meetings is estimated at \$12,000 including approximately \$2,000 in staff time in preparatory meeting attendance, grant preparation, and travel/meeting logistics. Staff expenses will be assumed by the Harbor Fund. The City will be applying for a grant of approximately \$10,000, once the exact costs are known, from the Central Coast Joint Cable Fisheries Liaison Committee which, if granted, will be used for reimbursement of actual travel, attendance and associated costs of attendance. The City has been successful in obtaining the Cable Committee Grant for the last several years, and staff is confident this year will be no different. If we are not successful in obtaining the grant, then staff will come back to Council, prior to any expenditure, for a budget adjustment as those funds are not currently budgeted.

BACKGROUND

C-MANC annually hosts “Washington Week” meetings, where representatives of California Ports and Harbors have the opportunity to remind individual members of Congress of the importance of dredging projects, commercial fishing and other coastal-related legislation in California and nation-wide. The City of Morro Bay is a long-standing member of C-MANC, and for the past 20+ years, has sent representatives to the “Washington Week” meetings. Historically, Morro Bay’s delegation has consisted of the Mayor and Harbor Director, with the exception of 2012, where the City Manager went instead of the Mayor. This year like last, we are proposing a three-person delegation including the City Manager as this three-person team has proven effective in strategically attending differently-focused meetings and making contacts on the many significant and varied issues facing Morro Bay in recent years.

Prepared By: EE Dept Review: EE
City Manager Review: DWB City Attorney Review: _____

DISCUSSION

The opportunity for face-to-face meetings with our representatives to stress the critical need to fund navigational and entrance dredging is a high priority, and the annual “Washington Week” proceedings are the most effective way to have Morro Bay’s voice heard. The 2017-year will be particularly important with the replacement of California Congresswoman Lois Capps with Salud Carbajal, and Senator Boxer with Kamala Harris. Both Ms. Capps and Ms. Boxer were long-serving members of Congress, and committed port, harbor and fishery supporters.

Additional meetings will be scheduled, including office visits to federal regulators and agencies such as the Office of Management and Budget, Environmental Protection Agency, U.S. Fish and Wildlife, Council on Environmental Quality, Army Corps of Engineers (Corps), U.S. Coast Guard, National Oceanic and Atmospheric Administration and other congressional offices, regarding the proposed FY18 budget appropriations and other matters important to Morro Bay. Also at this annual event, C-MANC members host the Golden State Reception, attended by over 200 elected and appointed Washington officials, for a “meet and greet” gathering, where agencies can meet with representatives and staffers of various levels to discuss their issues and concerns in a less formal setting.

For the current Federal fiscal year, FY17, C-MANC, the City of Morro Bay and the Corps recommended and were successful in obtaining funding sufficient to dredge the entirety of Morro Bay’s channels and harbor entrance. That is due in large part to our D.C. efforts and diligently working with the Corps, both at the District level in Los Angeles, and with Headquarters in Washington D.C. Because of those efforts, Ahtna Design-Build Corporation will be dredging all of our channels this winter, and the Corps’ dredge ship *YAQUINA* will be here this spring/summer to dredge our entrance.

In addition to advocating for harbor-related items, primarily dredging and fisheries, the Washington visit and meetings will also provide the Mayor and City Manager an opportunity to engage our elected officials, and the Federal Executive Branch, on items related to the City’s Water Reclamation Facility. With the Facility Master Plan now complete, presenting key aspects of the WRF, including funding requirements, to elected officials and the Federal Executive is especially important.

CONCLUSION

It is important for the California C-MANC delegation to maintain its many relationships in Washington, in addition to bringing a unified voice to D.C. of the importance of all of California’s ports and harbors to the national economy and security. With two new California representatives in Congress and a President-elect who has pledged to make serious and significant change happen in Washington D.C.’s status quo and way of doing business, it is critically important CMANC and Morro Bay have this seat at the table for the issues that matter to us.

Staff is, therefore, recommending City Council authorize sending a three-person delegation to C-MANC’s “Washington Week” proceedings this coming March. Staff will be applying for cable grant funding in January when the grant cycle is open to cover the trip’s costs, and is supplying “in-kind” City staff time as its share; therefore, no direct fiscal impacts are anticipated, provided the grant is approved.

Finally, staff will bring an informational item to Council, likely the second regular Council meeting in February, discussing the D.C. agenda, final cost estimates status of the Cable grant, along with draft letters to our Congressional representatives and the Corps, and seeking Council input, if any, on the trip and those communications.



AGENDA NO: A-6

MEETING DATE: January 10, 2017

Staff Report

TO: Honorable Mayor and City Council **DATE:** December 28, 2016

FROM: Dana Swanson, City Clerk
Joseph W. Pannone, City Attorney

SUBJECT: Adoption of Resolution No. 01-17 amending the Council Policies & Procedures to allow for exceptions to the age requirement for Advisory Board Members, Adoption of Resolution No. 02-17 amending the Advisory Board By-Laws regarding qualifications, and Affirmation of Appointment to the Recreation & Parks Commission

RECOMMENDATION

Staff recommends the City Council adopt Resolution No. 01-17 amending the Council Policies & Procedures to allow for exceptions to the age requirement for Advisory Board Members; and, adopt Resolution No. 02-17 amending the Advisory Board By-Laws for the Recreation & Parks Commission regarding qualifications. With the adoption of those policy changes, the Council can affirm its December 13, 2016, appointment of Michelle Morosin, a Morro Bay High School student, to the Recreation and Parks Commission.

ALTERNATIVES

1. The Council may direct staff to alter the proposed policy language.
2. The Council may direct staff to bring back a Resolution amending the qualifications for other advisory bodies.
3. The Council may choose not to adopt Resolution Nos. 01-17 or 02-17 and leave the current language regarding qualifications intact.

FISCAL IMPACT

There is no fiscal impact associated with this action.

BACKGROUND and DISCUSSION

At a December 13, 2016, Special City Council Meeting, the Council considered an application submitted by Michelle Morosin, a Los Osos resident and Morro Bay High School student, interested in participating on the Recreation & Parks Commission (RPC). While the current Recreation & Parks Commission By-Laws allow for up to two members to be non-residents of Morro Bay, both the Council Policies & Procedures and Advisory Board By-Laws require advisory board members to be at least 18 years of age.

The Council directed staff to bring back policy revisions that would allow an exception to the age requirement to encourage Morro Bay High School student participation on the RPC. The attached resolutions would provide the Council the option to appoint one high school student to the RPC, if they meet the other qualification requirements.

Prepared By: DS

Dept Review: _____

City Manager Review: DWB

City Attorney Review: JWP

If the Council wishes to amend the qualifications for other advisory boards to allow for an exception to the 18-year-old and registered voter requirement, then a resolution to accomplish that can be brought to a future meeting.

CONCLUSION

In accordance with Council direction, staff recommends the Council adopt Resolutions No. 01-17 and 02-17 amending City policies to allow the Council the option to appoint one Morro Bay High School student to the RPC, and affirm the appointment of Michelle Morosin to the RPC for a 4-year term beginning 2/1/17 and ending 1/31/21.

ATTACHMENTS

1. Resolution No. 01-17
2. Resolution No. 02-17

RESOLUTION NO. 01-17

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING THE COUNCIL POLICIES AND PROCEDURES MANUAL
REGARDING ADVISORY BOARD MEMBER QUALIFICATIONS**

**THE CITY COUNCIL
CITY OF MORRO BAY, CALIFORNIA**

WHEREAS, the Council Policies and Procedures Manual for the City of Morro Bay is a combination of City Council actions, policies, references, and information regarding the City Council; and

WHEREAS, to ensure all Councilmembers are familiar with and understand the City of Morro Bay's philosophies and policies regarding serving on the City Council, the City Council adopted its Council Policies and Procedures Manual, which have been amended on various occasions; and

WHEREAS, the City again desires to amend certain Sections of the Council Policies and Procedures Manual related to Advisory Board Member Qualifications to allow for exceptions to the age requirement.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Morro Bay does hereby amend subdivisions 6.6.1.2.1 and 6.6.1.2.2 of the Council Policies and Procedures Manual to read, as follows:

6.6.1.2.1 The applicant must be at least 18 years of age at the time of appointment; provided, that the Council may appoint one area high school student to an advisory boards, if allowed by the Advisory Board By-Laws and they meet the other qualification requirements

6.6.1.2.2 Elected Officials, Officers and Employees of the City of Morro Bay shall not be considered for appointment, unless otherwise approved unanimously by the City Council.

PASSED AND ADOPTED by the City Council, City of Morro Bay at a regular meeting thereof held on the 10th day of January 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk

RESOLUTION NO. 02-17

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA
AMENDING THE CITY OF MORRO BAY ADVISORY BOARDS
HANDBOOK AND BY-LAWS REGARDING QUALIFICATIONS FOR MEMBERS
OF THE RECREATION & PARKS COMMISSION**

**THE CITY COUNCIL
CITY OF MORRO BAY, CALIFORNIA**

WHEREAS, to ensure that all Advisory Board Members are familiar with and understand the City of Morro Bay's philosophies and policies regarding serving on an Advisory Board, and to establish consistency throughout the by-laws for all commissions and advisory boards, the City of Morro Bay adopted the Advisory Boards Handbook and By-Laws on August 12, 2002; and

WHEREAS, the Advisory Boards Handbook and By-Laws for the City of Morro Bay is a composite of the City Council actions, policies, references, and information regarding the City Advisory Boards; and

WHEREAS, the current By-Laws for each Advisory Body require members to be at least 18 years of age at the time of appointment; and

WHEREAS, the City Council desires to amend the Advisory Boards Handbook and By-Laws for the Recreation & Parks Commission to allow for an exception to the age requirement thereby allowing the Council to appoint one Morro Bay High School student to the Commission.

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Morro Bay does hereby amend the Recreation & Parks By-Laws regarding Qualifications to read as follows:

"Five of the seven members must be a resident and registered voter of the City during the term of appointment, unless excepted by State Law or Council approved special requirements. Unless otherwise approved in accordance with Council Policies and Procedures, section 6.6.1, each member must (i) be at least 18 years of age at the time of appointment and (ii) not be an Elected Official, Officer, or Employee of the City of Morro Bay. (See Council Policies and Procedures, Section 6.6.1.)"

PASSED AND ADOPTED by the City Council, City of Morro Bay at a regular meeting thereof held on the 10th day of January 2017 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

JAMIE L. IRONS, Mayor

ATTEST:

DANA SWANSON, City Clerk



AGENDA NO: A-7

MEETING DATE: January 10, 2017

Staff Report

TO: Honorable Mayor and City Council **DATE:** December 28 2016

FROM: Richard Sauerwein, Capital Projects Manager
Jarrod Whelan, Associate Engineer

SUBJECT: Authorization to file the Notice of Completion for the Project No. MB2016-MA01: Heating Ventilation Air Conditioning (HVAC) Upgrade.

RECOMMENDATION

Authorize staff to file the Notice of Completion of the project MB2016-MA01: HVAC Upgrade.

ALTERNATIVES

Staff does not recommend any alternatives to the recommendation.

FISCAL IMPACT

The project is funded from the California Energy Commission loan of \$562,000 for energy efficiency improvements, including Solar and HVAC components. The debt from the loan is to be retired using the savings in energy costs due through the installation of the Solar and HVAC projects. Total project costs for both the Solar and HVAC funded from California Energy Commission loan is \$529,640.

Costs of HVAC equipment purchased from Trane Industry totaled \$110,184. Contractor costs, Brannon Inc. dba Smith Electric Service of Santa Maria, totaled \$40,606. This results in a total HVAC project cost of \$150,790.

BACKGROUND and DISCUSSION

This project entailed the replacement of the existing 20 to 30-year-old units and installation of new HVAC units installed at several City owned and maintained properties such as the Community Center, Police Department, Public Works/Community Development Department, and City Hall.

City staff awarded the project on March 30, 2016. Smith Electric ordered the pre-packaged HVAC units and the units were delivered onsite in August 2016. Smith Electric began the installation process mid-August and were complete early September.

This project had one (1) contract change order in the amount of \$4,540. City directed the contractor to relocate A/C unit #1 on City Hall to a new location because A/C unit #1 could not be installed in location shown on the plan due to prior structural alterations. This resulted in a change to add new ductwork for the new location, relocate electrical to a new location, and relocate gas and condensate to a new location. This change was brought to the contractor as a verbal Request for Quote for an agreed price to perform all necessary work to complete this portion of the project.

Prepared By: JSW

Dept Review: RL

City Manager Review: DWB

City Attorney Review: _____

The project was deemed substantially complete by the City Engineer on September 30, 2016.

CONCLUSION

Smith Electric Service has completed the Project and staff recommends the City Council accept the Project and authorize the filing of a Notice of Completion.

ATTACHMENT

- 1) Notice of Completion

Recording requested by: and
When recorded mail to:
City of Morro Bay – City Engineer
595 Harbor Street
Morro Bay, Ca. 93442-1957

NOTICE OF COMPLETION
CITY OF MORRO BAY

TO WHOM IT MAY CONCERN:

NOTICE IS HEREBY GIVEN by the undersigned City Clerk of the City of Morro Bay, 595 Harbor Street, Morro Bay, County of San Luis Obispo, California, 93442, having the sole interest in fee, that the construction of the

HVAC UPGRADE

in the City of Morro Bay, has been completed by

BRANNON, INC. DBA SMITH ELECTRIC SERVICE

and was accepted on January 10, 2017.

Dana Swanson, City Clerk
City of Morro Bay, California

The undersigned hereby deposes and says:

That she is the City Clerk of the City of Morro Bay, County of San Luis Obispo, California; that she has read the foregoing Notice and knows the contents thereof and that the same is true of her own knowledge.

I declare the foregoing to be true under penalty of perjury.

Executed at Morro Bay, California, this _____ day of _____, 2017

Dana Swanson, City Clerk

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AGENDA NO: A-8

MEETING DATE: January 10, 2017

Staff Report

TO: Honorable Mayor and City Council **DATE:** December 28, 2016

FROM: Richard Sauerwein, Capital Projects Manager
Jarrod Whelan, Associate Civil Engineer

SUBJECT: Authorization to file the Notice of Completion for the Project No. MB2016-MA04: Solar Photovoltaic Installation Project

RECOMMENDATION

Authorize staff to file the Notice of Completion of the project MB2016-MA04: Solar Photovoltaic Installation (the "Project").

ALTERNATIVES

Staff does not recommend any alternatives to the recommendation.

FISCAL IMPACT

The Project was funded from the California Energy Commission loan of \$562,000 for energy efficiency improvements, including Solar and HVAC components. The debt from the loan is to be retired using the savings in energy costs due through the installation of the Solar and HVAC projects. Total project costs for both the Solar and HVAC funded from California Energy Commission loan is \$529,640.

Pacific Beach Tower, Inc. completed the Solar Photovoltaic Installation Project for \$378,850.

BACKGROUND and DISCUSSION

The Project entails the installation of new solar photovoltaic (PV) systems to several City owned and maintained properties such as the Community Center, Police Department, Public Works/Community Development Department, City Hall, City Annex, and the Vets Hall.

The contract for the Project was awarded in June 2016. Pacific Beach Towers, Inc. City staff directed the contractor to begin the Project after the HVAC installation (Project No. MB2016-MA01: HVAC Upgrades) were near completion to prevent contractor overlap on the same roof area.

The Project was deemed substantially complete by the City Engineer on December 22, 2016.

CONCLUSION

Pacific Beach Tower Inc. has completed the Project and staff recommends the City Council accept the Project and authorize the filing of a Notice of Completion.

ATTACHMENT

- 1) Notice of Completion

Prepared By: JSW

Dept Review: RL

City Manager Review: DWB

City Attorney Review: JWP

Recording requested by: and
When recorded mail to:
City of Morro Bay – City Engineer
595 Harbor Street
Morro Bay, Ca. 93442-1957

**NOTICE OF COMPLETION
CITY OF MORRO BAY**

TO WHOM IT MAY CONCERN:

NOTICE IS HEREBY GIVEN by the undersigned City Clerk of the City of Morro Bay, 595 Harbor Street, Morro Bay, County of San Luis Obispo, California, 93442, having the sole interest in fee, that the construction of the

SOLAR PHOTOVOLTAIC INSTALLATION PROJECT

in the City of Morro Bay, has been completed by

PACIFIC BEACH TOWER INC.,

and was accepted on January 10, 2017.

Dana Swanson, City Clerk
City of Morro Bay, California

The undersigned hereby deposes and says:

That she is the City Clerk of the City of Morro Bay, County of San Luis Obispo, California; that she has read the foregoing Notice and knows the contents thereof and that the same is true of her own knowledge.

I declare the foregoing to be true under penalty of perjury.

Executed at Morro Bay, California, this _____ day of _____, 2017

Dana Swanson, City Clerk

**A PROCLAMATION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY
DECLARING JANUARY 2017 AS
"MORRO BAY WINTER BIRD FESTIVAL MONTH"**

**CITY COUNCIL
City of Morro Bay, California**

WHEREAS, the Morro Bay Winter Bird Festival was created in 1996 as a cooperative effort of the Morro Coast Audubon Society, Central Coast Natural History Association, California State Parks, Morro Bay Chamber of Commerce, City of Morro Bay, and Friends of the Estuary; and

WHEREAS, the mission statement says, "The Winter Bird Festival is a yearly eco-tourism event whose purposes are 1) to promote an understanding and appreciation of birds and other wildlife and an awareness of environmental and conservation issues of the Central Coast and 2) to contribute to the well-being of Morro Bay and our sponsors and assisting community organizations"; and

WHEREAS, Morro Bay is a Globally Important Bird Area located on the Pacific Flyway, and always ranks in the top ten for the Audubon Christmas Bird Count, with over 200 bird species usually sighted during the Festival weekend; and

WHEREAS, the Winter Bird Festival is a non-profit organization, run primarily by local birders and volunteers; and

WHEREAS, the first Winter Bird Festival was held in January 1997, with 24 events and 230 participants, and the 2017 festival offers over 130 events to more than 500 participants from all areas of the United States.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Morro Bay does hereby proclaim January 2017 as "Morro Bay Winter Bird Festival Month", and urges the citizens of Morro Bay to enjoy the many programs this event offers in our community.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the City of Morro Bay to be affixed this 10th day of January 2017

JAMIE L. IRONS, Mayor

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AGENDA NO: C-1

MEETING DATE: January 10, 2017

Staff Report

TO: Honorable Mayor and City Council **DATE:** January 4, 2017
FROM: Craig Schmollinger, Finance Director
SUBJECT: Discussion of Supplemental Compensation Information to go along with results from the Salary Survey Conducted by Koff & Associates (Salary Survey), and Consideration of Compensation Policy Examples

RECOMMENDATION

Staff recommends the City Council do the following:

- 1) Receive information and a presentation regarding supplemental compensation information to go along with results of the Salary Survey; and
- 2) Consider draft compensation policies as identified below.

ALTERNATIVES

The Council may direct staff to take an alternative approach to reviewing salary schedules, benefit packages, and/or compensation policies.

FISCAL IMPACT

There is no fiscal impact associated with initially receiving information from the Salary Survey and subsequently added compensation information; however, future steps, such as potentially revising salary schedules, may have an undetermined fiscal impact. This iteration of review of the Salary Survey includes estimates of costs to implement example revisions to the existing City salary schedule.

BACKGROUND

On August 23 2016, the Council adopted the City Goals and Objectives for FY2016-17 that included Goal 10.d titled "Compensation Study." That Goal aimed to "complete a professional, external, comparative study of City of Morro Bay compensation policies and levels....". That Goal aligns with current labor Memorandum of Understanding (MOU) language for each of the labor groups, and the Salary Survey further meets the Goal's intent of being completed in time for the 2017/18 MOU negotiations.

To move towards achieving that Goal, the City contracted with Kaneko & Krammer Corporation, doing business as Koff & Associates, Inc. (Koff). The contract includes deliverables related a Base Salary Study, along with presentation of findings to the City Council, amongst other tasks.

On December 13, 2016, a representative from Koff & Associates presented the initial results of the Salary Survey to the Council at a public Council meeting. At that time, the Salary Survey was viewed by the Council from the general "first-blush" review level, not from a detailed, point-by-point perspective with Council input being sought regarding what additional information/analysis may be desired when the Salary Survey would be brought back for the

Prepared By: DWB

Dept Review: _____

City Manager Review: DWB

City Attorney Review: _____

next iteration of review. In general, the Council requested the following:

1. General analysis of relevancy of the Salary Survey to all Morro Bay positions.
2. Comparison information of other high level benefits offered to employees, outside of simply salary data such as retirement and health benefits
3. Benchmarking data for comparison jurisdictions/agencies
4. Examples of compensation policies
5. High level assessment of some implementation costs

Information below is being presented to address those requests, in anticipation of returning with a draft-final compensation policy(ies) for Council consideration at a future meeting.

DISCUSSION

Relevancy of Study to Morro Bay Positions.

Morro Bay has ~97 approved full-time equivalent employee positions. (There are 96.75 FTE positions with one full-time benefitted employee working $\frac{3}{4}$ time.)

The Salary Survey considered 41 position *groups*, such as Police Officer or Account Clerk II. While the Salary Survey only considered 41 groups, many of those groups represented, or were closely related to, 90 employee positions.

For example, the Police Officer survey (which had 6 matches across the 6 comparison jurisdictions) directly covered four police officer positions. Eight other Police Officer positions (Police Senior Officers and Police Detectives) are directly related to the Police Officer positions in our City salary structure. (There is a ~5% step between related positions in the City, such as, Police Officer to Police Senior Officer, Account Clerk II to Account Clerk III.)

Based on the foregoing, the Salary Survey, directly or indirectly, covers 93% of Morro Bay positions.

For the 7 positions not covered at all by the Salary Survey, staff can do relatively simple analysis to determine an appropriate salary range. A few examples:

- The Police Commander position was not evaluated, but most of our comparison cities have Police Lieutenant or Captain positions that closely correlate with our Police Commander.
- Similarly, our Environmental Programs Manager; Tourism Manager; and Budget and Accounting Manager positions can be compared to similar positions in our comparison cities.

As was noted by Council at the Dec 13th initial presentation of the Salary Survey, some position groups had good match comparisons, while others did not. The following shows how many Morro Bay positions had good matches (5-6), average matches (3-4) and poor matches (1-2)

- 58 of 97 (60%) had good comparisons. (5-6 matches)
- 24 of 97 (25%) had average comparisons (3-4 matches)
- 8 of 97 (8%) had poor comparisons (1-2 matches)
- 7 of 97 (7%) were not evaluated in the Salary Survey.

Staff can also use a number of methods to determine appropriate salary level for those positions with poor comparisons. For example, four of the positions with poor comparison data are, unsurprisingly, in the Harbor Department. In some cases, the salary level for those

positions may be better determined by examining how they relate to other Morro Bay positions. For example, a Harbor Patrol Officer (HPO) (for which there were only two comparisons and those in Redondo Beach and the Channel Islands) would likely be better correlated with Morro Bay Police Officer and Firefighter salaries than by two similar positions in areas far out of our market. (This does not suggest HPO salaries would be set *at* the Police / Firefighter level, but that those other public safety salaries could be used guide appropriate salary level for our HPOs.)

In sum, the Salary Survey likely provided enough good information for staff, given a Council developed compensation policy, to submit to Council appropriate changes to the salary schedule for all City positions.

Comparison of Other Significant Benefits

Staff has prepared the following information to help guide the conversation of compensation policies going forward.

There is significant complexity associated with comparing salaries and benefits across multiple jurisdictions, especially since most of our comparison cities have 3-4 different MOUs with multiple bargaining units. Staff has, therefore, analyzed much data and is presenting what we believe to be accurate general analysis. For example, in most cities, health “banks” (city contribution toward employee Health/Vision/Dental plans) are the same for all negotiating groups, but there are a few exceptions in which the SEIU contract amount is higher, or lower, than other bargaining units. In this case, when comparing healthcare compensation across the six cities (with 3-4 unions each), we used the SEIU contract as the comparison for each city. Similar assumptions and analysis were made comparing CalPERs contributions.

In analyzing total compensation, there are a number of significant (costly) benefits that are essential to consider. Other elements of monetary compensation, while important at the employee level, do not have nearly the same total effect on employee compensation, or the City’s budget. For example, whether the boot allowance for certain field maintenance workers is \$25/year more or less than a comparison city pales in comparison to the city’s \$19,000 annual health benefit for employees. After analyzing the scope and impact of compensation items in the various employee group contracts, staff identified Retirement benefits and Health benefits as the significant benefits that may have a measurable effect on total compensation and, thus, may affect Council’s compensation policy discussion.

1. Retirement Benefit Analysis

Staff has compiled data on the comparator agencies/jurisdictions for both retirement and health plan data. That data has been compared at a “global perspective” level, with variations amongst agencies/jurisdictions indicated below.

- a. Retirement: Based on a simple staff analysis, CalPERs retirement employee contributions across the six cities and various bargaining units is quite equitable with Morro Bay requiring the same Tier 3 contribution of 6.25% as 4 other cities. Two cities have negotiated for their Tier 3 employees to pay 1.75% more, requiring a total contribution of 8%. Morro Bay, however, is one of only three cities that do not participate in Social Security.

	Morro Bay	Atascadero	Arroyo Grande	Grover Beach	Paso	Pismo	SLO
Tier 3 Employee Contribution	6.25%	6.25%	6.25%	8.00%	6.25%	8.00 %	6.25%
Social Security	No	No	Yes	Yes	Yes	Yes	No

Monthly Average of six comparison cities: 6.83%
Difference from Morro Bay: +0.58%

Analysis: Tier 3 (and most) Morro Bay employees are about 0.6% of salary better off in terms of required retirement contribution than the average of our comparison cities, the same as four other cities, and 1.75% of salary better off than two cities. However, four cities, including the two that require a higher employee contribution, provide an important additional benefit for long-term employees by participating in social security. (With the city paying the employer portion and employees the employee portion.)

b. Health Benefit Analysis

Based on staff analysis, the annual medical/dental/vision subsidy for Morro Bay employees is almost 5% below the average of our six comparator cities as shown below.

	Morro Bay	Atascadero	Arroyo Grande	Grover Beach	Paso	Pismo	SLO
Total Health Contribution	1,574.47	1,661.04	1,584.50	1,648.74	1,707.22	1,763.93	1,543.18

Monthly Average of six comparison cities: \$1651.44
Difference from Morro Bay: -\$76.97
Percent difference: -4.66%

Analysis: At ~5% below the average, Morro Bay’s employee health contribution is fairly substantially behind our comparison cities. In dollar figures, that is around \$77/month (\$924/year) below the average, which, for an employee earning \$60,000/year represents around 1.5% of salary.

Benchmarking Data for Comparison Cities

Information comparing Morro Bay’s relative “wealth” to comparison cities was requested to help guide the conversation on possible compensation policy. The premise is some method of comparing a city’s “wealth” to comparison cities may be useful in determining where Morro Bay salaries might best be targeted in relation to the median. While there are a number of metrics that may be interesting, staff focused not on personal / resident wealth (such as, median income, median home value), but on the city’s revenue wealth. To make those comparisons, staff received an apples-to-apples report of the size of the General Fund from each comparison city.

The below chart compares the size of each city's General Fund (in \$M) with that city's population (in 1000's). The resulting ratio of General Fund per capita provides a way to compare Morro Bay's General Fund health to comparison cities.

Per Capita Revenue Comparison of Cities

	Pismo Beach	San Luis Obispo	Paso Robles	Morro Bay	Arroyo Grande	Atascadero	Grover Beach
GF Revenues (\$M)	19.9	69.2	37.7	12.7	16	18.8	8.1
Population (1000's)	8.1	46.1	31.4	10.7	17.7	30.9	13.4
GF per capita*	2.46	1.50	1.20	1.19	0.90	0.61	0.60

Median Home Value (\$1000's)	794	664	441	588	654	487	448
Median Household Income (\$1000's)	68	45	60	51	64	66	49
Income per Capita (\$1000's)	38	26	28	33	32	33	27

*GF per capita ratio is General Fund revenues divided by population. A higher number indicates the city receives a higher level of revenue per resident.

1. GF Revenue data taken from each city's Fy16/17 budget.
2. Population data taken from the CA Dept of Finance formal report as of May 2016.
3. Median Home Value, Median HH Income and Income per capita all taken from Sperling's online at www.bestplaces.net

Compensation Policy Examples

The Council requested some initial discussion of compensation policies in preparation for Council discussion later in January and February that may result in the City Council adopting a general compensation policy that may, with Council approval during the annual budget process, result in salary equity adjustments for certain positions.

A brief discussion of equity adjustment versus cost of living adjustment is relevant. The City should consider annual cost-of-living adjustments to the entire salary schedule, based on the US Department of Labor consumer price index (CPI). Any COLA must be considered in light of the City's annual budget, but generally adjusting salaries routinely based on the CPI is a normally used best practice.

Equity adjustments are considered for particular positions / position groups, to bring them into reasonable equity with the local labor market, at a level determined appropriate by Council. Those adjustments are not made to the entire salary table, but would be made specific positions. For example, if Position A is 10% below the Council-adopted goal based on the Council's compensation policy, and Position B is 5% below the Council goal, then, an equity adjustment of 10% for Position A and 5% for Position B may be considered.

Compensation policies are normally set in relation to the local labor market, and a salary / compensation survey is normally performed on a routine basis to ensure salaries are appropriate given changing conditions in the local market.

Following are a number of salary policy examples:

- City of Morro Bay could establish a target of attempting to set employee salaries at the median (+/- 2.0%) of the local market.
- City of Morro Bay could establish a target of attempting to set employee salaries at 5% below (or, at 5% above) (+/- 2.0%) the median of the local market.
- City of Morro Bay could establish a target of attempting to set employee salaries at the 33rd percentile (or, at the 60th percentile) (+/- 2.0%) of the local market. The 33rd percentile would be 1/3 up the range from the lowest comparator salary to the highest comparator salary.

Following are some health contribution examples:

- City of Morro Bay could establish a target of attempting to set employee health contribution at the median of the local market.
- City of Morro Bay could establish a target of attempting to set health contribution at 85% of the 25th percentile health plan cost and 95% of dental / vision.
- City of Morro Bay could establish a target of attempting to set employee health contribution at \$100 below the lowest health plan cost.

Following are some retirement contribution policy examples:

- City of Morro Bay will negotiate to require employee contribution toward CalPERS to be at the highest level allowed by law.
- City of Morro Bay will have employee contribution toward CalPERS be at the lowest level required by law. (Of course, if that changes current levels, then that too must be negotiated with the employee groups.)
- City of Morro Bay will negotiate to require employee contribution toward CalPERS to be at the average of our comparison cities.

Implementation Cost Estimates

Council requested a broad estimate of the cost to bring all employee salaries to the median.

Staff completed some initial, gross number estimates toward that end, which included bringing salaries which are below the median up to median while keeping salaries that are above the median at their current level. That analysis also corrected some of the outliers in the Salary Survey to ensure they are internally equitable. (For example, modifying the Harbor Patrol Officer range to internal equity, not the median of the two out-of-market comparisons.)

The total, loaded cost to the General Fund to bring all salaries to the median of our comparison cities (with the caveats noted above) is around \$420,000 per year.

If the Council adopts a policy to establish a target of attempting to set employee salaries at the median, it is unlikely the City would be able to accomplish that in the first budget year and would provide policy guidance to phase in the required equity increases. Also, it is important to note, if the policy does more than set target, but rather sets definitive parameters the Council intends to meet, then those parameters must go through the meet and confer/good faith

negotiations process, including, if applicable, the impasse and fact-finding process.

An approach to accomplish the median salary goal might be:

- Year 1 – attempt to bring all salaries that are more than 8% below the median to be 8% below the median.
- Year 2 – attempt to bring all salaries a further 4% higher, to be 4% below the median.
- Year 3 – attempt to bring all salaries to the median.

Such an approach would likely cost the general fund around \$140,000 per year.

Next Steps

Staff recommends the Council review the supplemental compensation information and analysis based on the Salary Survey, and provide direction going forward on compensation policy consideration. Recommended next steps are as follows.

1. January 24 City Council Meeting: First compensation policy discussion
2. February 14 City Council Meeting: Second compensation policy discussion to adopt a policy.

ATTACHMENTS

1. Salary Study to Position Crosswalk
2. 12-13-16 Council Meeting Staff Report
3. Final Report of the Base Salary Study
4. Salary Comparison Breakdown (top monthly salary by position)
5. Salary Results Summary Table
6. Koff City Council 12-13-16 Presentation

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City of Morro Bay
Results Summary
July 2016

	Position	Dept	Name	In Comp Study?	# Matches	Data Assessment	Initial Staff Assessment
1	City Manager	AD	Buckingham	Yes	6	Good Direct Data	Good
2	Executive Secretary-City Clerk	AD	Swanson	Yes	3	Average Direct Data	Adjust using internal comparison
3	Deputy City Clerk	AD	Kudzma	No		Poor Data	Adjust using internal comparison
4	Human Resources Analyst	AD	Goforth	Yes	3	Average Direct Data	Adjust using internal comparison
5	Deputy City Manager	AD	Taumoepeau	No		Poor Data	Adjust using internal comparison
6	Information Services Technician	AD	Doerr	Yes	1	Poor Data	
7	Tourism Manager	AD	Little	No	0	Poor Data	Adjust using external comparison missed by consultant.
8	Recreation Coordinator	REC	Carmichael	Yes	5	Good Direct Data	Good
9	Recreation Supervisor	REC	Sweeney	Yes	4	Average Direct Data	Adjust using internal comparison
10	Office Assistant IV	HD	Gallardo	Related	5	Good Related Data	Good
11	Office Assistant III	HD	Gallardo	Yes	5	Good Direct Data	Good
1	Finance Director	FIN	Schmollinger	Yes	6	Good Direct Data	Good
2	Budget and Accounting Manager	FIN	Martin	No		Poor Data	Adjust using internal and external comparisons
3	Senior Accounting Technician	FIN	Webb	Yes	3	Average Direct Data	Adjust using internal and external comparisons
4	Account Clerk III	FIN	Watterworth	Related	5	Good Related Data	Good
5	Account Clerk II	FIN	Lomeli	Yes	5	Good Direct Data	Good
1	Fire Chief	FD	Knuckles	Yes	6	Good Direct Data	Good
2	Fire Captain	FD	Gailey	Yes	6	Good Direct Data	Good
3	Fire Captain	FD	Rees	Yes	6	Good Direct Data	Good
4	Fire Captain	FD	Talmadge	Yes	6	Good Direct Data	Good
5	Fire Engineer	FD	Hoese	Related	5	Good Related Data	Good
6	Fire Engineer	FD	Subler	Related	5	Good Related Data	Good
7	Fire Engineer	FD	Brady	Related	5	Good Related Data	Good
8	Fire Engineer	FD	Hasch	Related	5	Good Related Data	Good
9	Fire Engineer	FD	Kato	Related	5	Good Related Data	Good
10	Firefighter	FD	Simpson	Related	5	Good Related Data	Good
11	Firefighter	FD	Szopinski	Yes	5	Good Direct Data	Good
12	Firefighter	FD	Kelly	Yes	5	Good Direct Data	Good
13	Administrative Technician	PW	McLean	Yes	6	Good Direct Data	Good
1	Harbor Director	HD	Endersby	Yes	3	Average Direct Data	Adjust using internal comparisons
2	Harbor Patrol Supervisor	HD	Kelley	Yes	2	Poor Data	Adjust related to other public safety positions.
3	Harbor Business Coordinator	HD	Stilts	No	0	Poor Data	Adjust related to other public safety positions.
4	Harbor Patrol Officer	HD	Stein	Yes	2	Poor Data	Adjust related to other public safety positions.
5	Harbor Patrol Officer	HD	Jacobs	Yes	2	Poor Data	Adjust related to other public safety positions.
6	Harbor Patrol Officer	HD	Mather	Yes	2	Poor Data	Adjust related to other public safety positions.
7	Administrative Technician	PW	Lowe	Yes	6	Good Direct Data	Good
1	Police Chief	PD	TBD	Yes	6	Good Direct Data	Good
2	Police Commander	PD	Cox	No	0	Poor Data	Adjust using external comparison missed by consultant
3	Police Sergeant	PD	Mettifuco	Yes	6	Good Direct Data	Good
4	Police Sergeant	PD	Catlett	Yes	6	Good Direct Data	Good
5	Police Sergeant	PD	Canby	Yes	6	Good Direct Data	Good

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City of Morro Bay
Results Summary
July 2016

6	Police Sergeant	PD	Mosqueda	Yes	6	Good Direct Data	Good
7	Police Corporal	PD	Martin	Related	6	Good Related Data	Good
8	Police Senior Officer	PD	Hufstetler	Related	6	Good Related Data	Good
9	Police Senior Officer	PD	Cullum	Related	6	Good Related Data	Good
10	Police Senior Officer	PD	Painter	Related	6	Good Related Data	Good
11	Police Senior Officer	PD	Lomeli	Related	6	Good Related Data	Good
12	Police Senior Officer	PD	Gruich	Related	6	Good Related Data	Good
13	Police Detective	PD	Stuart	Related	6	Good Related Data	Good
14	Police Detective	PD	Martin	Related	6	Good Related Data	Good
15	Police Officer	PD	Flores	Yes	6	Good Direct Data	Good
16	Police Officer	PD	Campbell	Yes	6	Good Direct Data	Good
17	Police Officer	PD	Riddering	Yes	6	Good Direct Data	Good
18	Police Officer	PD	Nolan	Yes	6	Good Direct Data	Good
19	Support Services Coordinator	PD	Johnson	Yes	4	Average Direct Data	Adjust using external comparison
20	Support Services Technician	PD	Burgeson	Yes	6	Good Direct Data	Good
1	Public Works Director	PW	Livick	Yes	6	Good Direct Data	Good
2	Management Analyst	PW	Burlingame	Yes	3	Average Direct Data	Adjust using internal comparisons
3	Capital Projects Manager	PW	Sauerwein	Yes	6	Good Direct Data	Good
4	Associate Civil Engineer 3	PW	Whelan	Yes	5	Good Direct Data	Good
5	Office Assistant IV	PW	Gregory	Related	5	Good Related Data	Good
6	Environmental Manager	PW	Hanson	No	0	Poor Data	Adjust using internal comparisons
7	Engineering Technician III	PW	Newman	Yes	3	Average Direct Data	Adjust using internal comparisons
1	Consolidated Maintenance Superi	PW	Wilcox	Yes	3	Average Direct Data	Adjust using internal comparisons
2	Maintenance Field Supervisor	PW	Bishop	Yes	3	Average Direct Data	Adjust using internal comparisons
3	Maintenance Worker III	PW	Rosa	Related	6	Good Related Data	Good
4	Maintenance Worker II	PW	Galamay	Yes	6	Good Direct Data	Good
5	Maintenance Worker II	PW	Trout	Yes	6	Good Direct Data	Good
6	Maintenance Worker II	PW	Pruitt	Yes	6	Good Direct Data	Good
7	Maintenance Worker II	PW	Whitcomb	Yes	6	Good Direct Data	Good
8	Maintenance Worker II	PW	Rackov	Yes	6	Good Direct Data	Good
9	Maintenance Worker II	PW	Kelly	Yes	6	Good Direct Data	Good
10	Mechanic	PW	Bernard	Yes	4	Average Direct Data	Adjust using internal comparisons
1	Wastewater Division Manager	PW	Mueller	Yes	1	Poor Data	Adjust using external comparisons
2	Wastewater Treatment Plant Supe	PW	Gunderlock	Yes	1	Poor Data	Adjust using external comparisons
3	Wastewater Treatment Plant Lead	PW	Fernandez	Related	0	Poor Data	Adjust using external comparisons
4	Wastewater Treatment Plant Oper	PW	Aschenbrenne	Yes	3	Average Direct Data	Adjust using external comparisons
5	Wastewater Treatment Plant Oper	PW	Mortimer	Yes	3	Average Direct Data	Adjust using external comparisons
6	Wastewater Treatment Plant Oper	PW	Lundy	Yes	3	Average Direct Data	Adjust using external comparisons
7	Wastewater Treatment Plant Oper	PW	Hegg	Related	3	Average Related Data	Adjust using external comparisons
8	Wastewater Treatment Plant Oper	PW	Quaglino	Related	3	Average Related Data	Adjust using external comparisons
1	Collection System Supervisor	PW	Zevely	Yes	3	Average Direct Data	Adjust using internal and external comparisons
2	Collection System Worker III	PW	Victor	Related	6	Good Related Data	Good
3	Collection System Worker II	PW	Tapia	Yes	6	Good Direct Data	Good
4	Collection System Worker II	PW	Rocha	Yes	6	Good Direct Data	Good

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City of Morro Bay
Results Summary
July 2016

5	Collection System Worker I	PW	Michaels	Yes	6	Good Direct Data	Good
1	Water System Supervisor	PW	James	Yes	3	Average Direct Data	Adjust using internal and external comparisons
2	Water System Operator III	PW	Pittman	Related	4	Average Related Data	Adjust using internal and external comparisons
3	Water System Operator II	PW	Francis	Yes	4	Average Direct Data	Adjust using internal and external comparisons
4	Water System Operator II	PW	Paslay	Yes	4	Average Direct Data	Adjust using internal and external comparisons
5	Water System Operator II	PW	Koeper	Yes	4	Average Direct Data	Adjust using internal and external comparisons
1	Community Development Director	CD	Graham	Yes	6	Good Direct Data	Good
2	Associate Planner	CD	Jacinth	Yes	6	Good Direct Data	Good
3	Associate Planner	CD	Gargiulo	Yes	6	Good Direct Data	Good
4	Building Inspector-Plans	CD	Lockridge	Yes	4	Average Direct Data	Adjust using internal and external comparisons
5	Permit Technician - Certified	CD	Bruno	Yes	3	Average Direct Data	Adjust using internal and external comparisons
6	Office Assistant IV	CD	Arias	Yes	5	Good Direct Data	Good



AGENDA NO: C-3
MEETING DATE: December 13, 2016

Staff Report

TO: Honorable Mayor and City Council **DATE:** December 7, 2016
FROM: Craig Schmollinger, Finance Director/City Treasurer
SUBJECT: Discussion of Initial Results from the Salary Study Conducted by Koff & Associates, and Confirmation of Next Steps.

RECOMMENDATION

Staff recommends the City Council:

- 1) Receive information and a presentation regarding a salary survey completed by Koff & Associates; and
- 2) Confirm the draft timeline and next steps regarding employee salary study information.

ALTERNATIVES

The Council may direct staff to take an alternative approach to reviewing salary schedules and/or benefit packages.

FISCAL IMPACT

There is no impact associated with receiving information from this initial salary survey; however, future steps, such as potentially revising salary schedules, may have an undetermined fiscal impact. Future iterations of this item will be brought forward for Council action and will include more detailed financial information to discuss potential impacts and funding options.

BACKGROUND/DISCUSSION

On February 23 2016, the Council adopted the City Goals and Objectives for FY2016-17 that included Goal 10.d titled "Compensation Study". That Goal aimed to "complete a professional, external, comparative study of City of Morro Bay compensation policies and levels....". That Goal aligns with current labor Memorandum of Understanding (MOU) language for each of the labor groups, and further met the Goal intent of being completed in time for the 2017/18 MOU negotiations.

To move towards achieving that Goal, the City contracted with Kaneko & Krammer Corporation, doing business as Koff & Associates, Inc. (Koff). The contract includes deliverables related a Base Salary Study (Study), along with presentation of findings to the City Council, amongst other tasks.

The Study being presented includes a salary comparison with - 6 other agencies. The Study includes an executive summary, methodologies, findings, and some options going forward. Importantly, the findings include forty-one (41) City of Morro Bay position classifications and how they relate with the selected comparator agencies, along with a complete comparison with all surveyed classifications lumped in together for agency comparison purposes. Those findings are broken down by both the comparison to the market average (all comparators in a

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City Manager Review: City Attorney Review:

classification, divided by number of comparators surveyed), and the market median (midpoint of the data set with half of the comparators above and half below this point).

It should be noted the intent of this meeting is not to delve into specific data for each classification or to make determinations on how to address these data; rather it is simply to publish the data, have a brief high level discussion on methodologies, and confirm next steps going forward. Those next steps will likely include having staff further analyze the data, provide additional input (where appropriate), and further study sessions to adopt findings and make decisions on implementing a compensation policy.

NEXT STEPS

Staff recommends the Council accept the Study and associated data provided by Koff, and provide direction going forward. These recommended next steps are as follows:

1. January 10 City Council Meeting: Have staff return with supplemental analysis and input on the Study and associated data
2. January 24 City Council Meeting: First compensation policy discussion
3. February 14 City Council Meeting: Second compensation policy discussion to adopt a compensation policy.

ATTACHMENTS

1. Koff & Associates Salary Study Report
2. Salary Comparison Results Summary
3. Salary Comparison Breakdown



AGENDA NO: C-3
ATTACHMENT: 1
MEETING DATE: December 13, 2016

Submittal date: November 29, 2016

FINAL REPORT OF THE BASE SALARY STUDY

City of Morro Bay

Koff & Associates

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Chief Executive Officer

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Final Report – Base Salary Study

City of Morro Bay

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- Appendix I: Results Summary
- Appendix II: Market Base Salary Findings



Final Report – Base Salary Study
City of Morro Bay

November 29, 2016

Mr. David Buckingham
City Manager
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

Dear Mr. Buckingham:

Koff & Associates is pleased to present the final salary survey report for the study of a forty-one (41) of the classifications at the City of Morro Bay (“the City”). This narrative report documents the market base salary survey, findings, and recommendations.

We would like to thank you and other City staff for your assistance and cooperation without which this study could not have been brought to its successful completion.

We will be glad to answer any questions or clarify any points as you are implementing the findings and recommendations. It was a pleasure working with the City and we look forward to future opportunities to provide you with professional assistance.

Very truly yours,

A handwritten signature in blue ink that reads "Georg S. Krammer".

Georg Krammer
Chief Executive Officer



Final Report – Base Salary Study

City of Morro Bay

EXECUTIVE SUMMARY

Summary of Findings

This report summarizes the classification analysis methodologies, analytical tools, and the survey findings of the base salary study Koff & Associates conducted for City of Morro Bay (“the City”). The results of the study show that the City’s base salaries are, on average, 7.0% below market median with a variance for individual classifications of 27.8% below market to 15.1% above market. Of the forty-one (41) benchmark classifications surveyed, twelve (12) fall within 5% (+/-) of the market median, which is considered to be competitive with the market. Thirty (30) classifications are below the market median, and eleven (11) classifications are at or above the market median.

STUDY PROCESS

Benchmark Classifications

As mentioned previously, forty-one (41) classifications were selected in order to collect base salary data within the defined labor market. Survey classifications that had the most consistent and useful survey data were used as “benchmarks” in comparing the compensation plan. Benchmark classifications are those classifications that are tied directly to market salary data during the salary setting process. These classifications are used as a means of anchoring the City’s overall salary structure to the market.

Survey or benchmark classifications included classes that are reasonably well known, and clearly and concisely described. They are commonly used classes such that other like classes may readily be found in other agencies in order to ensure that sufficient salary data will be compiled.

These survey classifications included:

	Classification		Classification
1	Account Clerk II	22	Information Services Technician
2	Administrative Technician	23	Maintenance Field Supervisor
3	Associate Civil Engineer 3	24	Maintenance Worker II
4	Associate Planner	25	Management Analyst
5	Building Inspector-Plans	26	Mechanic
6	Capital Projects Manager	27	Office Assistant III
7	City Manager	28	Permit Technician - Certified
8	Collection System Supervisor	29	Police Chief
9	Collection System Worker II	30	Police Officer
10	Community Development Director	31	Police Sergeant
11	Consolidated Maintenance Superintendent	32	Public Works Director



Final Report – Base Salary Study

City of Morro Bay

	Classification		Classification
12	Engineering Technician III	33	Recreation Coordinator
13	Executive Secretary-City Clerk	34	Recreation Supervisor
14	Finance Director	35	Senior Accounting Technician
15	Fire Captain	36	Support Services Coordinator
16	Fire Chief	37	Wastewater Division Manager
17	Firefighter	38	Wastewater Treatment Plant Operator II
18	Harbor Director	39	Wastewater Treatment Plant Supervisor
19	Harbor Patrol Officer	40	Water System Operator II
20	Harbor Patrol Supervisor	41	Water System Supervisor
21	Human Resources Analyst		

Comparator Agencies

Another important step in conducting a market salary study is the determination of appropriate agencies for comparison. Key indicators such as, geographic proximity, demographics, expenditures, and services provided are important considerations when selecting comparators to ensure a representative labor market.

1. Organizational type and structure – We typically recommend agencies of a similar size and structure providing similar services to that of the City be used as comparators.
2. Similarity of population, staff, and operational budgets – These elements provide guidelines in relation to resources required (staff and funding) and displays the resources available for the provision of services. We typically evaluate number of employees, budgets, and population served, as well as ratios of employees to budget and number of employees to population served, which provide insight as to how each city uses its resources.
3. Scope of services provided and geographic location – Most of the comparator agencies included in the analysis provide similar services to the City. The study included agencies that provide harbor safety, and marina personnel, and agencies that provided police and fire services.
4. Labor market – With many agencies in competition for the same pool of qualified employees, the geographic labor market area, where the City may be recruiting from or losing employees to, is taken into consideration when selecting comparator agencies. Individuals often don't live in the communities they serve; therefore, geographic proximity and average commute times play a very important role in determining labor markets.

Based upon the aforementioned criteria the following comparator agencies were used in the study to collect salary data:



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Comparator Agencies
City of Arroyo Grande
City of Atascadero
City of Grover Beach
City of Paso Robles
City of Pismo Beach
City of San Luis Obispo
Ventura County/Channel Islands - Harbor
Pillar Point-Harbor
Redondo Beach Harbor
Cambria Fire District
5 Cities Fire
CDF Cal Fire

Typically, K&A recommends utilizing twelve (12) comparator agencies in order to collect sufficient market data for each benchmark classification. In this study, there were six (6) cities used, three (3) fire districts for the fire-related benchmark classifications, and three (3) harbor districts for the harbor related classifications.

Base Salary Data

The scope of the study evaluated the market competitiveness of the City’s base salaries in relation to the comparator agencies. The study displays the following data with regards to the base salaries:

- 1. Monthly Base Salary:** The top of the salary range and/or control point. All figures are presented on a monthly basis.
- 2. Effective Date of the salaries:** The market results included the effective date of the most current salary schedule.
- 3. Next anticipated increase date:** This displays the next expected increase effective date, if known.
- 4. Percentage of the next anticipated increase:** This displays the percentage of the next anticipated increase. For example, the City of Pismo Beach will be increasing salaries by 2% effective 7/1/2017, for all benchmark classifications.

Data Collection

Data was collected during the months of June and July from each comparator agency, and agency documentation of classification descriptions, organization charts, salary schedules and other pertinent documents were carefully reviewed in order to make an appropriate match at each of the comparator agency.



Matching Methodology

K&A believes that the data collection step is the most critical for maintaining the overall credibility of any study. We rely on the City's classification descriptions, as they are the foundation for our comparison.

When we research and collect data from the comparator agencies to identify possible matches for each of the benchmarked classifications, there is an assumption that we will not be able to find comparators that are 100% equivalent to the classifications at the City's. Therefore, we do not match based upon job titles, which may be misleading. We analyze each class description before we consider it as a comparator. In cases where an agency does not have classification descriptions available for review, or where we require further information regarding a classification, we will follow up with the agency's Human Resources department to gain an understanding of the classification's minimum qualifications, the overall purpose of the classification, and leveling within the agency. In addition, certain assumptions can be inferred through studying organizational charts and staffing allocation lists in order to ascertain the scope and level of responsibility of the comparator classification, when a description is unavailable.

Our methodology is to analyze each classification description and the whole classification by evaluating factors which include:

- Definition and typical job functions;
- Distinguishing characteristics;
- Level within a class series (i.e. entry, experienced, journey, specialist, lead, etc.);
- Reporting relationship structure (for example, manages through lower-level staff);
- Education and experience requirements;
- Knowledge, abilities, and skills required to perform the work;
- The scope and complexity of the work;
- Independence of action/responsibility;
- The authority delegated to make decisions and take action;
- The responsibility for the work of others, program administration, and for budget dollars;
- Problem solving/ingenuity;
- Contacts with others (both inside and outside of the agency);
- Consequences of action and decisions; and
- Working conditions.

We require that a classification's "likeness" be at approximately 70% of the matched classification to be included.

When we do not find an appropriate match with one classification, we often use "brackets" which can be functional or represent a span in scope of responsibility. A functional bracket means that one classification at the City is performed by two (2) or more classifications at a comparator agency. A "bracket" representing a span in scope means that the comparator agency has one classification that is "bigger" in scope and responsibility and one classification that is "smaller," where the City's class falls in the middle.



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Data Spreadsheets

There are two (2) data spreadsheets included, which are listed below.

- Results Summary
- Top Monthly Base Salary Data

The first sheet displays the market results for each benchmark classification, and the second displays the detailed market data for each benchmark classification.

The average and median of the comparator agencies, as well as the % above or below the City is compared to the average and median, are included on the Top Monthly data spreadsheet. The mean is the sum of the comparator agencies' salaries divided by the number of matches. The median is the midpoint of all data with 50% of data points below and 50% of data points above. K&A recommends using the median versus the average, as again, the median is the 50th percentile, which statistically, is representative of the central tendency of the market range. The average can be skewed by outliers, for example, a vastly different salary (+/-), can cause a misleading bias toward the outlier value.

In order to calculate the mean and median, K&A usually requires that there be a minimum of four (4) comparator agencies with matching classifications to the benchmark classification. The reason for requiring at least four (4) matches is so that no one (1) classification has undue influence on the calculations. Normally, if we were not able to find at least four (4) matches, then the market results are displayed as "Insufficient Data". However, in this study because there were fewer comparator agencies than typically used, the market results are displayed for all classifications, regardless of the number of matches.

MARKET SALARY FINDINGS

The table below represents a summary of the market top monthly (base) salary findings. For each benchmark classification, the percent above or below the top monthly salary market median is listed. The table is sorted by top monthly salary in descending order from the most positive percentile (above market) to the most negative (below market).

Classification	% above or below Market Average	% above or below Market Median	# of Matches
Management Analyst	10.8%	15.1%	3
Senior Accounting Technician	11.9%	13.3%	3
Recreation Coordinator	5.4%	9.9%	5
Human Resources Analyst	-4.0%	6.2%	3
Fire Chief	2.9%	3.5%	6
Water System Operator II	-0.2%	1.4%	4
Maintenance Field Supervisor	-3.4%	0.9%	3



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Classification	% above or below Market Average	% above or below Market Median	# of Matches
Harbor Director	-6.8%	0.7%	3
Account Clerk II	0.6%	0.5%	5
Executive Secretary-City Clerk	-1.7%	0.4%	3
Building Inspector-Plans	0.3%	0.0%	4
Office Assistant III	-4.5%	-3.2%	5
Wastewater Treatment Plant Operator II	-1.7%	-3.6%	3
Public Works Director	-3.5%	-4.7%	6
Associate Planner	-9.0%	-4.8%	6
Administrative Technician	-3.4%	-5.0%	6
Permit Technician - Certified	-5.6%	-5.1%	3
Fire Captain	-1.3%	-5.2%	6
Maintenance Worker II	-9.6%	-5.6%	6
Police Officer	-10.4%	-5.9%	6
Firefighter	4.0%	-6.2%	5
Community Development Director	-6.4%	-6.3%	6
Finance Director	-6.5%	-6.3%	6
Consolidated Maintenance Superintendent	-14.8%	-7.4%	3
Police Chief	-9.7%	-8.6%	6
Mechanic	-9.1%	-9.7%	4
Engineering Technician III	-6.9%	-9.7%	3
Police Sergeant	-12.4%	-10.3%	6
Collection System Worker II	-15.4%	-12.3%	6
Information Services Technician	-22.7%	-12.3%	5
Recreation Supervisor	-17.9%	-12.4%	4
Wastewater Division Manager	-13.0%	-13.0%	1
Wastewater Treatment Plant Supervisor	-16.1%	-16.1%	1
Collection System Supervisor	-14.4%	-16.1%	3
Water System Supervisor	-14.4%	-16.1%	3
City Manager	-20.7%	-17.7%	6
Capital Projects Manager	-17.8%	-19.3%	6
Harbor Patrol Supervisor	-22.1%	-22.1%	2
Harbor Patrol Officer	-22.9%	-22.9%	2
Associate Civil Engineer 3	-26.3%	-25.2%	5
Support Services Coordinator	-24.0%	-27.8%	4



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Base Salaries

Market base salary results show that of the forty-one (41) benchmarked classifications, eleven (11) classifications are paid at or above the market median, and thirty (30) classifications are paid below the market median.

For those eleven (11) classifications that are above the market median for Base Salaries:

- Seven (7) classifications are at or above the market median by less than 5%;
- Two (2) classifications are paid above the market median by greater than 5% and less than 10%;
- One (1) classification is above the market median by greater than 10% and less than 15%.
- One(1) classification is paid above the market median by greater than 15%.

For those thirty (30) classifications that are below the market median for Base Salaries:

- Five (5) classifications are below the market median by less than or equal to 5%;
- Eleven (11) classifications are below the market median by greater than 5% and less than 10%;
- Five (5) classifications are below the market median by greater than 10% and less than 15%;
- Five (5) classifications are below the market median by greater than 15% and less than 20%;
- Four (4) classifications are below the market median by greater than 20%;

Generally, we consider a classification falling within 5% of the median to be competitive in the labor market for salary survey purposes because of the differences in compensation policy and actual scope of work and the classification requirements.

INTERNAL SALARY RELATIONSHIPS

Building from the salary levels established for identified benchmark classes, internal salary relationships should be consistently applied in order to develop specific salary recommendations for all non-benchmarked classifications.

In the future, the City may need to utilize internal alignment practices as the staff grows and additional classifications are added. While analyzing internal relationships, the same factors were considered that we used when comparing the City's current classifications to the labor market during the salary study.

Below are standard human resources practices that are commonly applied, when making salary recommendations based upon internal relationships, as follows:

- A salary within 5% of the market average or median is considered to be competitive in the labor market for salary survey purposes because of the differences in compensation policy and actual scope of the classification and its requirements. However, a closer standard can be adopted by the City.
- Certain internal percentages are often applied. Those that are the most common are:
 - The differential between a trainee and experienced classification in a series (I/II or Trainee/Experienced) is generally 10% to 15%;



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- A lead or advanced journey-level (III or Senior-level) classification is generally placed 10% to 15% above the journey-level; and
 - A full supervisory classification is normally placed at least 10% to 25% above the highest level supervised, depending upon the breadth and scope of supervision.
- When a market or internal equity adjustment is granted to one classification in a series, the other classifications in the series are also adjusted accordingly to maintain internal equity.

Internal equity between certain levels of classification is a fundamental factor to be considered when making salary decisions. When conducting a market salary survey, results can often show that certain classifications that are aligned with each other are not the same in the outside labor market. However, as an organization, careful consideration needs to be given to these alignments because they represent internal value of classifications within job families, as well as across the City, as a whole. In addition, the City should be mindful of the potential of salary compaction, and is a factor that should be weighed when internally aligning classifications, and assigning appropriate salary ranges.

For all classifications that were not benchmarked, internal alignments with other classifications will need to be considered, either in the same class series or those classifications that have similar scope of work, level of responsibility, and “worth” to the City. Where it is difficult to ascertain internal relationships due to unique qualifications and responsibilities, reliance can be placed on past internal relationships. It is important for City management to carefully review these internal relationships and determine if they are still appropriate given the current market data.

It is important to analyze market data and internal relationships within class series as well as across the City, and make adjustments to salary range placements as necessary based on the needs of the City.

The City may want to make internal equity adjustments or alignments, as it implements the compensation strategy. This market survey is simply a tool to be used by the City to determine market indexing and salary determination.

OPTIONS

Pay Philosophy

The City has many options regarding what type of compensation plan it wants to implement. This decision will be based on what the City’s pay philosophy is, at which level it desires to pay its employees compared to the market, whether it is going to consider additional alternative compensation programs, and how great the competition is with other agencies over recruitment of a highly-qualified workforce. The City’s available discretionary funding to make potential adjustments will be a key consideration to any compensation plan and associated revisions to a plan.



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Proposed Salary Structure

We recommend that the City implement a compensation plan that provides structure to its compensation decisions. In determining appropriate salary ranges for its classifications, the best practice the agency should follow is to first develop a salary range structure or matrix that ties salary ranges to each other by formula. The most common approach are salary ranges that are 2.5% apart from each other so that the agency can establish logical relationships between its classifications in 5%, 10%, 15%, etc. increments. A 2.5% salary structure also allows to place classifications into salary ranges as close to the market survey results as possible without losing the desired structure.

In addition to having salary ranges that are tied to each other, we also recommend that the steps within each range be 5% apart from the next step. Finally, for ease of administration, we recommend developing a single salary range structure that includes all City classifications.

It is important to note that the salary range structure connects all salary ranges, and their steps, by formula, thereby allowing for Cost of Living Adjustments (COLAs) to be applied to only one-dollar figure in the table/matrix, which then automatically updates the entire table. Due to the formula that connects each range to the next (with 2.5% differentials between each range), there is a compounding effect when drawing relationships that span several ranges. For example, with 2.5% differentials between ranges, four ranges should represent a 10% differential. However, because the compounding effect of 2.5%, on top of 2.5%, on top of 2.5%, and so on, the differential between Range 1 and Range 5 is not exactly 10%, but it is slightly greater.

Options for Implementation

While the City may be interested in bringing all salaries to the market median, in certain cases this goal may not be reached with a single adjustment. We recommend moving employees into the newly proposed compensation structure, i.e., within the new salary range that is recommended for each class based on this market study and to place each classification in the step that is closest to their current compensation. If employees' current salaries fall below the bottom of the newly recommended range, adjustments may need to be considered to move those employees to at least the bottom of the new salary range.

Another option is to use a phased-in implementation approach. Normally, if the compensation implementation program must be carried over months or years, the classes that are farthest from the market median should receive the greatest equity increase (separate from any cost of living increase). If a class falls within five percent (5%) of the market median, it would be logical to make no equity adjustment in the first round of changes. However, if a class is more than 5% below the market median, a higher percentage change may be initially warranted to reduce the disparity.

For example, if the City decided to implement the recommendations over a three (3) year period, then the following guidelines could be applied for the initial increase of the three-year implementation plan:



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<u>Market Disparity</u>	<u>% Increase</u>
0 to 4.99%	0 to 2.49%
5.0% to 9.99%	2.5% to 4.99%
10.0% to 14.99%	5.0% to 7.49%
Etc.	Etc.

The initial first year adjustment represents the adjustment needed in order to provide a portion of the equity increase and to place the class into the closest step (but not below) where they are now. Subsequent increases would be spaced on a similar schedule (at annual intervals) based upon the remaining disparity after each adjustment.

Please note that typically, for those classes that had a market disparity of 0 to 4.99%, we recommend a 0% increase in the first year and an adjustment in the second year. Depending upon the City’s financial situation, which will have to be reviewed before each further adjustment is made, all market disparity adjustments are intended to be completed by the third year.

When classifications are over market, we typically recommend to Y-rate the incumbent in each of these classifications until the market numbers “catch up” with their current salary. To Y-rate an employee means to keep the employee’s salary frozen and to provide no salary increases until the employee’s current salary is within the recommended salary range. This will result in no immediate loss of income, but will delay any future increases until the incumbent’s salary is within the salary range.

Other options to “freezing” a class’ salary in place until the market catches up are:

- “Grandfathering” of salary ranges: This means that the salary range for the classification is adjusted down to what the market numbers are. However, current incumbents would continue being paid at the current rate of pay (which would put them outside of the new and adjusted salary range for the class) until they leave the City or retire, or the City adopted an alternative policy to allow the incumbent a certain number of years at the “Grandfathered” rate prior to a downward adjustment within a newly adopted salary range. Any new-hires would be paid within the newly established salary range.
- Single-incumbent classes: If a class only has one incumbent, an option would be to wait until the person leaves or retires from the City and then adjust the salary range for the class according to the market.
- Recent hires: Some employees who have recently been hired may still be at one of the lower steps within their current salary range. So even if the top of their current salary range is above market, the incumbents are currently still paid below the market maximum because they’re not at the top of their current salary range. In this case, an immediate salary range adjustment could be made to bring the salary range within the market. This would bring the affected incumbents either to the top of the market range or very close to it but they would not technically be Y-rated or lose any pay.

Another option, of course, is to actually reduce salaries down to where the market numbers are. However, from employee relations perspective this may not be a viable option.

The City may spend additional time to go through a process of deliberation and decision-making as to what compensation philosophy it should implement to attract, motivate, and retain a high-quality



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workforce. However, the City may want to consider adjusting those classifications' salaries that are currently below the market median as soon as possible, assuming that incumbents' performance levels meet the City's level of expectation.

USING THE MARKET DATA AS A TOOL

We wish to reiterate that this report and our findings are meant to be a tool for the City to create and implement an equitable compensation plan. Compensation strategies are designed to attract and retain excellent staff. However, financial realities and the City's expectations may also come into play when determining appropriate compensation philosophies and strategies. The collected data represents a market survey that will give the City an instrument to make future compensation decisions.

It has been a pleasure working with City of Morro Bay on this critical project. Please do not hesitate to contact us if we can provide any additional information or clarification regarding this report.

Respectfully Submitted,

Koff & Associates

A handwritten signature in blue ink that reads "Georg S. Krammer".

Georg Krammer
Chief Executive Officer



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Appendix I

Results Summary



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Appendix II

Market Base Salary Findings

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City of Morro Bay
Top Monthly Salary Data

City Manager			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of San Luis Obispo	City Manager	\$19,205	1/1/2016	Unknown	Unknown
2	City of Paso Robles	City Manager	\$16,750	1/1/2016	Unknown	Unknown
3	City of Pismo Beach	City Manager	\$16,470	7/1/2016	2/20/2017	5.00%
4	City of Arroyo Grande	City Manager	\$14,917	8/1/2015	Unknown	Unknown
5	City of Grover Beach	City Manager	\$14,667	7/1/2016	Unknown	Unknown
6	City of Atascadero	City Manager ¹	\$14,544	7/1/2016	Unknown	Unknown
7	City of Morro Bay	City Manager	\$13,333	7/1/2016	Unknown	Unknown
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$16,092			
% City of Morro Bay Above/Below			-20.7%			
Median of Comparators			\$15,694			
% City of Morro Bay Above/Below			-17.7%			
Number of Matches			6			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Account Clerk II			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Pismo Beach	Accounting Clerk	\$4,450	7/1/2016	7/1/2017	2.00%
2	City of San Luis Obispo	Accounting Assistant II	\$4,325	1/1/2016	Unknown	Unknown
3	City of Morro Bay	Account Clerk II	\$4,208	7/1/2016	Unknown	Unknown
4	City of Arroyo Grande	Accounting Clerk	\$4,186	7/1/2016	Unknown	Unknown
5	City of Grover Beach	Account Clerk	\$4,092	7/1/2016	Unknown	Unknown
6	City of Atascadero	Account Clerk II	\$3,867	7/1/2016	Unknown	Unknown
7	City of Paso Robles	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point - Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire Authority	N/C				
12	Cambria Community Services District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$4,184			
% City of Morro Bay Above/Below			0.6%			
Median of Comparators			\$4,186			
% City of Morro Bay Above/Below			0.5%			
Number of Matches			5			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Administrative Technician			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Atascadero	Administrative Assistant -Confidential	\$4,935	7/1/2016	Unknown	Unknown
2	City of Pismo Beach	Administrative Secretary	\$4,912	7/1/2016	7/1/2017	2.00%
3	City of San Luis Obispo	Administrative Assistant III	\$4,797	1/1/2016	Unknown	Unknown
4	City of Arroyo Grande	Administrative Secretary	\$4,622	7/1/2016	Unknown	Unknown
5	City of Morro Bay	Administrative Technician	\$4,486	7/1/2016	Unknown	Unknown
6	City of Grover Beach	Administrative Specialist - Confidential	\$4,342	7/1/2016	Unknown	Unknown
7	City of Paso Robles	Administrative Assistant II	\$4,225	1/1/2016	Unknown	Unknown
8	Cambria Fire District	N/C				
9	Ventura County/Channel Islands - Harbor	N/C				
10	Pillar Point-Harbor	N/C				
11	Redondo Beach Harbor	N/C				
12	5 Cities Fire	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$4,639			
% City of Morro Bay Above/Below			-3.4%			
Median of Comparators			\$4,710			
% City of Morro Bay Above/Below			-5.0%			
Number of Matches			6			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

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City of Morro Bay
Top Monthly Salary Data

Associate Civil Engineer			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Pismo Beach	Engineer ³	\$8,667	7/1/2016	7/1/2017	2.00%
2	City of Atascadero	Associate Civil Engineer - Registered Engineer ³	\$8,039	7/1/2016	Unknown	Unknown
3	City of San Luis Obispo	Engineer III ²	\$7,856	1/1/2016	Unknown	Unknown
4	City of Arroyo Grande	Senior Engineer ¹	\$7,765	7/1/2016	Unknown	Unknown
5	City of Grover Beach	Associate Engineer ³	\$7,309	7/1/2016	Unknown	Unknown
6	City of Morro Bay	Associate Civil Engineer ³	\$6,277	7/1/2016	Unknown	Unknown
7	City of Paso Robles	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$7,927			
% City of Morro Bay Above/Below			-26.3%			
Median of Comparators			\$7,856			
% City of Morro Bay Above/Below			-25.2%			
Number of Matches			5			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

2- The San Luis Obispo class requires an EIT certificate. P.E. is desirable.

3- P.E. required.

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City of Morro Bay
Top Monthly Salary Data

Associate Planner			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Paso Robles	Associate Planner	\$8,597	1/1/2016	Unknown	Unknown
2	City of San Luis Obispo	Associate Planner	\$6,901	1/1/2016	Unknown	Unknown
3	City of Pismo Beach	Associate Planner	\$6,771	7/1/2016	7/1/2017	2.00%
4	City of Arroyo Grande	Associate Planner	\$6,381	7/1/2016	Unknown	Unknown
5	City of Morro Bay	Associate Planner	\$6,277	7/1/2016	Unknown	Unknown
6	City of Grover Beach	Planner II	\$6,245	7/1/2016	Unknown	Unknown
7	City of Atascadero	Associate Planner	\$6,149	7/1/2016	Unknown	Unknown
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$6,841			
% City of Morro Bay Above/Below			-9.0%			
Median of Comparators			\$6,576			
% City of Morro Bay Above/Below			-4.8%			
Number of Matches			6			
NOTE: All calculations exclude City of Morro Bay						

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Building Inspector-Plans			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Pismo Beach	Building Inspector/Plans Examiner ²	\$6,771	7/1/2016	7/1/2017	2.00%
2	City of San Luis Obispo	Building Inspector II	\$6,552	1/1/2016	Unknown	Unknown
3	City of Morro Bay	Building Inspector-Plans	\$6,277	7/1/2016	Unknown	Unknown
4	City of Paso Robles	Building/Engineering Inspector	\$6,001	1/1/2016	Unknown	Unknown
5	City of Atascadero	Building Inspector - Plans Examiner ¹	\$5,713	7/1/2016	Unknown	Unknown
6	City of Grover Beach	N/C				
7	City of Arroyo Grande	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$6,259			
% City of Morro Bay Above/Below			0.3%			
Median of Comparators			\$6,277			
% City of Morro Bay Above/Below			0.0%			
Number of Matches			4			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

2- The San Luis Obispo class requires valid certification as Building Inspector, Plumbing Inspector, Mechanical Inspector, and Electrical Inspector.

DRAFT
City of Morro Bay
Top Monthly Salary Data

Capital Projects Manager			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Paso Robles	Capital Projects Engineer	\$10,977	1/1/2016	Unknown	Unknown
2	City of Pismo Beach	Senior Engineer ¹	\$9,567	7/1/2016	7/1/2017	2.00%
3	City of San Luis Obispo	Construction Engineering Manager ²	\$9,299	1/1/2016	Unknown	Unknown
4	City of Arroyo Grande	Capital Improvement Project Manager	\$8,579	7/1/2016	Unknown	Unknown
5	City of Grover Beach	Capital Improvement Project Manager	\$8,271	7/1/2016	Unknown	Unknown
6	City of Morro Bay	Capital Projects Manager	\$7,496	7/1/2016	Unknown	Unknown
7	City of Atascadero	Capital Projects Manager	\$6,299	7/1/2016	Unknown	Unknown
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$8,832			
% City of Morro Bay Above/Below			-17.8%			
Median of Comparators			\$8,939			
% City of Morro Bay Above/Below			-19.3%			
Number of Matches			6			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

2- The San Luis Obispo class performs highly complex professional project management activities for construction or maintenance programs.

DRAFT
City of Morro Bay
Top Monthly Salary Data

Collection System Worker II			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of San Luis Obispo	Wastewater Collection System Operator	\$5,952	1/1/2016	Unknown	Unknown
2	City of Pismo Beach	Wastewater Plant Operator II ⁴	\$5,289	7/1/2016	7/1/2017	2.00%
3	City of Atascadero	Wastewater Treatment Plant Operator II ¹	\$4,817	7/1/2016	Unknown	Unknown
4	City of Grover Beach	Maintenance Worker II ³	\$4,632	7/1/2016	Unknown	Unknown
5	City of Paso Robles	Maintenance Specialist II (WW Maintenance Worker II)	\$4,255	1/1/2016	Unknown	Unknown
6	City of Morro Bay	Collection System Worker II	\$4,208	7/1/2016	Unknown	Unknown
7	City of Arroyo Grande	Maintenance Worker II ²	\$4,186	7/1/2016	Unknown	Unknown
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$4,855			
% City of Morro Bay Above/Below			-15.4%			
Median of Comparators			\$4,725			
% City of Morro Bay Above/Below			-12.3%			
Number of Matches			6			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

CWEA Collection Systems certificate.

2- The Arroyo Grande class may be assigned to maintenance and construction of sewage collection systems.

3- The Grover Beach class may be assigned to maintenance, repair, construction, operation, and installation work in all streets and sewers.

4- The Pismo Beach class performs inspection, construction, maintenance, and repair activities of wastewater collection systems.

DRAFT
City of Morro Bay
Top Monthly Salary Data

Collection System Supervisor			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of San Luis Obispo	Wastewater Collection System Supervisor	\$8,034	1/1/2016	Unknown	Unknown
2	City of Paso Robles	Supervisor, Technical II (Water/Wastewater)	\$7,291	1/1/2016	Unknown	Unknown
3	City of Morro Bay	Collection System Supervisor	\$6,277	7/1/2016	Unknown	Unknown
4	City of Arroyo Grande	Utilities Supervisor	\$6,218	7/1/2016	Unknown	Unknown
5	City of Atascadero	N/C				
6	City of Grover Beach	N/C				
7	City of Pismo Beach	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$7,181			
% City of Morro Bay Above/Below			-14.4%			
Median of Comparators			\$7,291			
% City of Morro Bay Above/Below			-16.1%			
Number of Matches			3			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Community Development Director			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of San Luis Obispo	Director of Community Development	\$14,068	1/1/2016	Unknown	Unknown
2	City of Paso Robles	Director of Community Development	\$13,738	1/1/2016	Unknown	Unknown
3	City of Pismo Beach	Community Development Director	\$13,188	7/1/2016	7/1/2017	2.00%
4	City of Arroyo Grande	Director of Community Development	\$12,124	7/1/2016	Unknown	Unknown
5	City of Morro Bay	Community Development Director	\$11,911	7/1/2016	Unknown	Unknown
6	City of Grover Beach	Community Development Director	\$11,742	7/1/2016	Unknown	Unknown
7	City of Atascadero	Community Development Director	\$11,189	7/1/2016	Unknown	Unknown
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$12,675			
% City of Morro Bay Above/Below			-6.4%			
Median of Comparators			\$12,656			
% City of Morro Bay Above/Below			-6.3%			
Number of Matches			6			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Consolidated Maintenance Superintendent			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Paso Robles	Maintenance Superintendent	\$10,977	1/1/2016	Unknown	Unknown
2	City of Pismo Beach	Facilities Manager	\$8,048	7/1/2016	7/1/2017	2.00%
3	City of Morro Bay	Consolidated Maintenance Superintendent	\$7,496	7/1/2016	Unknown	Unknown
4	City of Atascadero	Public Works Operations Manager	\$6,779	7/1/2016	Unknown	Unknown
5	City of Arroyo Grande	N/C				
6	City of Grover Beach	N/C				
7	City of San Luis Obispo	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$8,602			
% City of Morro Bay Above/Below			-14.8%			
Median of Comparators			\$8,048			
% City of Morro Bay Above/Below			-7.4%			
Number of Matches			3			
NOTE: All calculations exclude City of Morro Bay						

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Engineering Technician III			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Paso Robles	Engineering Technician III	\$6,001	1/1/2016	Unknown	Unknown
2	City of San Luis Obispo	Engineering Technician III	\$5,755	1/1/2016	Unknown	Unknown
3	City of Morro Bay	Engineering Technician III	\$5,244	7/1/2016	Unknown	Unknown
4	City of Atascadero	Building Inspector I / Engineering Technician II ¹	\$5,059	7/1/2016	Unknown	Unknown
5	City of Arroyo Grande	N/C				
6	City of Grover Beach	N/C				
7	City of Pismo Beach	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$5,605			
% City of Morro Bay Above/Below			-6.9%			
Median of Comparators			\$5,755			
% City of Morro Bay Above/Below			-9.7%			
Number of Matches			3			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data
July 2016

Executive Secretary-City Clerk						
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of San Luis Obispo	City Clerk	\$9,299	1/1/2016	Unknown	Unknown
2	City of Morro Bay	Executive Secretary-City Clerk	\$8,286	7/1/2016	Unknown	Unknown
3	City of Pismo Beach	Executive Assistant / City Clerk ²	\$8,250	7/1/2016	7/1/2017	2.00%
4	City of Grover Beach	City Clerk/Executive Assistant	\$7,741	7/1/2016	Unknown	Unknown
5	City of Arroyo Grande	N/C				
6	5 Cities Fire	N/C				
7	City of Atascadero	N/C ¹				
8	City of Paso Robles	N/C ¹				
9	Ventura County/Channel Islands - Harbor	N/C				
10	Pillar Point-Harbor	N/C				
11	Redondo Beach Harbor	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$8,430			
% City of Morro Bay Above/Below			-1.7%			
Median of Comparators			\$8,250			
% City of Morro Bay Above/Below			0.4%			
Number of Matches			3			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

2- This match is a functional bracket to represent the duties of the Morro Bay class, which are performed by more than one class at the benchmark agency. The salary displayed is the higher of the matches.

DRAFT
City of Morro Bay
Top Monthly Salary Data
July 2016

Finance Director			Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
Rank	Comparator Agency	Class Title				
1	City of San Luis Obispo	Director of Finance	\$14,068	1/1/2016	Unknown	Unknown
2	City of Paso Robles	Director of Administrative Services	\$13,738	1/1/2016	Unknown	Unknown
3	City of Pismo Beach	Administrative Services Director	\$13,188	7/1/2016	7/1/2017	2.00%
4	City of Arroyo Grande	Director of Administrative Services	\$12,124	7/1/2016	Unknown	Unknown
5	City of Morro Bay	Finance Director	\$11,911	7/1/2016	Unknown	Unknown
6	City of Grover Beach	Administrative Services Director	\$11,795	7/1/2016	Unknown	Unknown
7	City of Atascadero	Administrative Services Director	\$11,189	7/1/2016	Unknown	Unknown
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$12,684			
% City of Morro Bay Above/Below			-6.5%			
Median of Comparators			\$12,656			
% City of Morro Bay Above/Below			-6.3%			
Number of Matches			6			
NOTE: All calculations exclude City of Morro Bay						

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data
July 2016

Fire Captain			Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
Rank	Comparator Agency	Class Title				
1	City of Paso Robles	Fire Captain	\$8,260	1/1/2016	Unknown	Unknown
2	City of San Luis Obispo	Fire Captain	\$8,077	1/1/2016	Unknown	Unknown
3	City of Atascadero	Fire Captain	\$7,792	7/1/2016	Unknown	Unknown
4	Cambria Fire District	Fire Captain	\$7,108	12/20/2015	12/20/2016	3.50%
5	City of Morro Bay	Fire Captain	\$7,085	7/1/2016	Unknown	Unknown
6	5 Cities Fire	Fire Captain ¹	\$6,533	7/4/2014	Unknown	Unknown
7	CDF Cal Fire	Fire Captain	\$5,284	7/1/2015	Unknown	Unknown
8	City of Arroyo Grande	N/C				
9	City of Grover Beach	N/C				
10	City of Pismo Beach	N/C				
11	Ventura County/Channel Islands - Harbor	N/C				
12	Pillar Point-Harbor	N/C				
13	Redondo Beach Harbor	N/C				
Average of Comparators			\$7,176			
% City of Morro Bay Above/Below			-1.3%			
Median of Comparators			\$7,450			
% City of Morro Bay Above/Below			-5.2%			
Number of Matches			6			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Fire Chief			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of San Luis Obispo	Fire Chief	\$14,738	1/1/2016	Unknown	Unknown
2	City of Paso Robles	Fire Chief	\$14,297	1/1/2016	Unknown	Unknown
3	City of Atascadero	Fire Chief	\$12,631	7/1/2016	Unknown	Unknown
4	City of Morro Bay	Fire Chief	\$12,585	7/1/2016	Unknown	Unknown
5	5 Cities Fire	Fire Chief ¹	\$11,658	7/4/2012	Unknown	Unknown
6	Cambria Fire District	Fire Chief	\$10,930	1/1/2016	Unknown	Unknown
7	CDF Cal Fire	Chief (Fire and Rescue Services)	\$9,085	7/1/2015	Unknown	Unknown
8	City of Arroyo Grande	N/C				
9	City of Grover Beach	N/C				
10	City of Pismo Beach	N/C				
11	Ventura County/Channel Islands - Harbor	N/C				
12	Pillar Point-Harbor	N/C				
13	Redondo Beach Harbor	N/C				
Average of Comparators			\$12,223			
% City of Morro Bay Above/Below			2.9%			
Median of Comparators			\$12,145			
% City of Morro Bay Above/Below			3.5%			
Number of Matches			6			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data
July 2016

Firefighter			Top	Effective	Next	Next
Rank	Comparator Agency	Class Title	Monthly Salary	Date	Salary Increase	Percentage Increase
1	City of San Luis Obispo	Firefighter	\$6,383	1/1/2016	Unknown	Unknown
2	City of Paso Robles	Firefighter	\$6,152	1/1/2016	Unknown	Unknown
3	City of Atascadero	Firefighter	\$5,986	7/1/2016	Unknown	Unknown
4	City of Morro Bay	Firefighter	\$5,638	7/1/2016	Unknown	Unknown
5	5 Cities Fire	Firefighter II ¹	\$4,672	7/4/2012	Unknown	Unknown
6	CDF Cal Fire	Firefighter II	\$3,872	7/1/2015	Unknown	Unknown
7	City of Arroyo Grande	N/C				
8	City of Grover Beach	N/C				
9	City of Pismo Beach	N/C				
10	Ventura County/Channel Islands - Harbor	N/C				
11	Pillar Point-Harbor	N/C				
12	Redondo Beach Harbor	N/C				
13	Cambria Fire District	N/C ²				
Average of Comparators			\$5,413			
% City of Morro Bay Above/Below			4.0%			
Median of Comparators			\$5,986			
% City of Morro Bay Above/Below			-6.2%			
Number of Matches			5			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

2- Cambria Fire District has a Reserve Firefighter, with an hourly wage of \$10.00/hour.

DRAFT
City of Morro Bay
Top Monthly Salary Data

Harbor Director			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	Ventura County/Channel Islands - Harbor	Harbor Director	\$15,541	5/1/2016	Unknown	Unknown
2	City of Morro Bay	Harbor Director	\$12,585	7/1/2016	Unknown	Unknown
3	Pillar Point-Harbor	General Manager	\$12,500	10/07/15	Unknown	Unknown
4	Redondo Beach Harbor	Waterfront and Economic Development Director	\$12,291	06/27/15	Unknown	Unknown
5	City of Arroyo Grande	N/C				
6	City of Atascadero	N/C				
7	City of Grover Beach	N/C				
8	City of Paso Robles	N/C				
9	City of Pismo Beach	N/C				
10	City of San Luis Obispo	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$13,444			
% City of Morro Bay Above/Below			-6.8%			
Median of Comparators			\$12,500			
% City of Morro Bay Above/Below			0.7%			
Number of Matches			3			
NOTE: All calculations exclude City of Morro Bay						

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Harbor Patrol Officer						
July 2016						
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	Redondo Beach Harbor	Harbor Patrol Officer/Firefighter	\$6,756	8/8/2015	Unknown	Unknown
2	Ventura County/Channel Islands - Harbor	Harbor Patrol Officer II	\$6,100	5/1/2016	Unknown	Unknown
3	City of Morro Bay	Harbor Patrol Officer	\$5,228	7/1/2016	Unknown	Unknown
4	City of Arroyo Grande	N/C				
5	City of Atascadero	N/C				
6	City of Grover Beach	N/C				
7	City of Paso Robles	N/C				
8	City of Pismo Beach	N/C				
9	City of San Luis Obispo	N/C				
10	Pillar Point-Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$6,428			
% City of Morro Bay Above/Below			-22.9%			
Median of Comparators			\$6,428			
% City of Morro Bay Above/Below			-22.9%			
Number of Matches			2			
NOTE: All calculations exclude City of Morro Bay						

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Harbor Patrol Supervisor						
July 2016						
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	Ventura County/Channel Islands - Harbor	Harbor Patrol Captain	\$7,628	3/27/2016	Unknown	Unknown
2	Redondo Beach Harbor	Harbor Patrol Sergeant/Firefighter Specialist	\$7,413	8/8/2015	Unknown	Unknown
3	City of Morro Bay	Harbor Patrol Supervisor	\$6,159	7/1/2016	Unknown	Unknown
4	City of Arroyo Grande	N/C				
5	City of Atascadero	N/C				
6	City of Grover Beach	N/C				
7	City of Paso Robles	N/C				
8	City of Pismo Beach	N/C				
9	City of San Luis Obispo	N/C				
10	Pillar Point-Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$7,520			
% City of Morro Bay Above/Below			-22.1%			
Median of Comparators			\$7,520			
% City of Morro Bay Above/Below			-22.1%			
Number of Matches			2			
NOTE: All calculations exclude City of Morro Bay						

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Human Resources Analyst			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of San Luis Obispo	Human Resources Analyst II	\$7,284	1/1/2016	Unknown	Unknown
2	City of Morro Bay	Human Resources Analyst	\$5,831	7/1/2016	Unknown	Unknown
3	City of Grover Beach	Human Resources Coordinator/Deputy City Clerk	\$5,467	7/1/2016	Unknown	Unknown
4	City of Atascadero	Personnel Specialist - Confidential	\$5,441	7/1/2016	Unknown	Unknown
5	City of Arroyo Grande	N/C				
6	City of Paso Robles	N/C				
7	City of Pismo Beach	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$6,064			
% City of Morro Bay Above/Below			-4.0%			
Median of Comparators			\$5,467			
% City of Morro Bay Above/Below			6.2%			
Number of Matches			3			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Information Services Technician			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Paso Robles	Information Systems Manager	\$10,977	1/1/2016	Unknown	Unknown
2	City of San Luis Obispo	Information Technology Manager	\$10,589	1/1/2016	Unknown	Unknown
3	City of Pismo Beach	Information Technology Manager	\$8,415	7/1/2016	7/1/2017	2.00%
4	City of Arroyo Grande	Information Technology Manager	\$8,166	7/1/2016	Unknown	Unknown
5	City of Atascadero	Information Technology Manager	\$7,848	7/1/2016	Unknown	Unknown
6	City of Morro Bay	Information Services Technician	\$7,496	7/1/2016	Unknown	Unknown
7	City of Grover Beach	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$9,199			
% City of Morro Bay Above/Below			-22.7%			
Median of Comparators			\$8,415			
% City of Morro Bay Above/Below			-12.3%			
Number of Matches			5			
NOTE: All calculations exclude City of Morro Bay						

N/C - Non Comparator

1- The Morro Bay IT Technician oversees the IT Division.

DRAFT
City of Morro Bay
Top Monthly Salary Data

Maintenance Field Supervisor			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of San Luis Obispo	Facilities Maintenance Supervisor /Parks Maintenance Supervisor /				
2	City of Morro Bay	Streets Maintenance Supervisor ¹	\$7,412	1/1/2016	Unknown	Unknown
3		Maintenance Field Supervisor	\$6,277	7/1/2016	Unknown	Unknown
3	City of Arroyo Grande	Streets and Landscaping Supervisor	\$6,218	7/1/2016	Unknown	Unknown
4	City of Grover Beach	Public Works Supervisor	\$5,848	7/1/2016	Unknown	Unknown
5	City of Atascadero	N/C				
6	City of Paso Robles	N/C				
7	City of Pismo Beach	N/C ²				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$6,493			
% City of Morro Bay Above/Below			-3.4%			
Median of Comparators			\$6,218			
% City of Morro Bay Above/Below			0.9%			
Number of Matches			3			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

2- The Pismo Beach Facilities Maintenance Supervisor classification is unallocated in the 2016/17 Budget

DRAFT
City of Morro Bay
Top Monthly Salary Data

Maintenance Worker II			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
		Facilities Maintenance Technician / Maintenance Worker II - Parks /				
1	City of San Luis Obispo	Streets Maintenance Worker ¹	\$5,616	1/1/2016	Unknown	Unknown
2	City of Pismo Beach	Maintenance Worker II	\$5,035	7/1/2016	7/1/2017	2.00%
3	City of Grover Beach	Maintenance Worker II	\$4,632	7/1/2016	Unknown	Unknown
4	City of Paso Robles	Maintenance Specialist II	\$4,255	1/1/2016	Unknown	Unknown
5	City of Morro Bay	Maintenance Worker II	\$4,208	7/1/2016	Unknown	Unknown
6	City of Arroyo Grande	Maintenance Worker II	\$4,082	7/1/2016	Unknown	Unknown
7	City of Atascadero	Maintenance Worker II	\$4,060	7/1/2016	Unknown	Unknown
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$4,613			
% City of Morro Bay Above/Below			-9.6%			
Median of Comparators			\$4,444			
% City of Morro Bay Above/Below			-5.6%			
Number of Matches			6			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Management Analyst						
July 2016						
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of San Luis Obispo	Administrative Analyst	\$6,608	1/1/2016	Unknown	Unknown
2	City of Morro Bay	Management Analyst	\$6,409	7/1/2016	Unknown	Unknown
3	City of Atascadero	Management Analyst I - Confidential	\$5,441	7/1/2016	Unknown	Unknown
4	City of Grover Beach	Administrative Analyst - Confidential	\$5,107	7/1/2016	Unknown	Unknown
5	City of Arroyo Grande	N/C				
6	City of Paso Robles	N/C				
7	City of Pismo Beach	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$5,719			
% City of Morro Bay Above/Below			10.8%			
Median of Comparators			\$5,441			
% City of Morro Bay Above/Below			15.1%			
Number of Matches			3			
NOTE: All calculations exclude City of Morro Bay						

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Mechanic						
July 2016						
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Pismo Beach	Fleet Mechanic	\$5,422	7/1/2016	7/1/2017	2.00%
2	City of Paso Robles	Equipment Mechanic	\$5,194	1/1/2016	Unknown	Unknown
3	City of San Luis Obispo	Heavy Equipment Mechanic	\$5,187	1/1/2016	Unknown	Unknown
4	City of Grover Beach	Equipment Mechanic II	\$4,859	7/1/2016	Unknown	Unknown
5	City of Morro Bay	Mechanic	\$4,733	7/1/2016	Unknown	Unknown
6	City of Arroyo Grande	N/C				
7	City of Atascadero	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$5,165			
% City of Morro Bay Above/Below			-9.1%			
Median of Comparators			\$5,191			
% City of Morro Bay Above/Below			-9.7%			
Number of Matches			4			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Office Assistant III						
July 2016						
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of San Luis Obispo	Administrative Assistant I	\$4,105	1/1/2016	Unknown	Unknown
2	City of Arroyo Grande	Office Assistant II	\$3,993	7/1/2016	Unknown	Unknown
3	City of Atascadero	Office Assistant III	\$3,867	7/1/2016	Unknown	Unknown
4	City of Pismo Beach	Office Assistant II	\$3,838	7/1/2016	7/1/2017	2.00%
5	City of Paso Robles	Administrative Assistant I	\$3,776	1/1/2016	Unknown	Unknown
6	City of Morro Bay	Office Assistant III	\$3,746	7/1/2016	Unknown	Unknown
7	City of Grover Beach	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$3,916			
% City of Morro Bay Above/Below			-4.5%			
Median of Comparators			\$3,867			
% City of Morro Bay Above/Below			-3.2%			
Number of Matches			5			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Permit Technician - Certified			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Pismo Beach	Building Permit Technician ¹	\$4,912	7/1/2016	7/1/2017	2.00%
2	City of Paso Robles	Planning Technician ²	\$4,820	1/1/2016	Unknown	Unknown
3	City of San Luis Obispo	Permit Technician II ³	\$4,797	1/1/2016	Unknown	Unknown
4	City of Morro Bay	Permit Technician - Certified	\$4,586	7/1/2016	Unknown	Unknown
5	City of Grover Beach	N/C				
6	City of Arroyo Grande	N/C				
7	City of Atascadero	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$4,843			
% City of Morro Bay Above/Below			-5.6%			
Median of Comparators			\$4,820			
% City of Morro Bay Above/Below			-5.1%			
Number of Matches			3			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

2- The Pismo Beach class requires ICC Permit Certificate within 12 months.

3- The San Luis Obispo class does not require the ICC certification; although it is desirable.

DRAFT
City of Morro Bay
Top Monthly Salary Data

Police Chief			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of San Luis Obispo	Police Chief	\$15,713	1/1/2016	Unknown	Unknown
2	City of Paso Robles	Police Chief	\$14,297	1/1/2016	Unknown	Unknown
3	City of Pismo Beach	Police Chief	\$14,202	7/1/2016	7/1/2017	2.00%
4	City of Arroyo Grande	Police Chief	\$13,121	7/1/2016	Unknown	Unknown
5	City of Grover Beach	Police Chief	\$12,893	7/1/2016	Unknown	Unknown
6	City of Atascadero	Police Chief	\$12,631	7/1/2016	Unknown	Unknown
7	City of Morro Bay	Police Chief	\$12,585	7/1/2016	Unknown	Unknown
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$13,810			
% City of Morro Bay Above/Below			-9.7%			
Median of Comparators			\$13,662			
% City of Morro Bay Above/Below			-8.6%			
Number of Matches			6			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Police Officer			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of San Luis Obispo	Police Officer	\$8,376	1/1/2016	Unknown	Unknown
2	City of Pismo Beach	Police Officer	\$7,078	7/1/2016	7/1/2017	2.00%
3	City of Paso Robles	Police Officer	\$6,697	1/1/2016	Unknown	Unknown
4	City of Atascadero	Police Officer	\$6,339	7/1/2016	Unknown	Unknown
5	City of Arroyo Grande	Police Officer	\$6,172	7/3/2015	Unknown	Unknown
6	City of Morro Bay	Police Officer	\$6,155	7/1/2016	Unknown	Unknown
7	City of Grover Beach	Police Officer	\$6,095	7/1/2016	7/1/2017	4.00%
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$6,793			
% City of Morro Bay Above/Below			-10.4%			
Median of Comparators			\$6,518			
% City of Morro Bay Above/Below			-5.9%			
Number of Matches			6			
NOTE: All calculations exclude City of Morro Bay						

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Police Sergeant			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of San Luis Obispo	Police Sergeant	\$10,121	1/1/2016	Unknown	Unknown
2	City of Pismo Beach	Police Sergeant	\$9,286	7/1/2016	7/1/2017	2.00%
3	City of Paso Robles	Police Sergeant	\$9,038	1/1/2016	Unknown	Unknown
4	City of Arroyo Grande	Police Sergeant	\$7,898	7/3/2015	Unknown	Unknown
5	City of Atascadero	Police Sergeant	\$7,897	7/1/2016	Unknown	Unknown
6	City of Morro Bay	Police Sergeant	\$7,676	7/1/2016	Unknown	Unknown
7	City of Grover Beach	Police Sergeant	\$7,518	7/1/2016	7/1/2017	4.00%
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$8,626			
% City of Morro Bay Above/Below			-12.4%			
Median of Comparators			\$8,468			
% City of Morro Bay Above/Below			-10.3%			
Number of Matches			6			
NOTE: All calculations exclude City of Morro Bay						

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Public Works Director			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of San Luis Obispo	Director of Public Works	\$14,068	1/1/2016	Unknown	Unknown
2	City of Pismo Beach	Director Public Works/City Engineer	\$13,856	7/1/2016	7/1/2017	2.00%
3	City of Paso Robles	Director of Public Works	\$13,738	1/1/2016	Unknown	Unknown
4	City of Morro Bay	Public Works Director	\$12,355	7/1/2016	Unknown	Unknown
5	City of Arroyo Grande	Director of Public Works	\$12,124	7/1/2016	Unknown	Unknown
6	City of Grover Beach	Public Works Director/City Engineer	\$11,742	7/1/2016	Unknown	Unknown
7	City of Atascadero	Public Works Director	\$11,189	7/1/2016	Unknown	Unknown
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$12,786			
% City of Morro Bay Above/Below			-3.5%			
Median of Comparators			\$12,931			
% City of Morro Bay Above/Below			-4.7%			
Number of Matches			6			
NOTE: All calculations exclude City of Morro Bay						

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Recreation Coordinator			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Paso Robles	Recreation Services Manager	\$8,597	1/1/2016	Unknown	Unknown
2	City of Grover Beach	Parks and Recreation Program Manager	\$8,425	7/1/2016	Unknown	Unknown
3	City of San Luis Obispo	Recreation Manager	\$7,651	1/1/2016	Unknown	Unknown
4	City of Pismo Beach	Recreation Manager	\$7,256	7/1/2016	7/1/2017	2.00%
5	City of Morro Bay	Recreation Coordinator ¹	\$5,839	7/1/2016	Unknown	Unknown
6	City of Arroyo Grande	Recreation Supervisor	\$5,772	7/1/2016	Unknown	Unknown
7	City of Atascadero	Recreation Supervisor	\$5,468	7/1/2016	Unknown	Unknown
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$7,195			
% City of Morro Bay Above/Below			-23.2%			
Median of Comparators			\$7,453			
% City of Morro Bay Above/Below			-27.7%			
Number of Matches			6			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

1- The Morro Bay Recreation Coordinator oversees the Recreation Division.

DRAFT
City of Morro Bay
Top Monthly Salary Data

Recreation Supervisor			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Paso Robles	Recreation Coordinator	\$6,001	1/1/2016	Unknown	Unknown
2	City of Morro Bay	Recreation Supervisor	\$5,360	7/1/2016	Unknown	Unknown
3	City of San Luis Obispo	Recreation Coordinator	\$5,187	1/1/2016	Unknown	Unknown
4	City of Grover Beach	Recreation Coordinator	\$4,829	7/1/2016	Unknown	Unknown
5	City of Arroyo Grande	Recreation Coordinator	\$4,738	7/1/2016	Unknown	Unknown
6	City of Atascadero	Recreation Coordinator	\$4,588	7/1/2016	Unknown	Unknown
7	City of Pismo Beach	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$5,069			
% City of Morro Bay Above/Below			5.4%			
Median of Comparators			\$4,829			
% City of Morro Bay Above/Below			9.9%			
Number of Matches			5			
NOTE: All calculations exclude City of Morro Bay						

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data
July 2016

Senior Accounting Technician						
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Morro Bay	Senior Accounting Technician	\$5,831	7/1/2016	Unknown	Unknown
2	City of Atascadero	Accounting Specialist - Confidential	\$5,441	7/1/2016	Unknown	Unknown
3	City of Grover Beach	Accounting Specialist	\$5,053	7/1/2016	Unknown	Unknown
4	City of Pismo Beach	Accounting Technician ¹	\$4,912	7/1/2016	7/1/2017	2.00%
5	City of Arroyo Grande	N/C				
6	City of Paso Robles	N/C				
7	City of San Luis Obispo	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$5,135			
% City of Morro Bay Above/Below			11.9%			
Median of Comparators			\$5,053			
% City of Morro Bay Above/Below			13.3%			
Number of Matches			3			

NOTE: All calculations exclude City of Morro Bay

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Support Services Coordinator			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of San Luis Obispo	Police Records Supervisor	\$6,747	1/1/2016	Unknown	Unknown
2	City of Pismo Beach	Police Support Services Supervisor	\$6,702	7/1/2016	7/1/2017	2.00%
3	City of Atascadero	Support Services Supervisor	\$6,592	7/1/2016	Unknown	Unknown
4	City of Arroyo Grande	Support Services Supervisor	\$5,755	7/3/2015	Unknown	Unknown
5	City of Morro Bay	Support Services Coordinator	\$5,201	7/1/2016	Unknown	Unknown
6	City of Grover Beach	N/C				
7	City of Paso Robles	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$6,449			
% City of Morro Bay Above/Below			-24.0%			
Median of Comparators			\$6,647			
% City of Morro Bay Above/Below			-27.8%			
Number of Matches			4			
NOTE: All calculations exclude City of Morro Bay						

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Wastewater Division Manager			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Paso Robles	Wastewater Manager	\$10,977	1/1/2016	Unknown	Unknown
2	City of Morro Bay	Wastewater Division Manager	\$9,718	7/1/2016	Unknown	Unknown
3	City of Pismo Beach	N/C				
4	City of Arroyo Grande	N/C				
5	City of Atascadero	N/C				
6	City of Grover Beach	N/C				
7	City of San Luis Obispo	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$10,977			
% City of Morro Bay Above/Below			-13.0%			
Median of Comparators			\$10,977			
% City of Morro Bay Above/Below			-13.0%			
Number of Matches			1			
NOTE: All calculations exclude City of Morro Bay						

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Wastewater Treatment Plant Supervisor			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Paso Robles	Supervisor, Technical II (Water/Wastewater)	\$7,291	1/1/2016	Unknown	Unknown
2	City of Morro Bay	Wastewater Treatment Plant Supervisor	\$6,277	7/1/2016	Unknown	Unknown
3	City of Arroyo Grande	N/C				
4	City of Atascadero	N/C				
5	City of Grover Beach	N/C				
6	City of Pismo Beach	N/C				
7	City of San Luis Obispo	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$7,291			
% City of Morro Bay Above/Below			-16.1%			
Median of Comparators			\$7,291			
% City of Morro Bay Above/Below			-16.1%			
Number of Matches			1			
NOTE: All calculations exclude City of Morro Bay						

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Wastewater Treatment Plant Operator II			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of Pismo Beach	Wastewater Plant Operator II	\$5,289	7/1/2016	7/1/2017	2.00%
2	City of Paso Robles	Plant Operator II	\$5,194	1/1/2016	Unknown	Unknown
3	City of Morro Bay	Wastewater Treatment Plant Operator II	\$5,013	7/1/2016	Unknown	Unknown
4	City of Atascadero	Wastewater Treatment Plant Operator II	\$4,818	7/1/2016	Unknown	Unknown
5	City of Arroyo Grande	N/C				
6	City of Grover Beach	N/C				
7	City of San Luis Obispo	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$5,100			
% City of Morro Bay Above/Below			-1.7%			
Median of Comparators			\$5,194			
% City of Morro Bay Above/Below			-3.6%			
Number of Matches			3			
NOTE: All calculations exclude City of Morro Bay						

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Water System Operator II			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of San Luis Obispo	Water Distribution System Operator	\$5,952	1/1/2016	Unknown	Unknown
2	City of Pismo Beach	Water System Operator II	\$5,035	7/1/2016	7/1/2017	2.00%
3	City of Morro Bay	Water System Operator II	\$5,013	7/1/2016	Unknown	Unknown
4	City of Arroyo Grande	Water Service Worker	\$4,854	7/1/2016	Unknown	Unknown
5	City of Paso Robles	Maintenance Specialist II (Water Maintenance Worker II)	\$4,255	1/1/2016	Unknown	Unknown
6	City of Atascadero	N/C				
7	City of Grover Beach	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$5,024			
% City of Morro Bay Above/Below			-0.2%			
Median of Comparators			\$4,944			
% City of Morro Bay Above/Below			1.4%			
Number of Matches			4			
NOTE: All calculations exclude City of Morro Bay						

N/C - Non Comparator

DRAFT
City of Morro Bay
Top Monthly Salary Data

Water System Supervisor			July 2016			
Rank	Comparator Agency	Class Title	Top Monthly Salary	Effective Date	Next Salary Increase	Next Percentage Increase
1	City of San Luis Obispo	Water Distribution System Supervisor	\$8,034	1/1/2016	Unknown	Unknown
2	City of Paso Robles	Supervisor, Technical II (Water/Wastewater)	\$7,291	1/1/2016	Unknown	Unknown
3	City of Morro Bay	Water System Supervisor	\$6,277	7/1/2016	Unknown	Unknown
4	City of Arroyo Grande	Utilities Supervisor	\$6,218	7/1/2016	Unknown	Unknown
5	City of Atascadero	N/C				
6	City of Grover Beach	N/C				
7	City of Pismo Beach	N/C				
8	Ventura County/Channel Islands - Harbor	N/C				
9	Pillar Point-Harbor	N/C				
10	Redondo Beach Harbor	N/C				
11	5 Cities Fire	N/C				
12	Cambria Fire District	N/C				
13	CDF Cal Fire	N/C				
Average of Comparators			\$7,181			
% City of Morro Bay Above/Below			-14.4%			
Median of Comparators			\$7,291			
% City of Morro Bay Above/Below			-16.1%			
Number of Matches			3			
NOTE: All calculations exclude City of Morro Bay						

N/C - Non Comparator

DRAFT
City of Morro Bay
Results Summary
July 2016

Classification	Top Monthly Salary Data					# of
	Top Monthly Salary	Average	% above or below	Median	% above or below	Matches
Account Clerk II	\$4,208	\$4,184	0.6%	\$4,186	0.5%	5
Administrative Technician	\$4,486	\$4,639	-3.4%	\$4,710	-5.0%	6
Associate Civil Engineer 3	\$6,277	\$7,927	-26.3%	\$7,856	-25.2%	5
Associate Planner	\$6,277	\$6,841	-9.0%	\$6,576	-4.8%	6
Building Inspector-Plans	\$6,277	\$6,259	0.3%	\$6,277	0.0%	4
Capital Projects Manager	\$7,496	\$8,832	-17.8%	\$8,939	-19.3%	6
City Manager	\$13,333	\$16,092	-20.7%	\$15,694	-17.7%	6
Collection System Worker II	\$4,208	\$4,855	-15.4%	\$4,725	-12.3%	6
Collection System Supervisor	\$6,277	\$7,181	-14.4%	\$7,291	-16.1%	3
Community Development Director	\$11,911	\$12,675	-6.4%	\$12,656	-6.3%	6
Consolidated Maintenance Superintendent	\$7,496	\$8,602	-14.8%	\$8,048	-7.4%	3
Engineering Technician III	\$5,244	\$5,605	-6.9%	\$5,755	-9.7%	3
Executive Secretary-City Clerk	\$8,286	\$8,430	-1.7%	\$8,250	0.4%	3
Finance Director	\$11,911	\$12,684	-6.5%	\$12,656	-6.3%	6
Fire Captain	\$7,085	\$7,176	-1.3%	\$7,450	-5.2%	6
Fire Chief	\$12,585	\$12,223	2.9%	\$12,145	3.5%	6
Firefighter	\$5,638	\$5,413	4.0%	\$5,986	-6.2%	5
Harbor Director	\$12,585	\$13,444	-6.8%	\$12,500	0.7%	3
Harbor Patrol Officer	\$5,228	\$6,428	-22.9%	\$6,428	-22.9%	2
Harbor Patrol Supervisor	\$6,159	\$7,520	-22.1%	\$7,520	-22.1%	2
Human Resources Analyst	\$5,831	\$6,064	-4.0%	\$5,467	6.2%	3
Information Services Technician	\$7,496	\$9,199	-22.7%	\$8,415	-12.3%	5
Maintenance Field Supervisor	\$6,277	\$6,493	-3.4%	\$6,218	0.9%	3
Maintenance Worker II	\$4,208	\$4,613	-9.6%	\$4,444	-5.6%	6
Management Analyst	\$6,409	\$5,719	10.8%	\$5,441	15.1%	3
Mechanic	\$4,733	\$5,165	-9.1%	\$5,191	-9.7%	4
Office Assistant III	\$3,746	\$3,916	-4.5%	\$3,867	-3.2%	5
Permit Technician - Certified	\$4,586	\$4,843	-5.6%	\$4,820	-5.1%	3
Police Chief	\$12,585	\$13,810	-9.7%	\$13,662	-8.6%	6
Police Officer	\$6,155	\$6,793	-10.4%	\$6,518	-5.9%	6
Police Sergeant	\$7,676	\$8,626	-12.4%	\$8,468	-10.3%	6
Public Works Director	\$12,355	\$12,786	-3.5%	\$12,931	-4.7%	6
Recreation Coordinator	\$5,839	\$5,069	5.4%	\$4,829	9.9%	5
Recreation Supervisor	\$5,360	\$6,320	-17.9%	\$6,026	-12.4%	4
Senior Accounting Technician	\$5,831	\$5,135	11.9%	\$5,053	13.3%	3
Support Services Coordinator	\$5,201	\$6,449	-24.0%	\$6,647	-27.8%	4
Wastewater Division Manager	\$9,718	\$10,977	-13.0%	\$10,977	-13.0%	1

DRAFT
City of Morro Bay
Results Summary
July 2016

Wastewater Treatment Plant Supervisor	\$6,277	\$7,291	-16.1%	\$7,291	-16.1%	1
Wastewater Treatment Plant Operator II	\$5,013	\$5,100	-1.7%	\$5,194	-3.6%	3
Water System Operator II	\$5,013	\$5,024	-0.2%	\$4,944	1.4%	4
Water System Supervisor	\$6,277	\$7,181	-14.4%	\$7,291	-16.1%	3

AVG: -8.4% AVG: -7.0%
 MED: -6.9% MED: -6.2%



City of Morro Bay Compensation Study

December 2016

Agenda

- Compensation Methodology
- Study Results & Recommendations
- Council Input, Questions & Direction

Study Goals

- Concern of the Council that employees be recognized for level and scope of work performed.
- Pay employees on a fair and competitive basis to recruit and retain a high-quality staff.
- Comp plan that meets needs of the City in a unique geographic location and providing specialized services.
- Ensure equity externally with the market and internally across all departments.



Compensation Study

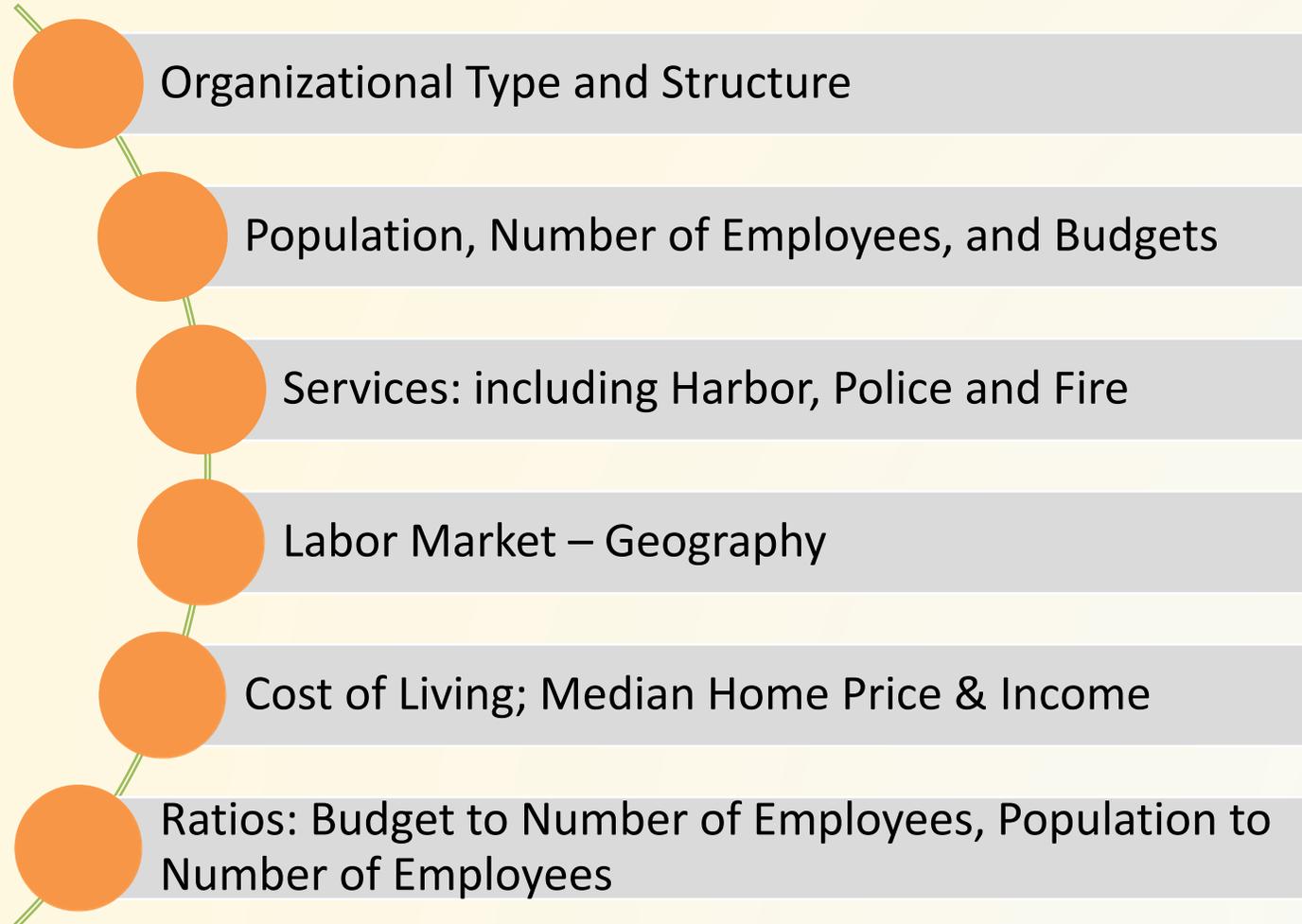
Overview

Survey Elements

Comparator Agencies

Benchmark Classifications

Comparator Agency Criteria

- 
- Organizational Type and Structure
 - Population, Number of Employees, and Budgets
 - Services: including Harbor, Police and Fire
 - Labor Market – Geography
 - Cost of Living; Median Home Price & Income
 - Ratios: Budget to Number of Employees, Population to Number of Employees

Benefit Data

- City of Arroyo Grande
- City of Atascadero
- City of Grover Beach
- City of Paso Robles
- City of Pismo Beach
- City of San Luis Obispo
- Ventura County/
Channel Islands -
Harbor
- Pillar Point-Harbor
- Redondo Beach
Harbor
- Cambria Fire District
- 5 Cities Fire
- CDF Cal Fire

Data Collection

-
- Job/Class Descriptions
 - MOUs
 - Organizational Charts
 - Salary Information
 - Description-to-Description
 - 70% Match
 - Follow-Up

Market Findings

- Overall, base salary market results are 7.0% below market median
- Range from 15.1% above to 27.8% below median
- 11 classes are at or above market median
- 30 classes are below market median

Compensation Structure and Strategy Development

- Market data provides reference point
- Step 1: Decide compensation philosophy
- Step 2: Design compensation structure
- Step 3: Place job classes within structure
- Step 4: Determine actual employee pay
- Continued maintenance & administration

Compensation Philosophy

A strategy regarding the communication of the City's fiscally sustainable compensation practices towards attracting and retaining high caliber employees.

- Labor market point (median, other percentile) is a reference point
- Cost of living in geographic area
- Competition for qualified employees
- Retain employees in whom the City has already invested
- Regulatory/technological changes require highly skilled workforce
- Merit increases
- Cost of Living Adjustments



Questions and Direction

Thank you!

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AGENDA NO: C-2

MEETING DATE: January 10, 2017

Staff Report

TO: Honorable Mayor and City Council

DATE: January 3, 2017

FROM: David Buckingham, City Manager

SUBJECT: Streets Funding Discussion

RECOMMENDATION

Council discuss options to raise funds for street improvements and provide staff direction. The key question for consideration now is whether the Council wants to consider a special election in 2017 for a ballot measure to generate funding for street improvements.

ALTERNATIVES

Staff is not making any particular recommendation; thus, no alternatives are provided.

FISCAL IMPACT

No impact to discussing and further researching options to raise funds for street improvement.

BACKGROUND

At the December 13, 2016, meeting, Council agenda'd a discussion on funding for street improvements. The item for discussion centered around the near-miss failure of Measure J, the County ½ cent "self-help transportation sales tax" and whether or not Morro Bay should consider a 2017 ballot measure to raise street improvement funds. This item is meant to provide an opportunity, with some preliminary staff analysis, for the Council to begin that discussion.

One of the City Council's 10 adopted goals over the past 6 years has been to improve our streets. Improving streets remains a top concern for many residents. However, the City's current budget does not provide adequate funding to get our streets to the proper condition our residents are entitled and expect.

If all of our streets were at Pavement Condition Index 70, then we would require at least \$1.5M/year to maintain our streets at that "good" condition. As presented at the Morro Bay street summits in summer and fall of 2016, due the poor condition of many of our streets, the 20-year estimate to bring our streets up PCI 70, and maintain them in that condition, is \$38.6M total, or \$2M/year.

Measure Q, a ½ cent local sales tax passed in 2006, currently generates around \$1M a year in revenue. Measure Q was passed as *both* a streets *and* public safety sustainment / improvement measure. In the City's FY17 budget, around \$590K was allocated to streets with the balance allocated primarily to public safety sustainment. Staff assesses the City should be able to continue to contribute at least \$500K/year of Measure Q funds to streets.

Prepared By: DWB

Dept Review: _____

City Manager Review: DWB

City Attorney Review: JWP

Thus, for the next 20 years, the City would require around \$1.5M/year of additional streets funding to “fix our streets.” While the City has increased our streets spending fairly significantly over the past few years (28% increase over the past 2-years) it is very unlikely the City budget would allow a further \$1.5M/year to be taken from other requirements for additional street improvements. (\$1.5M represents around 12% of the City’s FY17 budget.) It is also very unlikely the City’s basic tax revenues will increase quickly enough, or substantially enough, to close the \$1.5M gap between our streets’ requirement and our current streets’ funding.

The City was hopeful Measure J would help close the gap. Measure J was the 2016 ballot measure that proposed a ½ cent County-wide special sale tax for transportation improvements. That measure would have generated around \$500K/year in direct additional funding for Morro Bay streets, and around another \$500K/year for other north coast transportation projects such as important intersection improvements at HWY 41 and Main Street in Morro Bay, and the Cayucos / Morro Bay Bike Connector.

Measure J actually had a very strong showing, especially for the first “try” with a County-wide special tax. Across the County, measure J received 66.31% support, just one third of one percentage point below the passing threshold. (If 1 more out of every 300 voters would have voted for Measure J, then it would have passed in the County.)

Importantly, Measure J had very strong support in Morro Bay with 71.49% of Morro Bay voters supporting the measure, nearly 5% over the required threshold.

While Measure J nearly succeeded, it is not assured a similar measure will be put forward on the 2018 or 2020 ballots. Among other things, the composition of the County Board of Supervisors shifted somewhat in the recent election. Three of five current County Supervisors either voted against placing Measure J on the 2016 ballot, or ran on a platform that opposed Measure J. Thus, it is reasonable to conclude the current Board of Supervisors would not vote to place a County-wide streets tax on the 2018 ballot.

In sum, the City requires an additional ~\$1.5M/year over 20 years to bring our streets up to good condition and maintain them in that condition. It is unlikely that amount could be carved out of the City’s current budget. It is also unlikely future revenues will increase that significantly, especially in the next 5-10 years. It is also unlikely the County will pass a streets funding measure for at least four years.

DISCUSSION

The following brief discussion of some of the aspects of a possible Morro Bay tax measure is provided based on Council request.

Elections and Timing.

The City Council could schedule an election in 2017 and place a streets-funding measure on the ballot. June 6 and November 7, 2017 are recognized election days.

- A June 6 election must be called by the Council’s February 28 meeting.
- A November 7 election must be called by the Council’s August 8 meeting.

Unrelated directly to any special election, but an important consideration, is the fact Morro Bay will likely be considering a water / sewer rate increase in 2017 to ensure adequate funding is in place for the new

Water Reclamation Facility. A rate increase would require a Prop 218 process in which voters could “protest” the rate increase. If more than 50% of users take affirmative action to oppose the rate increase, then it cannot be approved by the City Council. Staff is hopeful the rate study and noticing can be completed for a Prop 218 hearing in June or July. While actual water and sewer charges will continue to increase each July as currently planned and approved, the full impact of any proposed new WRF-related rate increases would not take effect for 4-5 years.

Tax Measures.

The City Council could consider four possible kinds of taxes to generate new revenue for streets. These are presented in no particular order, and with a little analysis.

Parcel Tax. This is a property-based tax that is borne primarily by property owners. A parcel tax:

- Could be sized to the projected revenue required for street improvements
- Would require 2/3 voter approval
- Would fall primarily on property owners (and likely passed on over time to renters)
- Would generally increase over time as property values increase and housing stock turns over.

Utility User Tax. This is a City tax that can be imposed on utility users. For example, electric, gas, cable, phone and even water and sewer users could be taxed based on their usage of these utilities. It is important to note this is not a tax on the utility provider but on the utility user – the rate payer. A utility user tax:

- Could be sized to the projected revenue required for street improvements
- Would require 2/3 voter approval if proposed as a special tax, otherwise 50%+1 is needed.
- Would fall primarily on residents and business owners already paying for utilities in Morro Bay
- With water and sewer rates increasing, may be challenging to communicate.

Transient Occupancy Tax. The City currently has a 10% TOT, similar to other cities in our tourism market. Other cities have larger TOT rates, some in the 14-16% range. A TOT increase would:

- Generate around \$330K/year for every 1% increase in TOT
- Require 2/3 voter approval if proposed as a special tax, otherwise 50%+1 is needed
- Fall almost completely on visitors
- Generally increase over time as hotel rates and occupancy increase.

½ Cent Sales Tax. The City currently has a ½ cent additional sales tax referred to as “Measure Q” as noted above. The City has the authority to impose, with approval of the voters, an additional ½ cent sale tax. A ½ cent sale tax:

- Would generate around \$1M/year
- Would increase naturally due to economy / inflation
- Could be structured as a 2/3 vote or a 50%+1 vote.
- Would be shared both by residents and visitors (staff assesses sales taxes are borne around 50% by residents and 50% by visitors)
- Was passed in Morro Bay in November 2016 with 71.5% of the Measure J vote.

- Due to the expiration of the “triple flip” (a state imposed tax-exchange that expires this year) sales tax would actually be dropping ¼ cent this year so a ½ cent City-increase would actually be felt as a ¼ cent increase.

General Tax or Special Tax

Most ballot measures can be structured as either a general tax (50%+1) or a special tax (2/3). A special tax may only be used for the purpose identified in the ballot measure. A general tax may legally be used for any general government purpose. However, Morro Bay has a strong historical example of a general tax being used exclusively, monitored by a Citizens Oversight Committee, for specific purposes. Measure Q, mentioned above, is a ½ cent general sales tax that was passed with a “streets” and “public safety” campaign focus. The Measure Q Citizens Oversight Committee meets regularly to review whether Measure Q funds are spent only on streets and public safety purposes.

Some jurisdictions have also used a general tax approach, along with an advisory measure that provides direct voter input on how those general tax funds are to be used.

Items for Discussion.

- Does the Council want to consider:
 - a ballot measure to raise funds to fix our streets?
 - such a measure as a special election in 2017 or wait two years for the November 2018 general election?
- If in 2017, then would that be a special election in June or November?
- What type of tax would be most appropriate to pursue? Would it:
 - be a general tax (50%+1 requirement) or a special tax (2/3 requirement)?
 - sunset? (10 years? 20 years?)
 - be for street paving only, or include other transportation related items such as Hwy 41 and Main intersection improvements and/or pedestrian / bike improvements?

CONCLUSION

The City’s goal “improve streets” will almost certainly not be achieved without passage of some additional funding mechanism; and it is not likely the County will place another transportation measure on the ballot in the next 2-4 years. If the City wishes to make substantial progress in improving our streets, then a City-imposed revenue measure of some sort is likely required. If the Council wants to pursue that option, then the City could call a special election in 2017 or early 2018 or could wait until the November 2018 general election.

ATTACHMENT:

1. Timeline and Other Requirements for Potential Tax Measure

TIMELINE AND OTHER REQUIREMENTS FOR POTENTIAL TAX MEASURE

A. Per Elections Code (EC) §§ 1002 and 1003, City special or general elections must be held on one of the established election dates as set forth in EC § 1000. Those next available dates are:

- (1) the second Tuesday of April in each even-numbered year
(NOTE: that's April 10, 2018),
- (2) the first Tuesday after the first Monday in March of each odd-numbered year
(NOTE: that's March 7, 2017),
- (3) the first Tuesday after the first Monday in June of each year
(NOTE: that's June 6, 2017) and
- (4) the first Tuesday after the first Monday in November of each year
(NOTE: that's November 7, 2017) .

B. If the tax is a general tax, per State Constitution Article XIII C, then the election for that tax must be held at the City's regular election date (even numbered years in November), unless the City Council **unanimously** declares a fiscal emergency.

C. If the tax is a special tax, then that can be set for a general election or special election, with the latter being set in accordance with A., above, after notice and a public hearing, per Government Code (GC) §50077. There are no special requirements for that notice. We suggest noticing that public hearing in the same manner the City notices public hearings for zoning code amendments and providing at least ten-days' notice of that hearing.

D. Whether the tax is a general or special tax, it must be proposed by the City Council by resolution or ordinance, per GC § 53724. That resolution or ordinance must include the type, rate and method of collection of the tax, and if a special tax, then the date on which the election on the tax will be held and the purposes for which the special tax will be used. A range of rates for the tax could be included; and as long as no more than that top rate is imposed, the matter does not need future voter approval.

E. If the tax is a general tax, then it must be proposed by at least two-thirds of all the members of the Council, which means 4 of the 5 Council Members, per GC § 53724.

F. If the tax is a general tax, then it must be approved by a simple majority of those electors voting on the tax, per GC § 53723.

Timeline and Other Requirements for Tax Measure

Page 2 of 2

G. If the tax is a special tax, then it must be approved by a two-thirds majority of those electors voting on the tax, per GC § 53722.

H. Whether a special election or general election, the Council must take its action to place the matter on the ballot at least 88 days before the election.

1. As of the writing of this memo, the earliest election date available to have a tax measure on the ballot as a special election is June 6, 2017, and the last day for the Council to call that election would be March 10, 2017

2. If the measure were to be set as part of a special election for November 7, 2017, and the last day for the Council to place a measure on the ballot for that date is August 11, 2017.

3. If the measure were to be set as part of a special election for April 10, 2018, then the last day for the Council to call that election is January 12, 2018.

4. If the measure were to have been set as part of a special election for March 7, 2017, then the last day for the Council to have called that election would have been December 9, 2017.

5. If the measure were to be set as part of a general election for November 6, 2018, and the last day for the Council to place a measure on the ballot for that date is August 10, 2018.

I. To call the election, we will also need the same resolutions the Council adopts for calling the regular election, *i.e.*, to consolidate the election with the County, to request the County to canvass the vote, to seek use of County equipment and to establish priorities for filing written arguments and rebuttals for and against the measure and to have the City Clerk submit the measure to the City Attorney for preparation of an impartial analysis.

J. If the measure is placed on a regular City November election date, then the cost would be less than the cost for holding a special election. It would be less if that special election were held on a date the County is holding another election in Morro Bay. If it is another date, then that cost would increase.

K. If the tax is proposed as a special tax, then the money raised by that tax can only be used for the purposes identified in the measure and impartial analysis.

L. Unless the measure included language that said otherwise, any other money the City currently spends to fund the purpose for which the special tax would be used need not be continued to be spent by the City for that same purpose.