

**RESOLUTION NO. 10248 (2011 Series)**

**A RESOLUTION OF THE CITY OF SAN LUIS OBISPO MODIFYING ITS  
COMPENSATION PHILOSOPHY SUPERSEDING PREVIOUS  
RESOLUTIONS IN CONFLICT**

**WHEREAS**, the City of San Luis Obispo strives to provide excellent service to the community at all times, and supports this standard by promoting organizational values including customer service, productivity, accountability, innovation, initiative, stewardship, and ethics; and

**WHEREAS**, to achieve our service standards, the City must attract and retain well qualified employees who exemplify our organizational values; and

**WHEREAS**, fostering an environment attractive to such employees depends upon many factors, including a competitive compensation program.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of San Luis Obispo that the City's compensation philosophy is adopted as follows:

**SECTION 1.** The City is committed to providing competitive compensation as part of an overall strategy of attracting and retaining well qualified employees who exemplify our organizational values.

**SECTION 2.** The City will consider total compensation, including but not limited to, salary, health, retirement, and time off benefits.

**SECTION 3.** In evaluating competitive compensation, the City considers:

A. **Financial sustainability** including the City's financial condition as reflected throughout the financial forecast, competing service priorities, maintenance needs, capital improvement and other asset requirements, fund reserve levels, and revenue projections prior to implementing changes in compensation.

B. **Community acceptability** since taxpayers and ratepayers ultimately fund all employee compensation.

C. **The "relevant labor market"** that may vary depending upon classification and is primarily defined by the geographic region (local, state-wide, or national) and key markets (municipal, other government agencies, private sector) where labor talent is found, recruited from, and/or lost.

When the relevant labor market is defined as "local"; local private sector compensation data will be considered along with local public sector compensation (municipal and other government agencies). When the relevant labor market is statewide or national, the City will consider compensation data for public sector agencies (municipal and other government) with several

comparable demographic data points including but not limited to population, median home price, median household income, median age, median education level, services provided, and unemployment rate. Quality of life should also be considered when selecting comparable municipal and other government agencies.

D. **“Internal relationships”** referring to the relative value of classifications to one another as determined by the City. Classifications performing comparable duties, with comparable responsibilities, requiring a similar level of skill, knowledge, ability, and judgment, will be valued similarly in the City’s compensation structures.

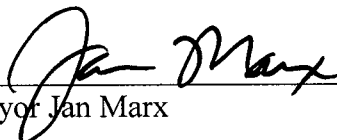
E. **Other relevant factors** may include unforeseen economic changes, natural disasters, states of emergency, changes in City services, and changes in regulatory or legal requirements.

**SECTION 4.** At least every five years, the City will evaluate its compensation structure, programs, and policies to assess market competitiveness, effectiveness, and compliance with State Law. Adjustments to the compensation structure may be made as a result of this periodic evaluation and will be done through the collective bargaining process, if applicable, or other appropriate Council-management processes.


Upon motion of Council Member Carter, seconded by Council Member Carpenter, and on the following vote:

AYES: Council Members Carpenter, Carter and Smith, and Mayor Marx  
NOES: Vice Mayor Ashbaugh  
ABSENT: None

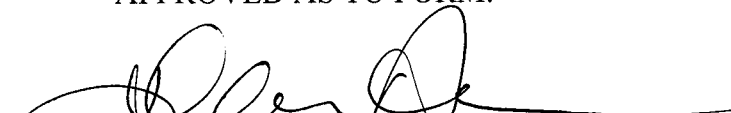
The foregoing resolution was adopted on March 15, 2011.

  
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Mayor Jan Marx

ATTEST:

  
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Elaina Cano  
City Clerk

APPROVED AS TO FORM:

  
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J. Christine Dietrick  
City Attorney