

RESOLUTION NO. 9885 (2007 Series)

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN LUIS OBISPO
ADOPTING ITS COMPENSATION PHILOSOPHY**

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 highly 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 highly qualified employees who exemplify our organizational values.

SECTION 2. The City's compensation philosophy is based on both internal and external considerations, including internal relationships, the relative labor market, fiscal health, and other relevant factors as follows:

A. "Internal relationships" refer 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.

B. In determining the "relative labor market," the City will consider public sector agencies 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. In evaluating market competitiveness with the relevant labor market, the City will consider total compensation, including but not limited to salary, health, retirement, and time off benefits.

C. The relative labor market for certain positions will also consider local private sector employers.

D. The City's fiscal health will guide all compensation practices; thus, the City's financial condition, competing service priorities, fund reserve levels, and revenue projections will be considered prior to implementing changes in compensation.

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

SECTION 3. 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 Brown, and on the following vote:

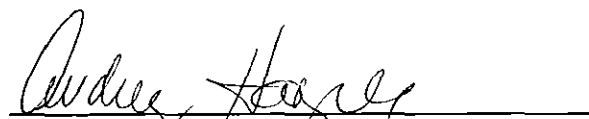
AYES: Council Members Brown, Carter, and Settle, Vice Mayor Settle and Mayor Romero
NOES: None
ABSENT: None

The foregoing resolution was adopted on March 20, 2007.



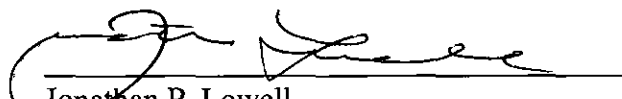
Mayor David F. Romero

ATTEST:



Audrey Hooper
City Clerk

APPROVED AS TO FORM:



Jonathan P. Lowell
City Attorney