



Audit Subcommittee Members
Sue Himmelrich, Committee Chair
Tony Vasquez, Committee Vice-Chair
Pam O'Connor, Committee Member
Elizabeth Van Denburgh, Committee Member
Greg Morena, Committee Member

Compensation Study Advisory Committee Members
Dominic Gomez, Laurence Eubank, Janine Bush,
Libby Bradley, James Williams, Sam Thanawalla,
Homa Mojtabai

CITY OF SANTA MONICA

**SPECIAL JOINT MEETING AGENDA OF THE
AUDIT SUBCOMMITTEE AND
COMPENSATION STUDY ADVISORY COMMITTEE**

**SANTA MONICA INSTITUTE TRAINING ROOM
330 OLYMPIC DRIVE, 2ND FLOOR (PLAZA LEVEL)
SANTA MONICA, CA 90401 AND**

TUESDAY, NOVEMBER 21, 2017

MEETING BEGINS AT 7:00 PM (PST)

NOTICE IS HEREBY GIVEN that a special joint meeting of the Audit Subcommittee and Compensation Study Advisory Committee will be held at 7:00 PM on Tuesday, November 21, 2017, at the Santa Monica Institute Training Room, 330 Olympic Drive, 2nd Floor (Plaza Level).

(Please note that Agenda Items may be reordered during the meeting at the discretion of the body.)

1. **Call to order**

*Public comment is permitted only on items on the agenda. No other business will be considered at this time.

2. Approval of the Minutes for the Audit Subcommittee October 17, 2017 Meeting

3. Discussion and Approval of Future Communications with City's External Auditor (presented by Gigi Decavalles-Hughes, Director of Finance)

4. Internal Audit Status Report (presented by Mark Steranka, Moss Adams, LLP)

5. Review and Discussion of Results of Position Wage Benchmarking and Department Average Wage and Performance Data, Discussion and Questions from Ad Hoc Committee Members, and Discussion of Next Steps in Developing Draft Report (presented by Moss Adams, LLP)

a. Written Comment

6. **Adjournment**

STANDARDS OF BEHAVIOR THAT PROMOTE CIVILITY AT ALL PUBLIC MEETINGS:

- Treat everyone courteously;
- Listen to others respectfully;
- Exercise self-control;
- Give open-minded consideration to all viewpoints;
- Focus on the issues and avoid personalizing debate;
- Embrace respectful disagreement and dissent as democratic rights, inherent components of an inclusive public process, and tools for forging sound decisions

This agenda is available in alternate format upon request. The Santa Monica Institute Training Room is wheelchair accessible. If you require any special disability related accommodations (i.e. sign language interpreting, access to an amplified sound system, etc.), please contact the Finance Department at (310) 458-8281 or Finance.Mailbox@smgov.net at least 2 days prior to the scheduled meeting.

This agenda is subject to change up to 24 hours prior to the special meeting. Please check the agenda prior to the meeting for changes.

Finance Department
1717 4th St., Suite 250
Santa Monica CA 90401
(310) 458-8281
Finance.Mailbox@smgov.net
<https://finance.smgov.net/>

(NOT APPROVED)

CITY OF SANTA MONICA

AUDIT SUBCOMMITTEE MEETING

MINUTES

TUESDAY, OCTOBER 17, 2017

A special joint meeting of the Santa Monica Audit Subcommittee and Compensation Study Advisory Committee was called to order by Chair Himmelrich, at 6:06 p.m., on Tuesday, October 17, 2017, at 330 Olympic Drive, 2nd Floor (Plaza Level), Santa Monica, CA 90401

Roll Call: Present: Subcommittee Member Greg Morena
Subcommittee Member Elizabeth Van Denburgh
Vice Chair Tony Vazquez
Chair Sue Himmelrich

Absent: Subcommittee Member Pam O'Connor

Also Present: Director of Finance Gigi Decavalles
City Attorney Lane Dilg
City Clerk Denise Anderson-Warren

CONVENE On order of Chair, the Audit Subcommittee convened at 6:06 p.m., with Subcommittee Member O'Connor absent.

MINUTES 2. Approval of the Minutes for the Audit Subcommittee August 23, 2017 Meeting, was presented.

There were no members of the public present to speak on this item.

Subcommittee members Van Denburgh and Morena stated that their names were misspelled, and asked for corrections.

Motion by Chair Himmelrich, seconded by Subcommittee Member Morena, to approve the minutes, as amended. The motion was approved by voice vote, with Subcommittee Member O'Connor absent.

AUDIT STATUS 3. Status of the Annual Audit, was presented by Richard Kikuchi and Brandon Young of LSL CPA's.

There were no members of the public present for this item.

An update of the Financial Audit was given. It was reported that the field work was completed a couple weeks ago. Things reviewed included: cash and investments; capital assets; accounts payable; and long-term debt. Some follow-up test work is still in process. The audits performed included

the City's Comprehensive Annual Financial Report (CAFR), the Big Blue Bus Audit, the Federal National Transit Database (NTD) Report, the Air Quality Management District (AQMD) Audit, and the Federal Single Audit, which will begin in January 2018. It was also reported that the CAFR is materially correct; and additional letters to be issued include the Statement on Auditing Standards (SAS) No. 115, a report on internal controls, and the Audit Communications Letters which address Account Estimates, Management Letter Representations, and if there are any disagreements about the Audit.

Questions asked and answered included: The biggest risk this year or in the past; have all Councilmembers been interviewed; any coordination between internal and external auditors; any of Moss Adams staff to help with the financial audit; what's going to be in the representation letter; will there be an Executive Session between the auditor and Council; have there been any policy changes in reporting as regard to pension liability; what is considered to be a material risk; did you look at internal reviews before beginning your audit process, and would it be wise for the Audit Subcommittee to meet with the Auditor without staff.

Motion by Chair Himmelrich, seconded by Vice Chair Vazquez, to receive and file the report presented. The motion was approved by voice vote, with Subcommittee Member O'Connor absent.

SPECIAL JOINT MEETING

On order of the Chair, the Audit Subcommittee convened to a special joint meeting with the Compensation Study Advisory Committee at 6:24 p.m., with Subcommittee Member O'Connor, Advisory Committee Members Gomez and Thanawalla, absent.

LABOR NEGOTIATIONS

4. Labor Negotiations Pursuant to the Meyers-Milias Brown Act, was presented by Laura Kalty, Liebert Cassidy Whitmore.

There were no members of the public present to speak on this item.

The presenter reported information about the Meyers-Milas-Brown Act, which governs labor relations for cities, counties, and special districts, including the Public Sector Labor Relations Framework, and Labor Negotiations Process.

Questions asked and answered included: Is it common for cities to hire outside negotiators; when you're brought in from the outside does the amount paid depend on the amount negotiated; who does it go through to discuss changing employee work environments for the future, and do you foresee any changes in terms and policies as a result of the new City Services Building; what could be a need of a city to hire an outside negotiator; is it true that retroactively benefits cannot be taken away; could you roll back compensation if you reach an impasse, what is the employee's recourse if there is an impasse, and what is their remedy or recourse.

Advisory Committee Member Thanawalla arrived at 6:48 p.m.

Motion by Subcommittee Member Morena, seconded by Subcommittee Member VanDenburgh, to receive and file the information received by Ms. Kalty. The motion was approved by voice vote, with Subcommittee Member O'Connor absent.

CIVIL SERVICE STRUCTURE

5. Review of Civil Service Structure was presented by Donna Peter, Human Resources Director.

There were no members of the public present to speak on this item.

The HR Director reported that the Civil Service System is established in Article XI of the City Charter, and any changes to the Charter are subject to a vote by the people. The basic principal behind Civil Service is that it is a Merit Principal system, which provides Fair Employment Practices, and Classified Service. She explained the difference between Classified and Unclassified service; other Key Civil Service Rules in the Charter including: filling vacancies; Promotional List "rule of three"; Abolition of positions "layoffs"; and, Discipline; Property rights for Civil Service employees.

Questions asked and answered of staff included: Is there a time when employees have bumping rights, and how that applies; are there performance evaluations in departments; how do you deal with underperforming employees; do the Police Chief and Fire Chief report directly to the City Manager and does he have the rights to terminate them without approval from City Council; what does testing, exam, or self-evaluating mean; what are the benefits to bumping from the top-down; are there cities who bump based on performance; has HR done any innovative programs to motivate the superstars, instead of always focusing on the poor performers; how long is probation; how long is the due process; after probation, what is the timeline for due process for the employee; are we looking at efficiency of staff, and coming up with a better performance evaluation; has there ever been a time when layoffs happened and bumping has occurred; and, has there ever been an organizational chart created with all departments and all staff, and overlay the City's strategic goals over that information, and is that part of the performance budget.

Motion by Subcommittee Member Morena, seconded by Subcommittee Member VanDenburgh, to receive and file the information presented. The motion was approved by voice vote, with Subcommittee Member O'Connor absent.

COMPENSATION AND STAFFING REVIEW

6. Review and Discussion of Preliminary Observations for the Compensation and Staffing Review, was presented by Moss Adams, LLP

Members of the public Ian Novos and Mary Marlow commented on this item.

Mark Steranka of Moss Adams gave an overview of the progress of the four stage process that was introduced at the last meeting, including: A kick-off meeting to discuss the workplan, incorporating requested adjustments; Fact finding; sharing the partial preliminary observations (analytical phase) at the November meeting; and in January presenting the conclusions.

Colleen Rozillis of Moss Adams discussed the four areas of the Study included: Wages and Benefits; Wage and Benefit setting process, Staff and Service levels, and Public Safety Overtime. She reported that a lot of fact finding has been done, including interviewing every Department Head in the City, interviewing representatives from each labor group, and researching industry best practice related to compensation, data analysis, budgets, annual financial reports from the city and all peer cities, all labor agreements and Memorandums of Understandings from the city, as well as the peers, as well as compensation data from the State Controller's Office, with five years of data starting back in 2012 through 2016. They are getting good responses from Peers, but not be able to capture Anaheim because of the disaster that they are dealing with right now. She reported that all cities and municipalities are different, so making the comparison can be difficult because Santa Monica has high expectation of service level, and has been able to continue with cost of living increases and staff increases, whereas other cities are still catching up from the recession. Santa Monica has additional services such as the Airport, Cemetery and Pier/Beach that are not offered in other cities. There are other services that Santa Monica offers at a higher level of service than other cities, such as: the level to which custodial and facilities and exterior maintenance is performed; housing; solid waste; and the Attorney's Office (doing a lot of their own litigation, prosecution, and a lot of public interest law).

Questions of staff and Moss Adams include, but not limited to: Is there a way to separate or bunch together by function, instead of by department; any preliminary conclusions as to which city is most like Santa Monica; are there cities that should have or have not been included; what's the overhead factor for benefits over the salary number; what are you going to do to give comparisons that are equivalent; is tenure, qualifications, and experience included in the research and data; what are some of the innovation cities; will the per capita data be included; how do you verify the comment, "No COLA is too small"; do you know the cost to outsource tree trimming; why isn't the Big Blue Bus included in the report; is the miscellaneous employees overtime being included; in a future chart is there a forecast to look at the cost for Fire and PD, and the number of officers that will be needed.

Considerable discussion ensued on topics including, but not limited to: get away from the departmental level and look at the function; would like to receive the data and backup before the analysis is done; create an

analysis of some “like or marker” positions with comparisons to other municipalities, including the private sector, for example: HR Director, Custodian, Attorneys, Bus Drivers, Trash Truck Drivers, IT; include total cash compensation for three positions from each department from across the board (three entry level, three mid-management, 3 upper management, and 3 Directors) without Public Safety; place a footnote for other cities that have anomalies; would like to see same categories compared in PD and Fire; look at outside organizations who may have already done this type of comparison; and, there could be a difficulty getting data from the private sector to compare salaries, wages, and benefits to the city’s public sector jobs.

Motion by Chair Himmelrich, seconded by Vice Chair Vazquez, to receive and file the report, including direction given to staff for the Compensation and Staffing Review. The motion was approved by voice vote, with Subcommittee Member O’Connor absent.

**ADJOURNMENT OF
SPECIAL JOINT
MEETING**

On order of the Chair, the special joint meeting with the Compensation Study Advisory Committee was adjourned at 9:16 p.m., and the regular meeting of the Audit Subcommittee was reconvened with Subcommittee Member O’Connor absent.

INTERNAL AUDIT

7. Internal Audit Status Report, was presented by Mark Steranka, Moss Adams, LLP.

There were no members of the public present to speak on this item.

Mr. Steranka reported the following: Accounts Receivable Review is on-going, Compensation Review is on-going, Policies and Procedures Validation progress will be reported by the Finance Director, Supervisor Training webinar is on-track, P-Card Internal Control Testing will begin in November with a report in April 2018, Fleet Efficiency Study and Big Blue Bus Study had initial conversations talking about areas of focus for these studies. BBB focused in on an Overtime Study and Fleet Efficiency Study will have an initial scoping with Fleet Management to determine the scope of work that is beneficial.

Questions asked and answered included: There’s a lot of fleet out there, are you pulling back on that or boring ahead on it; Is the cost of the fleet another aspect of that to determine the efficiency, do you look at how the fleet meets the needs; does this include the Big Blue Bus; when is the cost analysis being done to determine when to extend Public Safety for citywide events; and, did we get the results of the Enterprise Risk study that was done earlier this year.

Motion by Chair Himmelrich, seconded by Subcommittee Member Morena, to receive and file the Internal Audit Status Report as presented. The motion was approved by voice vote, with all members

present, except Subcommittee Member O'Connor.

INTERNAL CONTROLS REVIEW

8. Internal Controls Review Progress Report, was presented by Gigi Decavalles-Hughes, Director of Finance.
 - a. Internal Controls Review Progress Report Presentation
 - b. Policy Validation Results

There were no members of the public present to speak on this item.

It was reported that Moss Adams gave feedback to the Finance Department on 41 items that required new or updated policies and procedures, and at this time, 23 of the 41 policies have been completed, with 13 near or partially completed, and six of them currently in the review process. Pending Internal Audit Review/ERP there are five items overall, and four of those five have to do with the city's Enterprise Resource Planning (ERP) system, which is planned to go live within the next year. When the Progress Report came out, Moss Adams broke it out into various areas to address the likelihood of risk and impact, but also how to tackle those risks.

Recommendations addressed through Internal Audit Workplace include:

- Monthly Bank Reconciliation Process Review completed/validated
- Ambulance Provider Audit completed/reconciliation process validated
- Counting Room procedures validated
- Fraud training conducted, will be placed online
- Cash Handling Audit completed
- Accounts Receivable Audit in process

Recommendations that have discrete Tasks that are easily implemented:
Completed/Validated

- Counting Room security policies and procedures
- Accounts Payable policies and procedures
- Grants policies and procedures
- Purchasing Card violation program
- Security measures for cash-equivalent items

Continuing

- Cash handling policies and procedures in review

Recommendations to be implemented by the City that will take time to implement:

Newly Completed/Validated

- Procurement Card process and monitoring
- Pay rate verification process
- Refund process
- Hired Grants Administration position, policies in place, training done
- Overtime monitoring

Continuing

- Electronic timekeeping expansion
- Automated onboarding/offboarding
- Cash handling and billing and collections policies are under review

Questions asked and answered of staff included: who is responsible for monitoring the Ethics Hotline; do you receive anything audit related on the hotline; and, what is the new ERP system the city is planning to use.

Motion by Subcommittee Member VanDenburgh, seconded by Chair Himmelrich, to receive and file the Internal Controls Review Progress report. The motion was approved by voice vote, with Subcommittee Member O'Connor absent.

ADJOURNMENT

On order of the Chair, the Santa Monica Audit Subcommittee meeting was adjourned at 9:48 p.m.

ATTEST:

APPROVED:

Denise Anderson-Warren
City Clerk

Sue Himmelrich
Chair



Santa Monica Audit Subcommittee Report

Audit Subcommittee of the Santa Monica City Council

Meeting: November 21, 2017

Agenda Item: 3

To: Chairperson and Members
From: Gigi Decavalles-Hughes, Director of Finance
Subject: Discussion and Approval of Future Communications with City's External Auditor

Recommended Action

Staff recommends that the Audit Subcommittee approve the recommended methods of communication, as listed in this report, between the external auditor and the Subcommittee members.

Executive Summary

On October 17, 2017, members of the Audit Subcommittee had a short discussion regarding best practices to maintain close communications with the City's external auditor. Specifically, members asked staff to research whether meeting with the City's external auditor in closed session would comply with the Brown Act. This report describes arrangements used by other cities to enable communications between auditors and audit committee members, and also provides recommendations that satisfy the duties of Subcommittee members and also comply with the Brown Act.

Background

At its October 19, 2017 meeting, Audit Subcommittee (Subcommittee) members asked staff to add an agenda item at the next meeting to discuss ways in which members could have frank and private conversations with the external auditor related to their observations and potential findings during the City's audit. Members inquired about the possibility of having these conversations in closed sessions of the Audit Subcommittee and without staff present.

Discussion

The Statement of Auditing Standards (SAS) 114, "The Auditor's Communication with those Charged with Governance," establishes the standards and provides guidance on communications between the auditor and the persons responsible for overseeing the strategic direction of the entity and obligations related to the accountability of that entity. According to this Statement, the auditor should communicate the scope and timing of the audit and timely observations arising from the audit to the Audit Subcommittee, and the Subcommittee should in turn provide the auditors information relevant to the audit. The auditor should have access to the Audit Subcommittee as necessary and should meet without management at least annually. However, it should be noted that communication between Subcommittee members and auditors must comply with the Brown Act (Government Code Sections 54950-54962), restricting communication to two members outside of a noticed meeting.

Staff contacted both the City's internal audit firm, Moss Adams, and its external audit firm, LSL, to inquire if other audit committees met outside of noticed meetings, and if so, if they were subject to the Brown Act, what section of the law was cited for the closed session.

Moss Adams was unable to provide any examples of closed sessions with an Audit Subcommittee. LSL has annual meetings with the Manhattan Beach Budget/Finance Committee. At the end of this meeting, Finance staff leaves and LSL meets with two Council members and the City Treasurer, an elected position. This is an open session meeting, but citizens have not attended. LSL also cited that they meet with staff and two board members from the Orange County Fire Authority as part of the auditor's exit conference. At the end of the meeting, staff leave and the two board members discuss the audit with the auditors without staff present. This meeting does not have a quorum and is therefore not in violation of the Brown Act.

Staff has determined that, with the exception of items specifically regarding litigation, negotiations or personnel, conversations related to routine audit observations do not qualify as closed session items under the Brown Act.

Staff alternatively recommends the following methods of direct communication between the auditors and members of the Audit Subcommittee.

- Subcommittee members may fulfill their financial oversight by corresponding as needed directly with the auditors individually, or with one additional Subcommittee member, to satisfy the guidance as established in SAS 114 and remain in compliance with the Brown Act.
- At the onset of audit planning and prior to the interim audit, the external auditor should conduct interviews with each Subcommittee member to discuss the upcoming audit and the planning requirements. The auditor should reach out to schedule appointments and interested subcommittee members can meet with the auditor individually. At these meetings, members can confidentially express areas of focus or concern, if any.
- At the completion of the audit but before the Subcommittee recommends that the CAFR be accepted and forwarded to Council, the external auditor should establish communication with each Subcommittee member to discuss the results of the recent audit. At this meeting, members can ask specific questions about the audit and discuss findings or concerns, if any.
- Except for personnel issues and other confidential issues such as fraud, most items should be discussed in public. Private discussions with the external auditor should only occur individually or with two members at a time, as is the case in other cities. Should it become necessary, an ad hoc committee consisting of less than a quorum could be formed to investigate a specific claim of suspected fraud.

Prepared By: Gigi Decavalles-Hughes, Finance Director



Date: November 21, 2017
To: City of Santa Monica Audit Subcommittee
From: Mark Steranka
Subject: Internal Audit Status Report October 16, 2017 through November 15, 2017

MEMORANDUM

Accounts Receivable Review

- Schedule: June 1, 2017 through November 30, 2017
- Activities for This Period: Reviewed survey results, conducted interviews, and performed initial analysis.
- Activities for Next Period: Complete analysis and prepare draft report.
- Issues: none

Compensation Review

- Schedule: July 1, 2017 through January 31, 2018
- Activities for This Period: Completed data gathering and peer benchmarking, performed data analysis, and prepared preliminary findings.
- Activities for Next Period: Complete analysis, develop recommendations, and prepare draft report.
- Issues: none

Policies and Procedures Validation:

- Schedule: August 1, 2016 through June 30, 2018
- Activities for This Period: Reviewed materials provided by City and validated findings.
- Activities for Next Period: Review materials provided by City and validate findings.
- Issues: none

Supervisor Training:

- Schedule: September 1, 2016 through December 15, 2017
- Activities for This Period: Updated training materials.
- Activities for Next Period: Review materials with City and record a webinar for broad dissemination.
- Issues: none

P-Card Internal Controls Testing

- Schedule: November 15, 2017 through February 28, 2018
- Activities for This Period: none
- Activities for Next Period: Schedule kickoff meeting.
- Issues: none

Fleet Efficiency Study

- Schedule: November 15, 2017 through February 28, 2018
- Activities for This Period: none
- Activities for Next Period: Schedule kickoff meeting for November.
- Issues: none

Big Blue Buss Overtime Study

- Schedule: January 1, 2018 through March 31, 2018
- Activities for This Period: none
- Activities for Next Period: Schedule kickoff meeting for January.
- Issues: none



DATE > November 14, 2017

TO > City of Santa Monica Audit Committee

FROM > Moss Adams LLP

SUBJECT > Compensation and Staffing Review – Preliminary Position Wage Benchmarking & Department Average Wage and Performance Data

PROJECT STATUS

The project is on track for draft report delivery during the January Audit Committee meeting. Work plan status is shown in the table below.

SCOPE OF WORK	
Phase 1 – Project Initiation and Ongoing Management	
1.1 Conduct kickoff meeting with Audit Subcommittee and Ad Hoc Committee (citizens' committee appointed by City Manager) to confirm objectives, participants, schedule, and deliverables.	Complete
1.2 Submit document request list to City and 10 peers. Peers include Anaheim, Beverly Hills, Burbank, Culver City, El Segundo, Glendale, Inglewood, Pasadena, Redondo Beach, Santa Barbara, and Torrance.	Complete
1.3 Schedule interviews with City stakeholders, including City Manager's Office, department heads, and bargaining unit heads.	Complete
1.4 Schedule interviews with peers.	Complete
1.5 Conduct project management and progress reporting.	Ongoing
1.6 Perform quality assurance.	Ongoing
Phase 2 – Fact Finding	
2.1 Obtain and review relevant documents from the City for the selected years (see III. Areas of Focus for the years that apply to each component of the project objective), including, but not limited to, budgets and CAFRs, service level agreements and reports, organizational charts, staffing lists, HR wage setting policies and procedures, labor agreements, overtime usage reports for Public Safety employees.	Complete



SCOPE OF WORK	
2.2 Conduct interviews with City stakeholders.	Complete
2.3 Gather information from peers through website searches, online survey, and interviews.	Complete
2.4 Develop preliminary findings	Complete
2.5 Present preliminary findings to Audit Subcommittee and Ad Hoc Committee.	Complete: Presented at October and November Audit Committee meetings
2.6 Revise preliminary findings as necessary.	In progress
Phase 3 – Analysis	
3.1 Compare City Santa Monica's a) overall wage setting process, b) wage and benefits package, c) staffing methodology and levels, and d) use of overtime for public safety services with that of peers.	In progress: Draft presented at October Audit Committee meeting
3.2 Determine gaps between current City and peer practices and, to the greatest extent possible, reasons for gaps.	In progress
3.3 Conduct alternatives analysis to define solutions.	In progress
3.4 Prepare draft findings and recommendations and review with City to verify facts and test the practicality of recommendations.	In progress: Scheduled for January Audit Committee meeting
3.5 Revise draft findings and recommendations as necessary.	Upcoming
Phase 4 – Reporting	
4.1 Submit draft report.	In progress: Scheduled for January Audit Committee meeting
4.2 Submit final report.	Upcoming
4.3 Present final report to Audit Subcommittee and Ad Hoc Committee.	Upcoming



DEPARTMENT AVERAGE WAGE AND PERFORMANCE DATA

The following section presents data related to departmental wage averages, inputs, outputs, and performance indicators that were collected through the State Controller's Office's Government Compensation in California (GCC) website data, FY2016-17 budget documents, census data, and a voluntary survey sent to peer cities. The data presented in this memo is preliminary and the validation process is ongoing.

Demographic information for peer cities is included in Appendix A. Burbank, Culver City, Glendale, Pasadena, Torrance, and Santa Barbara provided responses to the voluntary survey used to collect performance data. Information in the performance data tables is limited to cities participating in that specific department's survey to provide appropriate comparisons. For each data element, the average, minimum, and maximum of available peer responses is provided to show typical amounts as well as the range of variation.

Performance data includes:

- Workload and outcome measure data provided by the City of Santa Monica (the City) and peers
- Operating cost and FTE data
- Key performance indicators

As reported in the October memo to the Audit Committee, there are many variables that impact comparison between cities, including operating budgets, community priorities, level of outsourcing, geography, and departmental organization. Governments utilize many different methods to provide different levels and types of service. The following performance indicator analysis is an attempt to compare similar services across cities using industry standard data. As such, not all services are included in the analysis. Every effort was made to standardize services and performance data based on Santa Monica's organization structure.

To compare operating efficiency, each department is measured by operating cost per capita and per FTE; internal service departments are also measured by operating cost per City FTE. In addition, Santa Monica's daytime population increases to 250,000 including workers and visitors, which impacts the level of effort that is required to deliver service.

The comparison of peer city median total cash wages by department represents the median of all position levels' total cash wages (regular, other, and overtime) within the respective departments reported to the GCC for fiscal year 2016. Positions titles, departments, and divisions were standardized after reviewing city organizational charts, job descriptions, and city budgets in order to create more comparable groupings to increase the relevancy of conducting a comparison between departmental services and individual positions. Positions with cash compensation reported as less than the position's published minimum annual salary range were removed in order to better compare and analyze annual full-time compensation data.

Unless otherwise noted, all wage, FTE, budget, and performance data is fiscal year (FY) 2016-17.





CITY ATTORNEY

PERFORMANCE DATA

Typical City Attorney's Offices advise city officials and staff on legal matters, provide cities with legal representation, and draft and review proposed ordinances.

The City of Santa Monica's City Attorney's Office provides unique services, including serving as an advocate for city residents by actively pursuing consumer protection and code enforcement cases to protect the quality of life in Santa Monica. In FY 2016-17, the City Attorney's Office recouped \$12.1 million in revenues for the City.

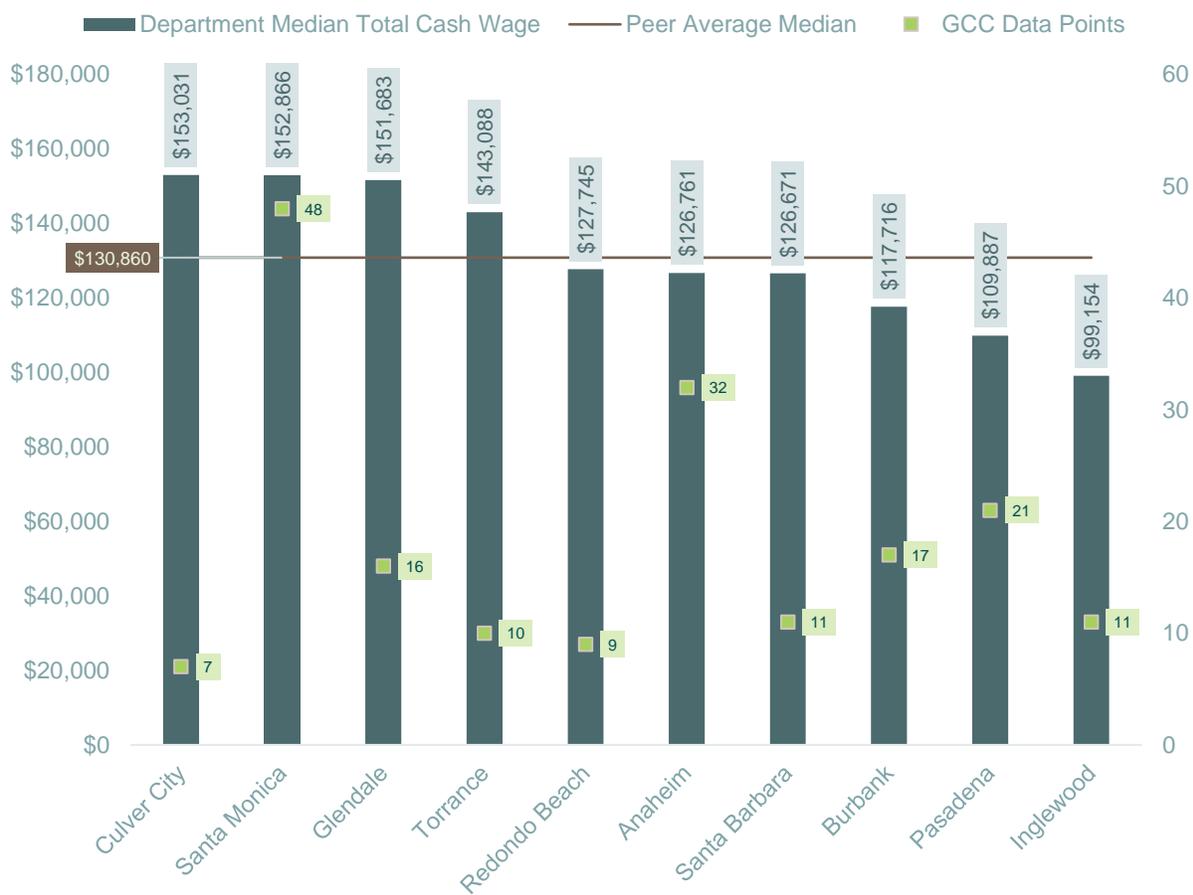
PERFORMANCE DATA		SANTA MONICA	PEER CITIES (N=2) ¹		
			AVERAGE	MINIMUM	MAXIMUM
Workload Data	Formal legal opinions	1,986	347.5	6	743
	Lawsuits received	82	15	11	19
	Lawsuits resolved by settlement	59	14.5	14	15
	Budgeted FTEs	42.4	19.11	19	19.23
Cost Data ²	Operating cost	\$10,392,840	\$7,360,316	\$3,565,953	\$11,154,678
	Operating cost per department FTE	\$245,114.15	\$383,874.10	\$187,681.74	\$580,066.46
	Operating cost per city FTE	\$4,603.89	\$4,785.61	\$2,506.82	\$7,064.39
	Operating cost per capita	\$111.77	\$44.67	\$33.84	\$55.49
Performance Indicators	Formal legal opinions per City Attorney's Office (CAO) FTE	46.8	19.5	0.3	38.6
	Lawsuits received per CAO FTE	1.9	0.8	0.6	1

¹ Peer cities that responded to the survey include Burbank and Glendale.

² Contract budgets are not included in this table because peer information depended on the nature of legal issues faced by each city and was not readily or consistently available.



PEER WAGE COMPARISON³



³ Positions with cash compensation reported as less than the position's published minimum annual salary range were removed in order to better compare and analyze annual full-time compensation data.



CITY CLERK

PERFORMANCE DATA

A typical City Clerk provides support for the City Council, records meetings, manages records, and responds to public requests for information.

In addition to these services, Santa Monica's City Clerk Department also manages a mail room, print shop, and elections on behalf of candidates and voters.

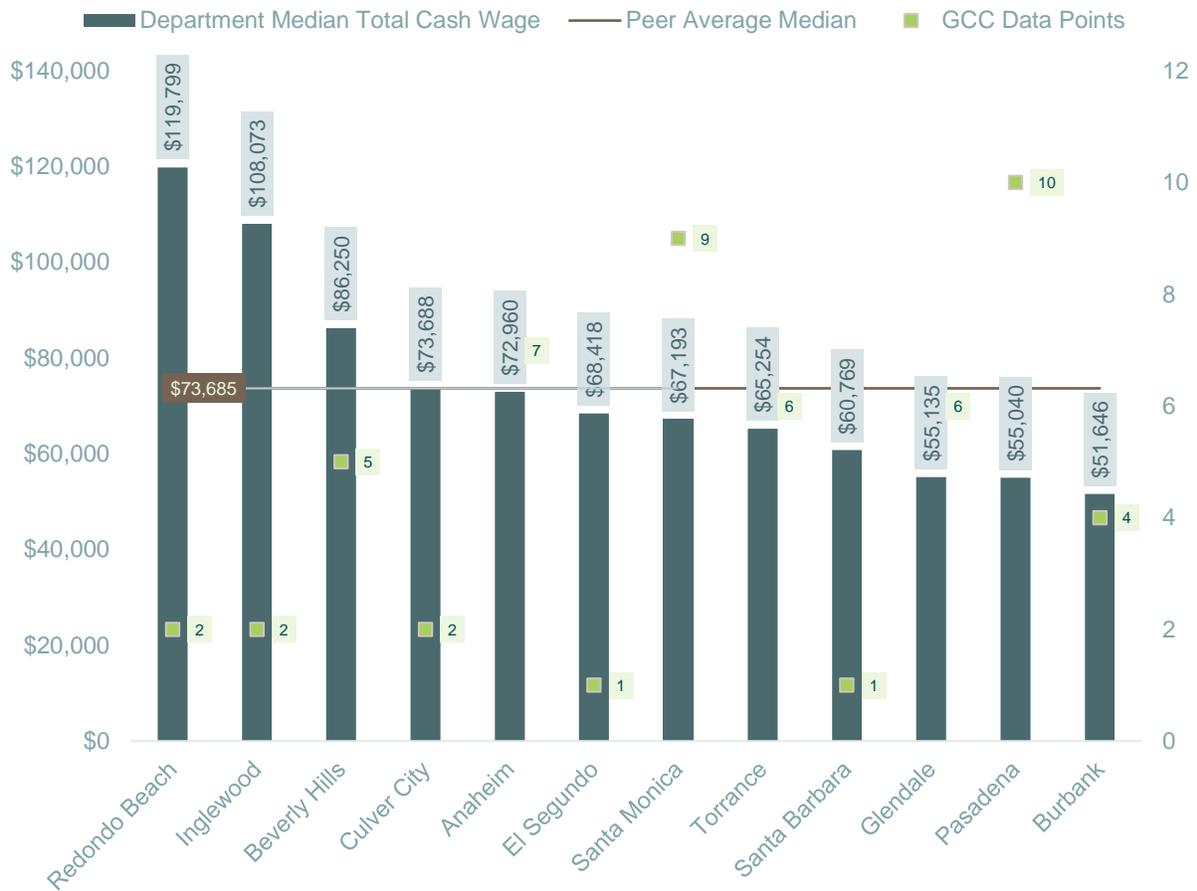
PERFORMANCE DATA		SANTA MONICA	PEER CITIES (N=4) ⁴		
			AVERAGE	MINIMUM	MAXIMUM
Workload Data	Public records requests	1,018	1,203	450	2,885
	Agenda items processed ⁵	401	525	311	774
	Budgeted FTEs	13	7	3	9
Cost Data	Operating cost	\$2,942,840	\$1,077,533	\$775,490	\$1,349,630
	Operating cost per department FTE	\$226,372	\$182,975	\$118,639	\$258,497
	Operating cost per city FTE	\$1,304	\$868	\$712	\$1,121
	Operating cost per capita	\$32	\$11	\$7	\$20
Performance Indicators	Public records requests per Clerk FTE	127.3	177.7	85.7	362.9
	Agenda items processed per Clerk FTE	50	92.2	49.4	170.0

⁴ Peer cities that responded to the survey include Burbank, Culver City, Glendale, and Torrance.

⁵ Only those agenda items including a staff report.



PEER WAGE COMPARISON⁶



⁶ Positions with cash compensation reported as less than the position's published minimum annual salary range were removed in order to better compare and analyze annual full-time compensation data.



CITY MANAGER

PERFORMANCE DATA

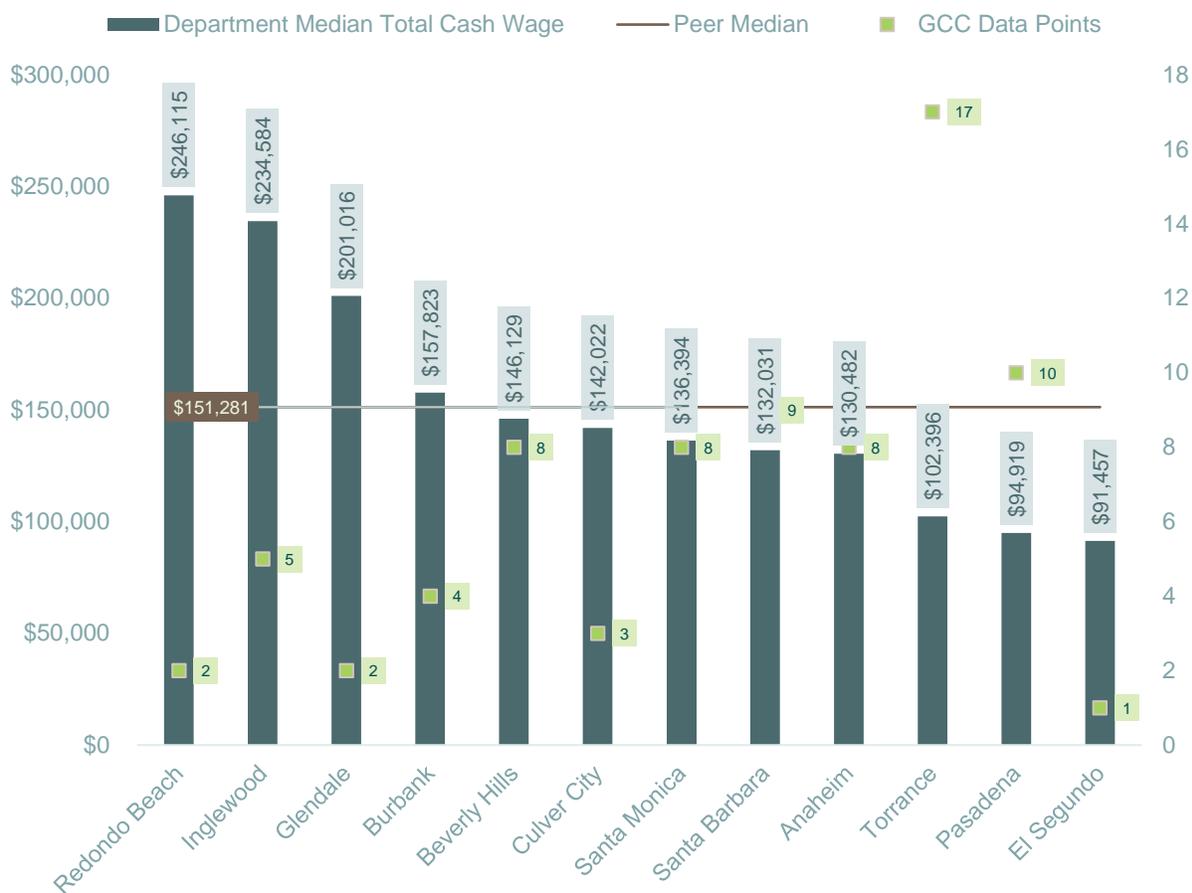
Typical City Manager’s Office duties include City Council support, performance management, leadership, program and budget oversight, government relations, and strategic planning. Santa Monica’s City Manager directly oversees a number of additional functions, including emergency management, communications, a cable television station, and an office dedicated to wellbeing. In order to more effectively compare to peers, the table below reflects the Administrative and Government and Community Relations divisions in the City Manager’s Office; Civic Wellbeing, CityTV, Communications, and Emergency Management are not included. Industry standard performance measures for City Manager functions have not been developed.

PERFORMANCE DATA		SANTA MONICA	PEER CITIES (N=11) ⁷		
			AVERAGE	MINIMUM	MAXIMUM
	Budgeted FTEs	22.8	13.5	2	28
Cost Data	Operating cost	\$4,900,000	\$3,399,693	\$1,206,863	\$7,595,200
	Operating cost per Department FTE	\$241,912	\$307,410	\$156,867	\$1,009,690
	Operating cost per city FTE	\$2,171	\$3,324	\$1,452	\$7,980
	Operating cost per capita	\$53	\$62	\$16	\$218

⁷ All peer cities were compared using information from FY2016-17 budget documents.



PEER WAGE COMPARISON⁸⁹



⁸ Only administrative positions close to the City Manager are included in this analysis. Excluded functions include communications, City TV emergency management, and sustainability offices.

⁹ Positions with cash compensation reported as less than the position's published minimum annual salary range were removed in order to better compare and analyze annual full-time compensation data.



COMMUNITY AND CULTURAL SERVICES

PERFORMANCE DATA

Most Community and Cultural Services Departments manage community recreation, including recreation programming and permitting for the use of parks, beaches, and recreational facilities.

In addition to these services, Santa Monica’s Community and Cultural Services Department offers several unique services and emphasizes inclusive programming. For example, the City operates grant programs that support local arts activities and human services programming that are provided by local nonprofit organizations. Additionally, the Department manages programming at school sites and arts programming at city venues.

In other cities, the functions in Community & Cultural Services may be located in a consolidated parks, recreation, and libraries department; parks and recreation services may be separate; and human services may not be provided. In addition, some cities do not support cultural and arts programming, many do not manage grant programs, nor do all cities have beaches.

PERFORMANCE DATA		SANTA MONICA	PEER CITIES (N = 4) ¹⁰		
			AVERAGE	MINIMUM	MAXIMUM
Workload Data	Sports teams	1,012	348	12	684
	Parks operated ¹¹	32	38	27	43
	Cultural facilities maintained	16	20	6	43
	Community events	1,390	31	21	36
	Budgeted FTEs	167.3	153.9	97.3	250.9
Cost Data ¹²	Operating cost	\$36,614,986	\$26,618,702	\$17,375,351	\$45,370,596
	Operating cost per department FTE	\$218,858	\$171,362	\$162,164	\$182,274
	Operating cost per capita	\$394	\$190	\$165	\$228
Performance Indicators	Parks per 10,000 residents ¹³	3.4	2.9	2.0	4.2

¹⁰ Peer cities that responded to the survey include Burbank, Santa Barbara, Torrance, and Glendale.

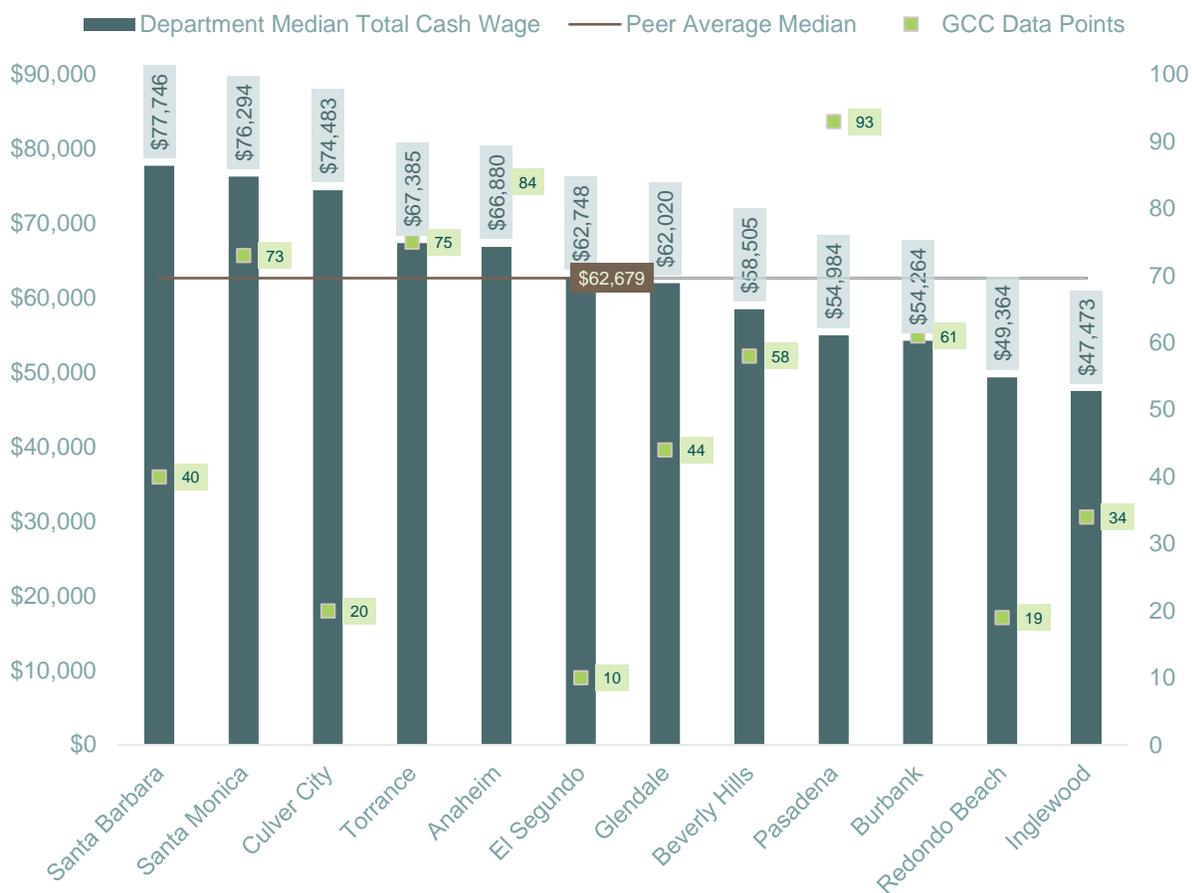
¹¹ Santa Monica’s Parks are maintained by Public Landscape staff in Public Works

¹² Contract budgets are not provided in this table because peer cities that responded to the survey did not have the amounts readily available. It is important to note that many cities outsource parks maintenance.

¹³ Santa Monica has 1.4 acres of parks per 1,000 residents.



PEER WAGE COMPARISON¹⁴



¹⁴ Positions with cash compensation reported as less than the position's published minimum annual salary range were removed in order to better compare and analyze annual full-time compensation data.



FINANCE

PERFORMANCE DATA

A typical Finance Department manages the City’s financial affairs, including forecasting, budgeting, managing investments, financial reporting, and collection of fees and taxes.

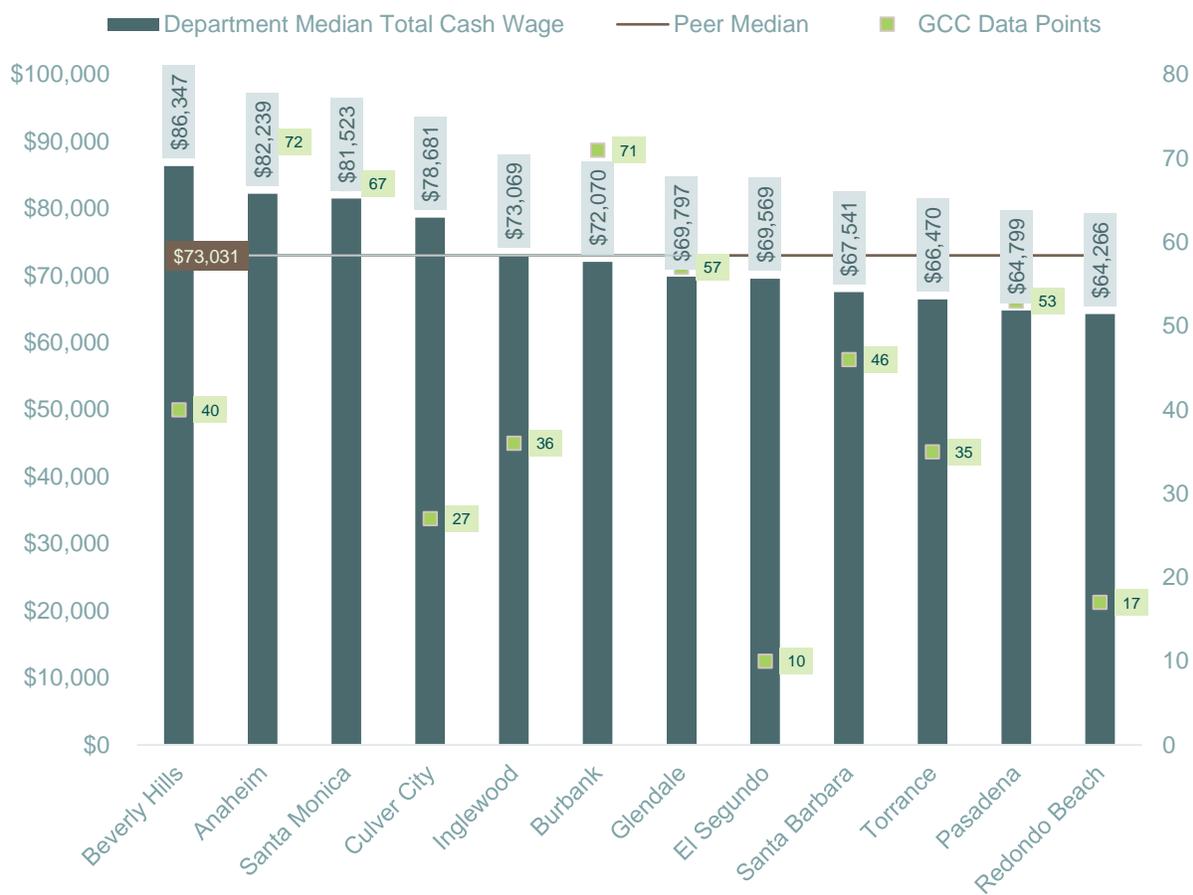
In addition to managing these affairs, Santa Monica’s Finance Department operates an in-house risk management program and workers’ compensation program. The City also prepares its Comprehensive Annual Financial Report, which is typically outsourced by other municipalities.

PERFORMANCE DATA		SANTA MONICA	PEER CITIES (N=5) ¹⁵		
			AVERAGE	MINIMUM	MAXIMUM
Workload Data	Invoices paid	102,542	57,350	28,090	90,432
	P-card purchases	10,450	5,061	2,365	8,958
	Solicitations posted	285	73	25	157
	Business licenses issued	24,951	5,728	866	13,623
	City total operating budget	\$614,100,000	\$548,840,441	\$220,109,311	\$819,533,134
	Budgeted FTEs	78.3	45.8	32.8	65.25
Cost Data	Operating cost	\$18,551,915	\$6,814,671	\$4,516,967	\$11,096,000
	Operating cost per department FTE	\$236,934	\$146,760	\$120,866	\$170,054
	Operating cost per city FTE	\$8,218	\$5,535	\$3,175	\$9,593
	Operating cost per capita	\$199	\$76	\$30	\$167
	Contract budget	\$0	\$390,843	\$353,530	\$416,630
Performance Indicators	Invoices paid per FTE	1,309.6	1,359.8	685.5	2,327.9
	Business licenses issued per FTE	319	140	26	241
	P-card purchases per FTE	133	118	50	211

¹⁵ Peer cities that responded to the survey include Burbank, Culver City, Glendale, Pasadena, and Santa Barbara.



PEER WAGE COMPARISON¹⁶



¹⁶ Positions with cash compensation reported as less than the position's published minimum annual salary range were removed in order to better compare and analyze annual full-time compensation data.



FIRE

PERFORMANCE DATA

The Fire Department provides fire prevention and emergency response services for firefighting and emergency medical services.

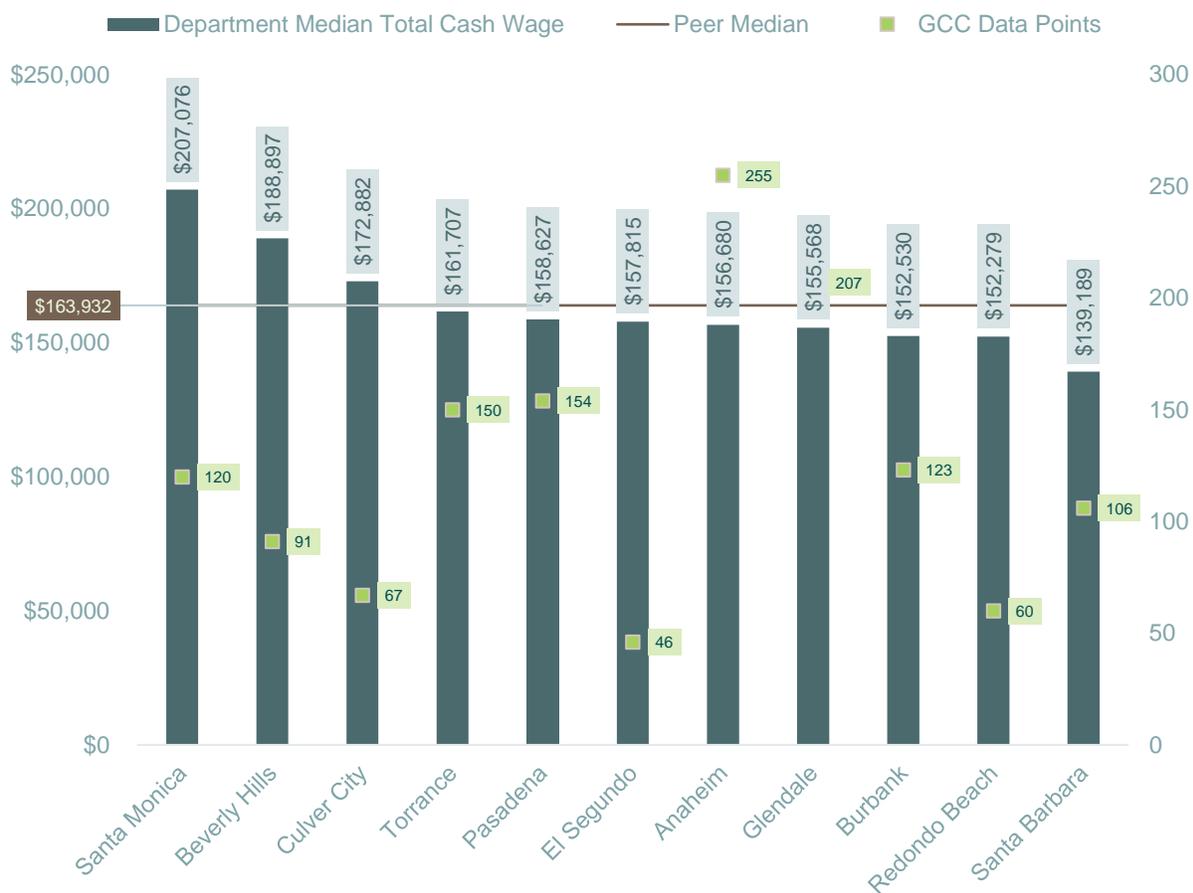
The Santa Monica Fire Department provides services for a daytime community that swells to 250,000 on an average day, making its operations somewhat unique.

PERFORMANCE DATA		SANTA MONICA	PEER CITIES (N=5) ¹⁷		
			AVERAGE	MINIMUM	MAXIMUM
Workload Data	Annual service calls	16,384	13,913	6,106	19,421
	Inspections	10,592	5,665	2,996	9,556
	Budgeted FTEs	135.8	110.8	60.9	157
	Firefighters	105	110.8	60.9	157
Cost Data	Operating cost	\$39,574,786	\$36,762,793	\$22,277,646	\$61,302,902
	Operating cost per department FTE	\$291,420	\$258,659	\$240,990	\$309,584
	Operating cost per capita	\$426	\$347	\$275	\$561
	Contract budget	\$0	\$965,726	\$152,087	\$2,402,330
Performance Indicators	Average response time (minutes)	5.47	5.48	4.50	6.12
	Firefighters per 10,000 residents	11.3	10.4	7.8	15.4
	Service calls per firefighter	156	130.9	96.2	231.1
	Service calls per 10,000 residents	1,762	1,305	966	1986

¹⁷ Peer cities that responded to the survey include Burbank, Culver City, Glendale, Santa Barbara, and Torrance.



PEER WAGE COMPARISON¹⁸¹⁹



¹⁸ Includes overtime as a component of total cash compensation.

¹⁹ Positions with cash compensation reported as less than the position's published minimum annual salary range were removed in order to better compare and analyze annual full-time compensation data.



HOUSING AND ECONOMIC DEVELOPMENT

PERFORMANCE DATA

A typical Housing and Economic Development Department administers affordable housing programs, including managing rental subsidy programs and supporting affordable housing development; Economic Development primarily focus on helping attract and retain businesses within the City.

Santa Monica's Housing and Economic Development Department provides additional services, such as operating the farmer's market, leasing and licensing of City property, and assisting in management of the Santa Monica Pier.

In other cities, the functions in Housing & Economic Development are typically co-located with Planning & Community Development services. Most cities do not manage the extent of City property that Santa Monica owns and leases, and rental assistance may not be provided.

PERFORMANCE DATA		SANTA MONICA	PEER CITIES (N = 3) ²⁰		
			AVERAGE	MINIMUM	MAXIMUM
Workload Data	Section 8 vouchers	1,350	1,765	960	2,936
	Budgeted FTEs	35.9	27.6	6.7	48.5
Cost Data ²¹	Operating cost	\$24,216,518	\$20,736,735	\$1,340,569	\$36,368,636
	Operating cost per department FTE	\$674,555	\$652,839	\$200,085	\$505,592
	Operating cost per capita	\$260	\$123	\$13	\$181
	Sales tax revenue	\$4,981,649	\$2,718,639	\$2,316,763	\$3,138,231
Performance Indicators	Section 8 vouchers per capita	145.2	112.2	91.1	146.1
	Class A office vacancy rate	17.0%	11.2%	10.3%	12.1%
	Retail vacancy rate	3.0%	1.3%	0.7%	1.8%
	Unemployment rate	4.4	4.7	4.3	5.1
	Sales tax revenue per capita	\$53.57	\$18.92	\$15.61	\$21.99

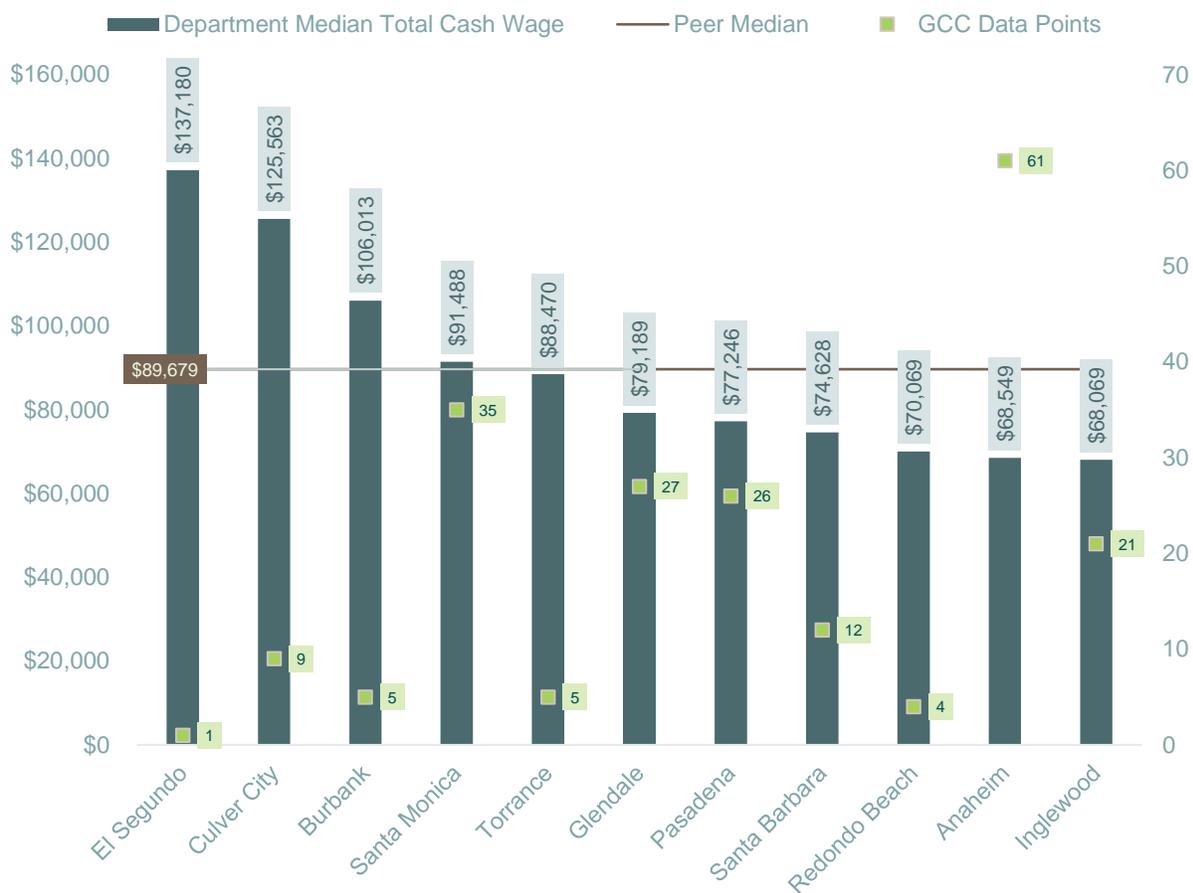
Note: Macroeconomic indicators are typically used to measure economic development performance. However, the City has limited impact on community-wide measures such as these. Additional research is being done to develop KPIs for peer comparison.

²⁰ Peer cities that responded to the survey include Burbank, Glendale, and Pasadena.

²¹ Contract budgets are not provided in this table because peer cities that responded to the survey did not have the amounts readily available.



PEER WAGE COMPARISON²²



²² Positions with cash compensation reported as less than the position's published minimum annual salary range were removed in order to better compare and analyze annual full-time compensation data.



HUMAN RESOURCES

PERFORMANCE DATA

Typical Human Resources Departments manage personnel matters, including recruitment, employee training and development, retention, labor negotiations, and employee grievances.

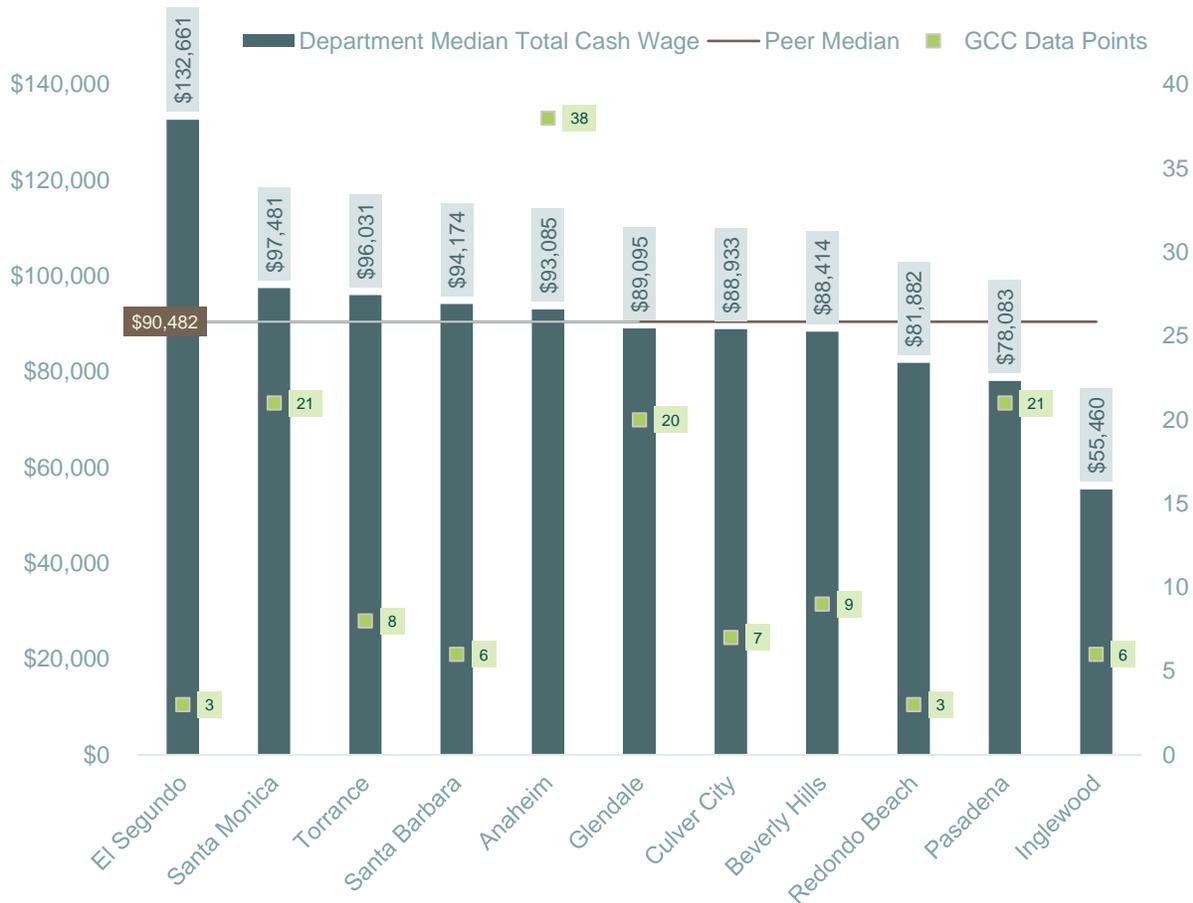
PERFORMANCE DATA		SANTA MONICA	PEER CITIES (N=5) ²³		
			AVERAGE	MINIMUM	MAXIMUM
Workload Data	Labor groups	11	7	6	9
	Recruitments	224	147.6	45	352
	Applications	22,018	9,822	1,570	19,587
	Classification and compensation studies conducted	21	17	16	18
	Internal training classes offered	99	77.8	13	214
	Budgeted FTEs	25.2	26	7	55
Cost Data	Operating cost	\$4,361,097	\$6,384,301	\$1,312,166	\$16,266,324
	Operating cost per department FTE	\$173,059	\$253,225	\$111,922	\$600,307
	Operating cost per city FTE	\$1,932	\$4,265	\$1,531	\$10,303
	Operating cost per capita	\$47	\$47	\$17	\$81
	Contract budget ²⁴	\$0	\$717,380	\$157,000	\$1,277,760
Performance Indicators	Recruitments per FTE	8.9	6.6	3.4	12.2
	Applications received per FTE	874	398	233	683
	Applications per recruitment	98.3	70.4	34.9	124.4

²³ Peer cities that responded to the survey include Burbank, Culver City, Glendale, Pasadena, and Santa Barbara.

²⁴ Contract budgets reported by other cities may include worker's compensation claim review and processing.



PEER WAGE COMPARISON²⁵



²⁵ Positions with cash compensation reported as less than the position's published minimum annual salary range were removed in order to better compare and analyze annual full-time compensation data.



INFORMATION SYSTEMS

PERFORMANCE DATA

Most Information Systems Departments manage City technology services and provide help desk support to support users.

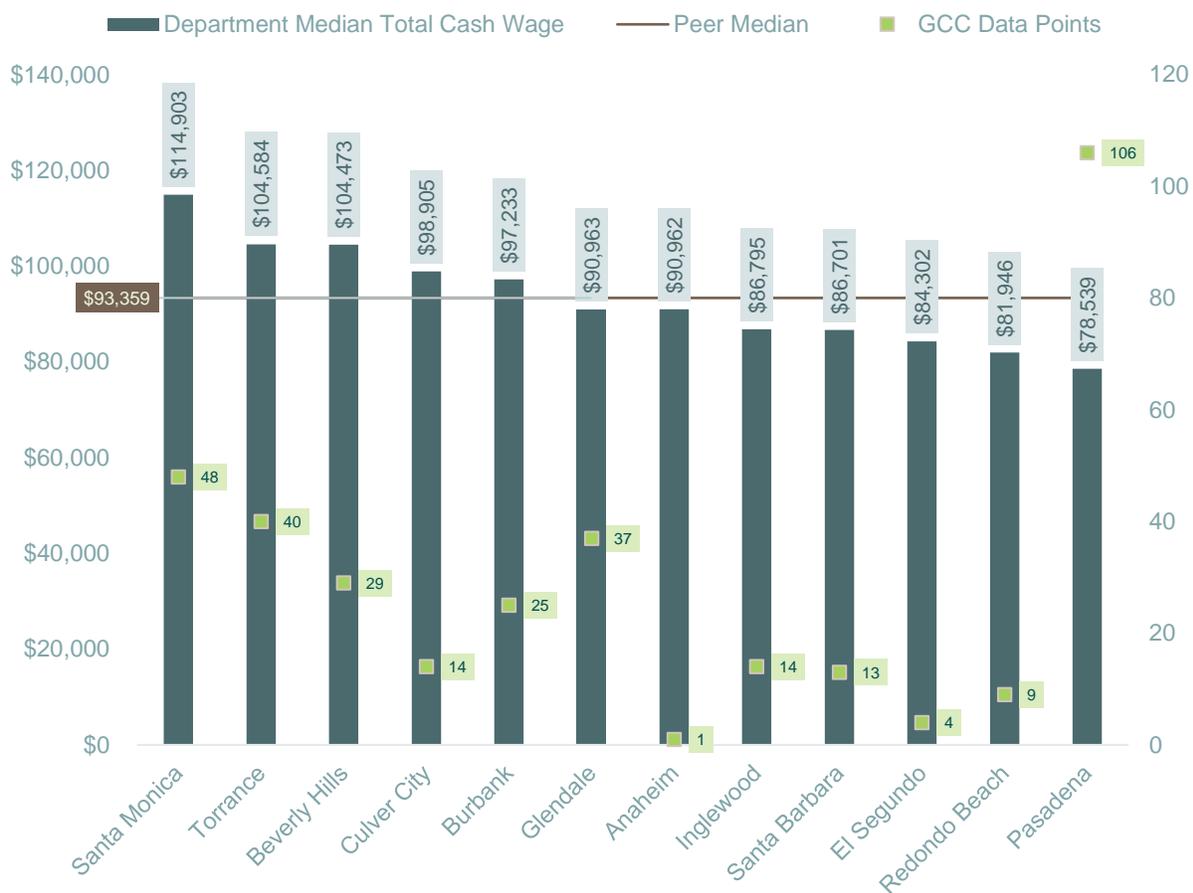
In addition to providing these services, Santa Monica's Information Systems Department also provides free public Wi-Fi services to residents and fast and affordable business class broadband to local businesses.

PERFORMANCE DATA		SANTA MONICA	PEER CITIES (N = 4) ²⁶		
			AVERAGE	MINIMUM	MAXIMUM
Workload Data	Help desk tickets	18,103	9,745	3,368	21,723
	Work stations	2,000	1,664	769	2,805
	Users	3,012	1,505	1,017	1,900
	Budgeted FTEs	47	45.1	15	79.5
Cost Data	Operating cost	\$9,418,398	\$10,324,174	\$3,281,761	\$17,463,324
	Operating cost per department FTE	\$200,391	\$230,281	\$116,632	\$386,613
	Operating cost per city FTE	\$4,172	\$6,305	\$3,152	\$11,060
	Operating cost per capita	\$101	\$67	\$32	\$112
	Contract budget	\$0	\$3,917,662	\$692,226	\$7,143,098
Performance Indicators	Work stations per IT FTE	42.6	40.5	35	51.3
	Users per IT FTE	64.1	43.7	23.9	67.8
	Help desk tickets per city FTE	385.2	209.4	129.3	273.2

²⁶ Peer cities that responded to the survey include Glendale, Pasadena, Santa Barbara, and Torrance.



PEER WAGE COMPARISON²⁷



²⁷ Positions with cash compensation reported as less than the position's published minimum annual salary range were removed in order to better compare and analyze annual full-time compensation data.



LIBRARY SERVICES

PERFORMANCE DATA

Typical Library Departments provide community access to books and media and offer programming to children, teens, and adults that support lifelong learning and literacy.

In addition to these services, Santa Monica’s libraries allow members of neighboring communities to access their services, expanding the reach of the Department’s customers. Additionally, the Library Department has ambitious programming that advances the elements included in its strategic plan, which includes being a vibrant learning center, wellbeing cultivator, dynamic third place, and a community and cultural connector.

In other cities, library systems may be operated as a division of Parks and Recreation, or provided by the county or a library district.

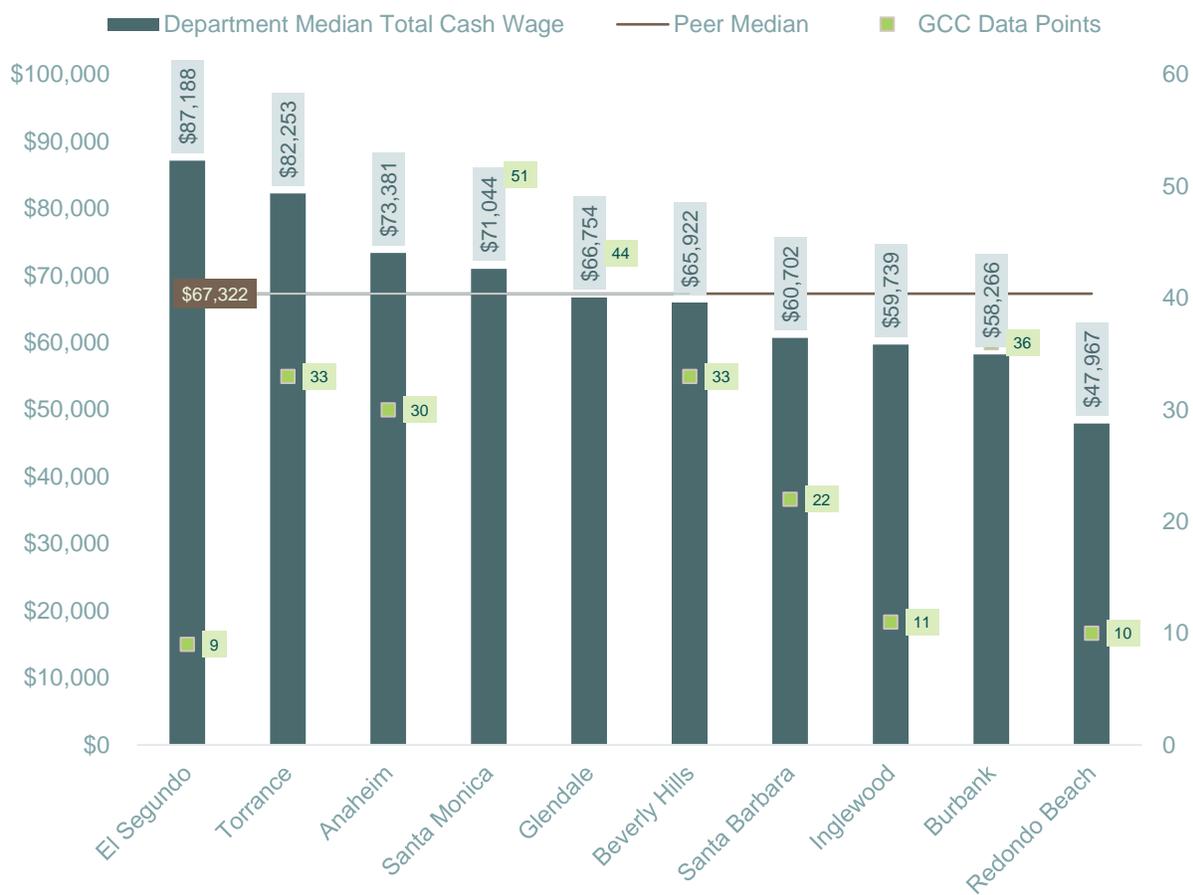
PERFORMANCE DATA		SANTA MONICA	PEER CITIES (N = 5) ²⁸		
			AVERAGE	MINIMUM	MAXIMUM
Workload Data	Libraries	5	6.8	3	10
	Programs offered	2,284	2,139	698	4,735
	Program participants	74,143	52,126	31,469	76,000
	Library visits	1,257,746	932,685	603,162	1,554,135
	Budgeted FTEs	111	78	37	108
Cost Data ²⁹	Operating cost	\$12,738,335	\$8,903,804	\$5,382,402	\$14,063,000
	Operating cost per department FTE	\$114,760	\$132,461	\$99,543	\$155,920
	Operating cost per capita	\$137	\$65	\$52	\$100
	Library expenditures per visit	\$10.13	\$10.97	\$3.46	\$17.55
Performance Indicators	Visitation per capita	13.5	7.9	3.1	16.9
	Libraries per 100,000 residents	5.4	5.1	2.9	7.6
	Average participants per program	32.5	34.8	13.3	54.7

²⁸ Peer cities that responded to the survey include Burbank, Glendale, Pasadena, Santa Barbara, and Torrance.

²⁹ Contract budgets are not provided in this table because peer cities that responded to the survey did not have the amounts readily available.



PEER WAGE COMPARISON³⁰



³⁰ Positions with cash compensation reported as less than the position's published minimum annual salary range were removed in order to better compare and analyze annual full-time compensation data.



PLANNING AND COMMUNITY DEVELOPMENT

PERFORMANCE DATA

A typical Planning and Community Development Department conducts community planning and ensures land use and transportation decisions reflect the community's values and vision. In addition to these activities, Santa Monica's Planning and Community Development Department encompasses planning, building safety, parking, code enforcement, mobility, and traffic management.

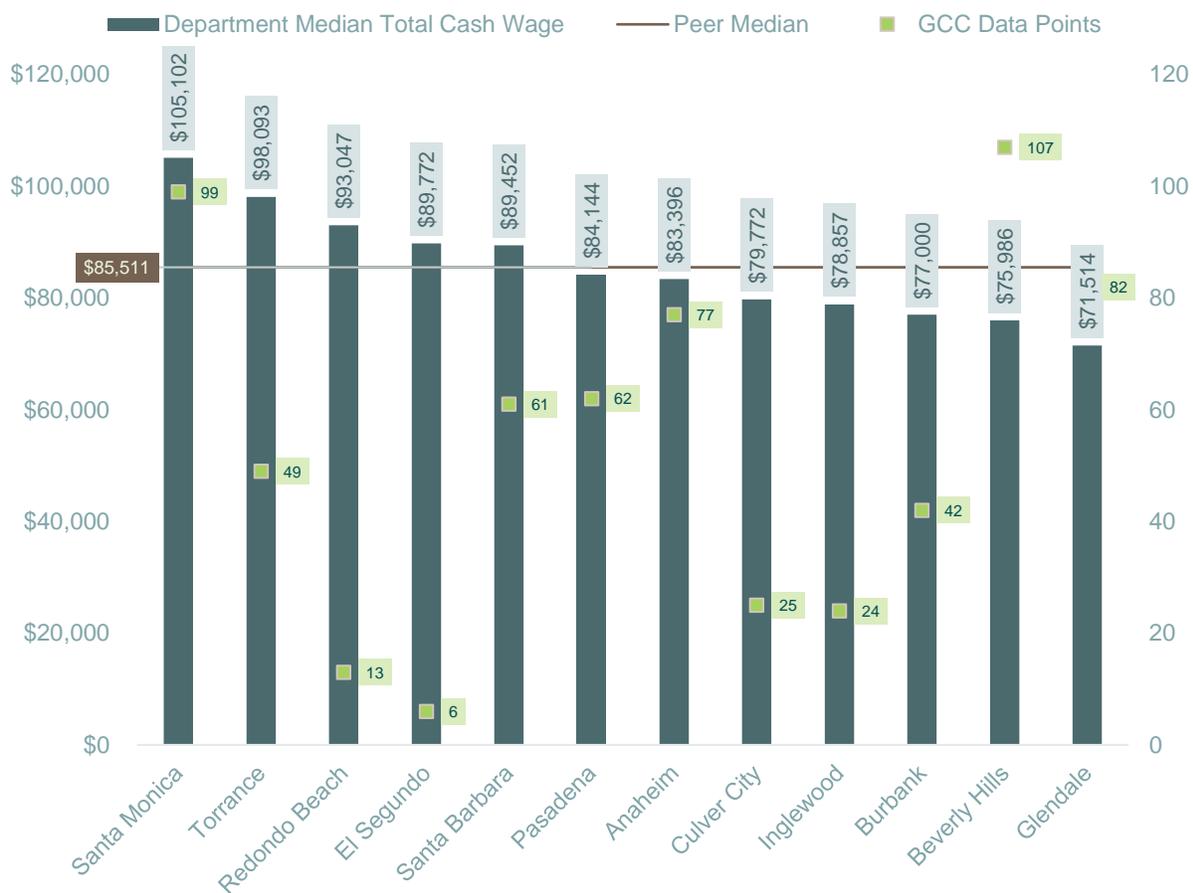
In other cities, the functions of Planning & Community are typically co-located with Housing & Economic Development. Code enforcement functions may be located in the Police Department or Public Works; planning and building safety may be combined with some engineering functions; and traffic management may be in Public Works transportation engineering.

PERFORMANCE DATA		SANTA MONICA	PEER CITIES (N=4) ³¹		
			AVERAGE	MINIMUM	MAXIMUM
Workload Data	Permit fees collected	\$3,845,772	\$5,063,2004	\$2,400,000	\$9,900,000
	Code enforcement cases	3,614	1,103	377	1,794
	Budgeted FTEs	121	84.1	61.5	121
Cost Data	Operating cost	\$34,440,025	\$12,291,220	\$7,647,676	\$22,094,132
	Operating cost per department FTE	\$284,628	\$155,441	\$64,566	\$275,625
	Operating cost per capita	\$370	\$90	\$52	\$126
	Contract budget	\$0	\$1,076,602	\$266,541	\$2,524,466
Performance Indicators	Permit fees collected per FTE	\$31,783	\$63,441	\$19,834	\$123,503
	Code enforcement cases per FTE	29.9	13.8	5.1	22.4

³¹ Peer cities that responded to the survey include Burbank, Glendale, Santa Barbara, and Torrance.



PEER WAGE COMPARISON³²



³² Positions with cash compensation reported as less than the position's published minimum annual salary range were removed in order to better compare and analyze annual full-time compensation data.



POLICE

PERFORMANCE DATA

Typical Police Departments operate patrol services, respond to calls for service, uphold the law, protect residents and visitors, and investigate crimes.

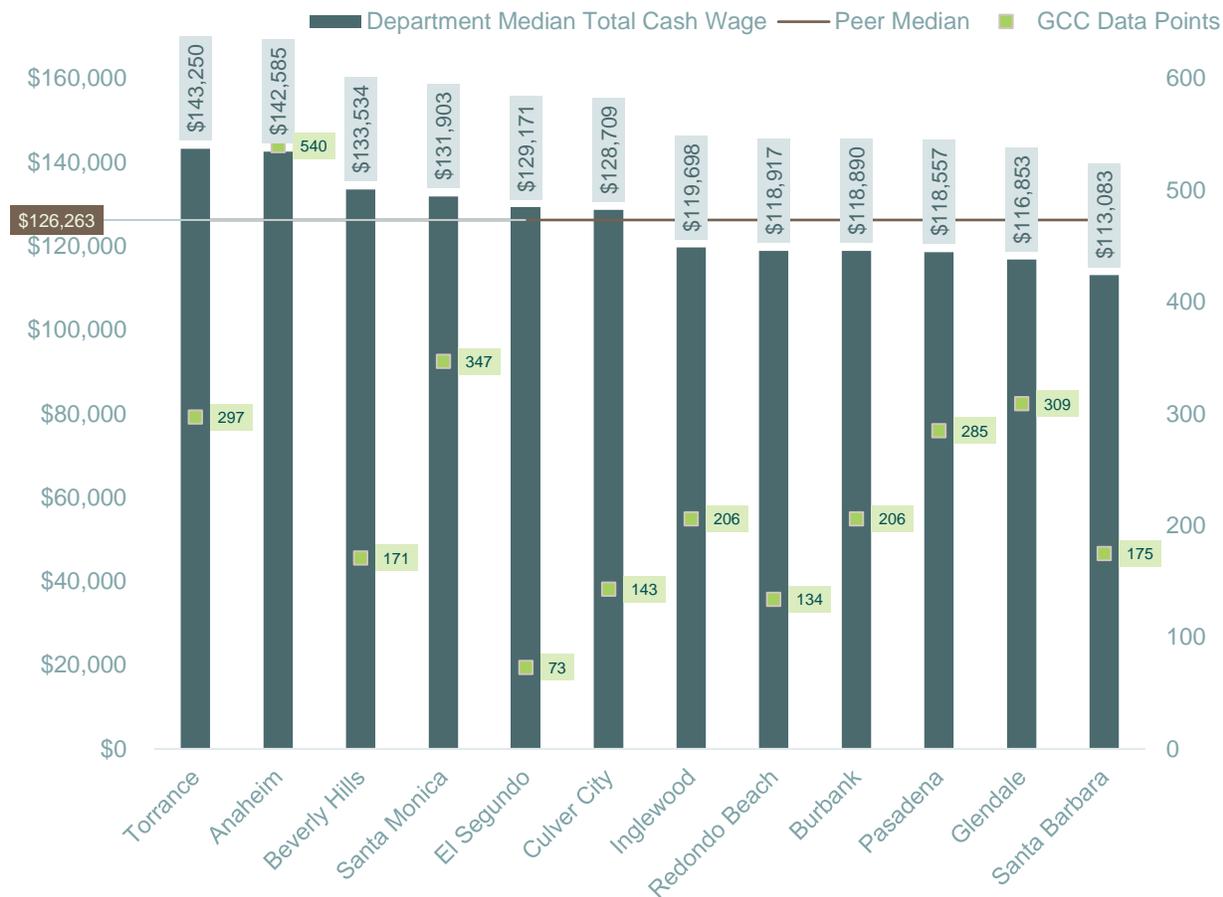
The Santa Monica Police Department provides services for a daytime community that swells to 250,000 on an average day, making its operations somewhat unique. Additionally, the Department operates downtown information services, community services, a local jail, animal control, the homeless liaison program, and traffic enforcement.

PERFORMANCE DATA		SANTA MONICA	PEER CITIES (N=6) ³³		
			AVERAGE	MINIMUM	MAXIMUM
Workload Data	Annual service calls	118,957	70,250	48,923	115,233
	Budgeted FTEs	435.7	284.1	159.8	369.8
	Officers	224	185	109	243
Cost Data	Operating cost	\$86,621,194	\$59,915,944	\$37,772,840	\$78,998,760
	Operating cost per department FTE	\$198,809	\$211,675	\$189,057	\$236,346
	Operating cost per capita	\$932	\$554	\$393	\$952
	Contract budget	\$0	\$1,139,965	\$168,600	\$2,027,070
Performance Indicators	Average response time (minutes)	33.2	16.8	3.8	58.2
	Service calls per 10,000 residents	12,793	6,727	4,643	13,289
	Service calls per officer	531	392	290	484
	Officers per 10,000 residents	24.1	16.9	12.1	27.5
	Clearance rate: violent crimes	54%	61%	56%	66%
	Clearance rate: property crimes	9%	23%	16%	44%
	Serious crime rate per 100,000 residents	362.9	230.4	94.4	427.2
	Property crime rate per 100,000 residents	3,248.5	2,503.5	1,559.3	4,279.5

³³ Peer cities that responded to the survey include Burbank, Culver City, Glendale, Pasadena, Santa Barbara, and Torrance.



PEER WAGE COMPARISON³⁴



³⁴ Positions with cash compensation reported as less than the position's published minimum annual salary range were removed in order to better compare and analyze annual full-time compensation data.



PUBLIC WORKS³⁵

Public Works organization structures can vary significantly between cities. Some cities operate electric, water, and wastewater utilities, while others receive those services from the county or special purpose districts. Airports may be separate departments, and most cities operate the transit agency as a division of Public Works. Many cities outsource maintenance functions, including facilities, streets, fleet, and landscape. Architecture and sustainability services may not be provided. As a result, the analysis below includes selected Public Works functions that are readily comparable to peer cities.

PERFORMANCE DATA: PUBLIC LANDSCAPE

The Public Landscape Division manages maintenance of land and parks, including tree trimming and maintenance of exterior infrastructure.

PERFORMANCE DATA		SANTA MONICA	PEER CITIES (N = 4) ³⁶		
			AVERAGE	MINIMUM	MAXIMUM
Workload Data	Trees trimmed	9,008	9,288	4,000	15,197
	Acres of natural land maintained	230	893	559	1,227
	Parks maintained	32	38	27	43
	Budgeted FTEs	99	37.5	7	67.6
Cost Data	Operating cost	\$16,800,00	\$6,913,521	\$2,854,377	\$12,256,000
	Operating cost per department FTE	\$169,967	\$421,427	\$161,394	\$921,585
	Operating cost per capita	\$181	\$83	\$14	\$163
	Contract budget	\$0	\$422,868	\$118,950	\$726,785
Performance Indicators	Trees trimmed per FTE ³⁷	91	324	175	571
	Acres of natural land maintained per FTE ³⁸	2.3	20.4	8.3	32.5

³⁵ Where possible, electrical utility positions were removed from this analysis.

³⁶ Peer cities that responded to the survey include Culver City, Glendale, Pasadena, and Santa Barbara.

³⁷ Most cities outsource some or all tree trimming services.

³⁸ Many cities outsource some or all landscape maintenance services.



PERFORMANCE DATA: STREET AND FLEET

The Street and Fleet Division maintains city streets, signs, parking meters, and sidewalks and the city's fleet, including preventive maintenance and responding to repair requests.

PERFORMANCE DATA ³⁹		SANTA MONICA	PEER CITIES (N=5) ⁴⁰		
			AVERAGE	MINIMUM	MAXIMUM
Workload Data	Vehicles maintained	932	773	478	1,100
	Budgeted FTEs	63	42.5	15	61.2
Cost Data	Operating cost	\$12,000,000	\$14,632,676	\$5,968,428	\$22,552,076
	Operating cost per department FTE	\$190,476	\$367,094	\$200,610	\$552,747
	Operating cost per capita	\$129	\$157	\$65	\$267
	Contract budget	\$0	\$743,069	\$36,000	\$1,267,364
	Maintenance cost per vehicle	\$7,307	\$7,251	\$6,364	\$8,138
	Maintenance cost per mile	TBD	N/A	N/A	N/A
Performance Indicators	Vehicles maintained per FTE	15	22	8	32

³⁹ Street performance data from peers is in development.

⁴⁰ Peer cities that responded to the survey include Burbank, Culver City, Glendale, Pasadena, and Santa Barbara.



PERFORMANCE DATA: CIVIL ENGINEERING

The Civil Engineering Division provides design, construction, and construction management for city public infrastructure. The Division also provides services related to land development, such as permit review, right-of-way inspections, and utility coordination.

PERFORMANCE DATA		SANTA MONICA	PEER CITIES (N = 4) ⁴¹		
			AVERAGE	MINIMUM	MAXIMUM
Workload Data	Square footage of asphalt repairs	269,297	137,778	9,000	458,000
	Sidewalk patches	7,210	36,779	623	72,934
	Potholes repaired	863 ⁴²	7,915	429	15,400
	Filming permits issued	415	108	13	298
	Annual CIP Projects	TBD	TBD	TBD	TBD
	Budgeted FTEs	27	32.5	13	52
Cost Data	Operating cost	\$4,853,900	\$5,133,733	\$2,014,704	\$8,247,000
	Operating cost per department FTE	\$196,296	\$156,787	\$154,977	\$158,596
	Operating cost per capita	\$57	\$40	\$19	\$59
	Contract budget	\$12,097	\$260,040	\$1,500	\$518,580
Performance Indicators	Sidewalk patches per FTE	267	2,811	12	5,610
	Square footage of asphalt repairs per FTE	9,974	1,567	173	2,962

⁴¹ Peer cities that responded to the survey include Burbank, Glendale, Pasadena, and Santa Barbara.

⁴² Santa Monica permanently repairs potholes rather than filling them.



PERFORMANCE DATA: RESOURCE RECOVERY AND RECYCLING

The Resource Recovery and Recycling Division performs street sweeping, collects and processes residential and commercial municipal waste, including refuse, organics, and commingled recycling.

PERFORMANCE DATA		SANTA MONICA	PEER CITIES (N=5) ⁴³		
			AVERAGE	MINIMUM	MAXIMUM
Workload Data	Tons of refuse collected	74,088	56,469	32,820	90,603
	Tons of recycling and green food waste diverted	27,268	23,504	11,745	34,088
	Tons of waste generated per capita	0.80	0.60	0.28	1.02
	Curb miles swept	26,520	29,568	17,995	44,000
	Budgeted FTEs	90.7	42.9	35	51
Cost Data	Operating cost	\$22,278,676	\$16,696,016	\$6,375,000	\$22,939,098
	Operating cost per department FTE	\$245,360	\$300,148	\$182,143	\$484,114
	Operating cost per capita	\$240	\$178	\$45	\$301
	Cost per curb mile swept	\$840	\$841	\$470	\$1,196
	Contract budget	\$2,898,650	\$3,596,118	\$2,307,061	\$4,919,160
Performance Indicators	Refuse collection cost per ton of waste	\$263	\$267	\$174	\$335
	Curb miles swept per FTE	421	858	655	1,200

⁴³ Peer cities that responded to the survey include Burbank, Culver City, Glendale, Pasadena, and Santa Barbara.



PERFORMANCE DATA: WATER AND WASTEWATER

The Water and Wastewater Division provides safe, reliable, and sustainable water for residents and businesses. In Santa Monica, this includes operation of the City’s potable and recycled water production, water pollution prevention programs, groundwater basin clean-ups, and maintenance of the wastewater collection and conveyance system.

PERFORMANCE DATA		SANTA MONICA	PEER CITIES (N=5) ⁴⁴		
			AVERAGE	MINIMUM	MAXIMUM
Workload Data	Water and main service breaks	46	27.5	14	41
	Sanitary sewer overflows	6	19	5	46
	Total linear feet of water and sewer pipes	813,120	847,500	475,000	1,220,000
	Budgeted FTEs ⁴⁵	68	N/A	N/A	N/A
Cost Data ⁴⁶	Operating cost	\$39,256,859	N/A	N/A	N/A
	Operating cost per department FTE	\$577,307	N/A	N/A	N/A
	Operating cost per capita	\$422	N/A	N/A	N/A
	Contract budget	\$5,887,699	N/A	N/A	N/A
Performance Indicators	Maintenance cost per linear foot of water and sewer pipe	\$20.95	\$12.85	\$1.18	\$18.77

⁴⁴ Peer cities that responded to the survey include Burbank, Culver City, Glendale, Pasadena, and Santa Barbara.

⁴⁵ Peer FTE counts are not available due to significant differences in departmental organization. For example, many peer water departments include power or other functions that cannot be easily separated from water and wastewater costs.

⁴⁶ Peer operating and contractual costs are not available due to significant differences in departmental organization. For example, many peer water departments include power or other functions that cannot be easily separated from water and wastewater costs.



PERFORMANCE DATA: FACILITIES MAINTENANCE

The Facilities Maintenance Division provides custodial services to city-owned and leased buildings, as well as preventive maintenance and repairs. Santa Monica's Facilities Maintenance Division also maintains the beach house, pier, airport, and cemetery.

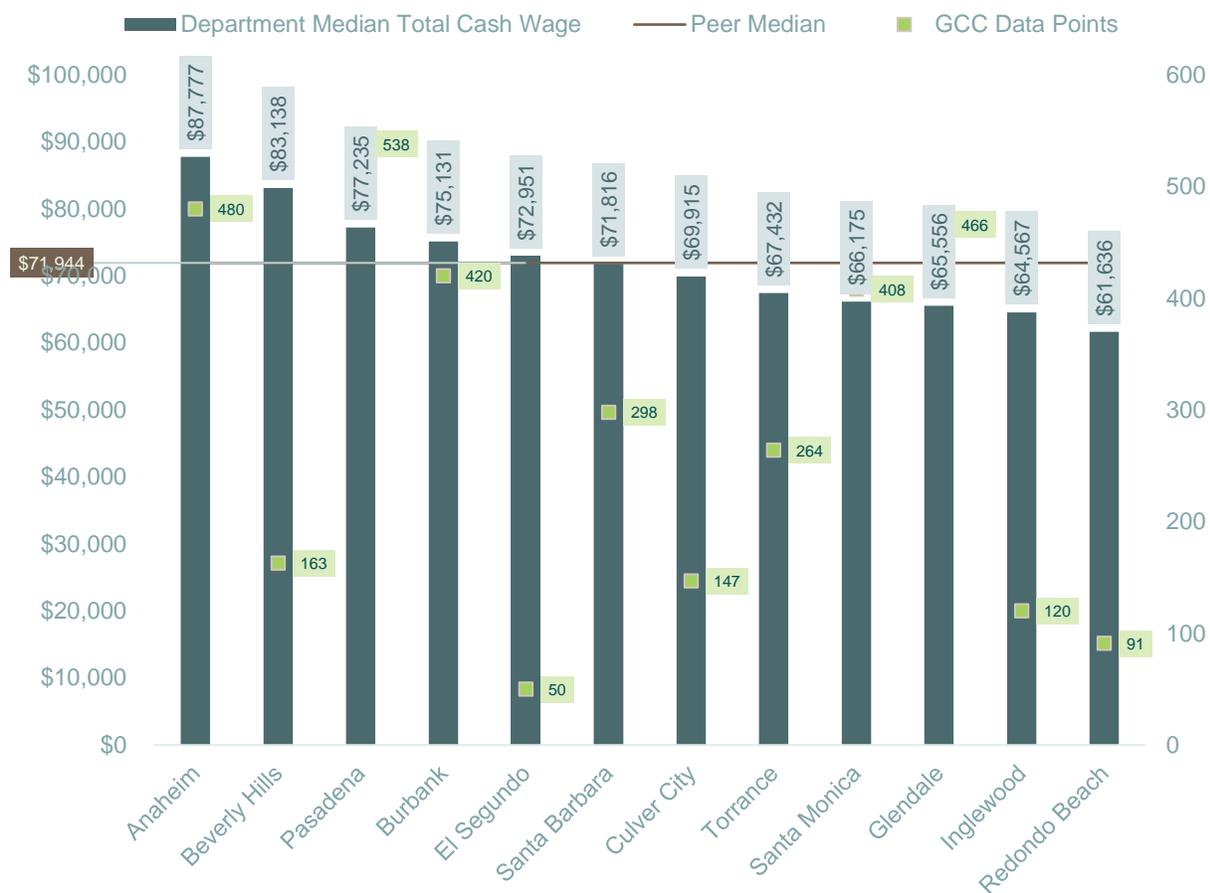
PERFORMANCE DATA		SANTA MONICA	PEER CITIES (N=5) ⁴⁷		
			AVERAGE	MINIMUM	MAXIMUM
Workload Data	Maintenance work orders	7,612	3,691	333	8,433
	Square footage occupied ⁴⁸	2,860,543	852,942	280,000	1,348,814
	Budgeted FTEs	128.9	31.2	9.5	48
Cost Data	Operating cost	\$22,295,524	\$6,720,487	\$1,800,000	\$9,000,000
	Operating cost per department FTE	\$172,968	\$207,546	\$187,500	\$240,323
	Operating cost per capita	\$240	\$60	\$39	\$83
	Contract budget	\$3,245,284	\$2,406,290	\$299,417	\$7,613,044
	Cost per square foot occupied	\$7.79	\$14.13	\$5.52	\$27.19
Performance Indicators	Maintenance work orders per FTE	59.1	136.7	62.4	261.9
	Average response time	10.9 days	6.75 days	2 days	20 days

⁴⁷ Peer cities that responded to the survey include Burbank, Culver City, Glendale, Pasadena, and Santa Barbara.

⁴⁸ Includes leased and owned property.



PEER WAGE COMPARISON⁴⁹



⁴⁹ Positions with cash compensation reported as less than the position's published minimum annual salary range were removed in order to better compare and analyze annual full-time compensation data.



TRANSIT

PERFORMANCE DATA

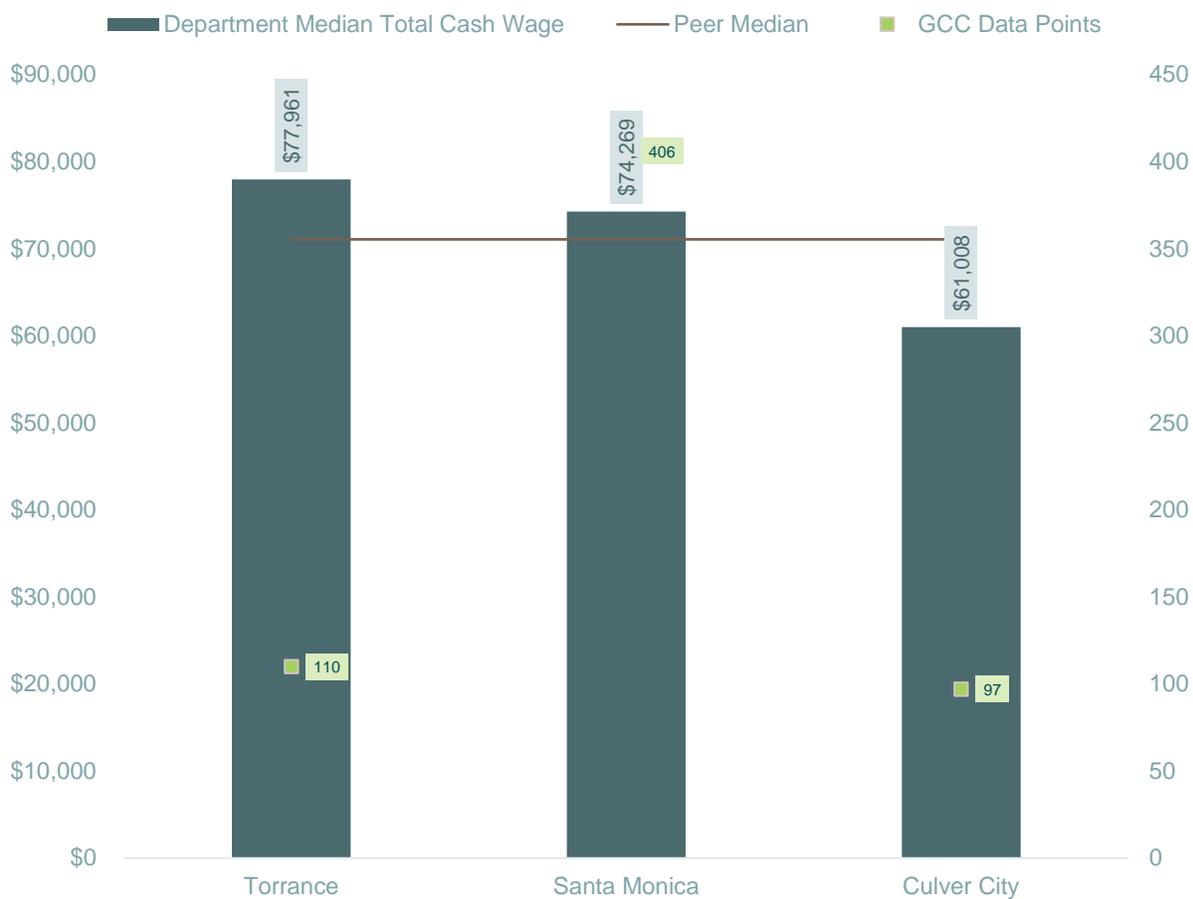
Santa Monica operates a regional transit system, Big Blue Bus, that serves 59 square miles surrounding Santa Monica. Four peer cities also operate transit systems, including buses, dial-a-ride, and some taxi services. In other cities, transit services are provided by multi-jurisdictional transit agencies. For those cities that operate their own transit systems, they are frequently a division of Public Works. No peer city operates a standalone transit agency structured like Big Blue Bus.

PERFORMANCE DATA ⁵⁰		SANTA MONICA	PEER CITIES (N=4)		
			AVERAGE	MINIMUM	MAXIMUM
Workload Data	Passenger miles	73,953,419	10,622,181	599,978	22,728,316
	Average weekday trips	63,238	8,670	647	19,343
	FTEs	464.5	180.9	167.3	194.4
Cost Data	Operating cost	\$74,893,876	\$21,241,502	\$4,924,176	\$37,086,761
	Operating cost per department FTE	\$161,235,47	\$195,061	\$190,776	\$199,346
	Operating cost per capita	\$805	\$319	\$48	\$934
	Contract budget	\$0	\$5,936,346	\$2,890,720	\$8,981,971
Performance Indicators	Operating expenses per passenger mile	\$0.89	\$2.44	\$0.84	\$5.66
	Operating expenses per vehicle revenue mile	\$13.38	\$9.16	\$6.79	\$11.81

⁵⁰ Passenger miles, average weekday trips, and performance indicators were sourced from National Transit Database 2014 Annual Agency Profiles. Cost data was sourced from FY 16-17 agency budgets. Peer transit agencies include Culver City, Glendale, Redondo Beach, and Torrance.



PEER WAGE COMPARISON⁵¹⁵²



⁵¹ The data reported to the GCC did not provide enough detail to confidently break out additional peer city cash wages from Glendale and Redondo Beach.

⁵² Positions with cash compensation reported as less than the position's published minimum annual salary range were removed in order to better compare and analyze annual full-time compensation data.



POSITION WAGE BENCHMARKING

PEER POSITION BENCHMARKING⁵³

More than 130 positions across the cities from each department and/or division were identified for comparison of Santa Monica compensation to peer cities, based on some level of commonality between cities. Positions that may be common across multiple departments (e.g., Administrative Assistant) are grouped together for a holistic view. Categorization of positions was based on review of city organization charts, budgets, and job descriptions. At the department level, the hierarchy for position levels matches Santa Monica nomenclature (e.g. City Clerk to Assistant City Clerk to Deputy City Clerk).

Total cash wages are compared to eleven peer cities, which include Anaheim, Beverly Hills, Burbank, Culver City, El Segundo, Glendale, Inglewood, Pasadena, Redondo Beach, Santa Barbara, and Torrance. Wage data includes regular pay, overtime pay, and other pay (excluding lump payments) for FY 2016, representing total cash wages. The data was sourced from employee W-2 compensation data, which cities are required to report to the California State Controller’s Office. Data notes are provided in Appendix B. The way that the SCO collects compensation means that a position’s reported salary may be affected if a position is vacant for part of the year. Therefore, the positions with regular pay less than the minimum position salary level have been filtered out of the analysis.

PRIVATE SECTOR BENCHMARKING

Over 60 positions were selected for comparison to the private sector. Private sector cash compensation data is sourced from Economic Research Institute (ERI) compensation databases, based on the factors identified in the data notes provided in Appendix B. ERI compensation position reports are customized by factors including geography (including cost-of-living); organizational size (complexity of organization); and reflect an industry-neutral aggregate (all-industry average).

CITY ATTORNEY

POSITION	SANTA MONICA MEDIAN	PEER MEDIAN	PRIVATE SECTOR	% DIFF. FROM PEER	% DIFF. FROM PRIVATE
City Attorney	\$315,707 ⁵⁴	\$268,567	\$519,288	17.6%	-39.2%
Assistant City Attorney	\$306,583	\$197,202	\$405,973	55.5%	-24.5%
Deputy City Attorney	\$183,468	\$127,496	\$194,188	43.9	-5.5%
Paralegal	\$95,001	\$78,723	\$85,373	20.7%	11.3%

⁵³ Validation of most the appropriate position categorization and division groupings is iterative and ongoing.

⁵⁴ Not current City Attorney –fiscal year 2016 position reflects a prior employee with higher tenure.



CITY CLERK

POSITION	SANTA MONICA MEDIAN	PEER MEDIAN	% DIFF. FROM PEER
City Clerk	\$181,317	\$155,908	16.3%
Assistant City Clerk	\$139,608	\$101,126	38.1%
Deputy City Clerk	\$83,174	\$81,451	2.1%

CITY MANAGER

POSITION	SANTA MONICA MEDIAN	PEER MEDIAN	PRIVATE SECTOR	% DIFF. FROM PEER	% DIFF. FROM PRIVATE
City Manager	\$341,131	\$301,095	\$499,077	13.3%	-31.6%
Assistant City Manager	\$301,623	\$261,913	\$270,449	15.2%	11.5%
Deputy City Manager	\$188,921	\$188,921	--	58.4%	--
Assistant to City Manager	\$135,658	\$142,022	--	-4.5%	--
Administrative Staff Assistant	\$70,382	\$66,176	--	6.4%	--
Executive Assistant	\$77,452	\$69,028	\$89,455	12.2%	-13.4%



COMMUNITY AND CULTURAL SERVICES⁵⁵

POSITION	SANTA MONICA MEDIAN	PEER MEDIAN	PRIVATE SECTOR	% DIFF. FROM PEER	% DIFF. FROM PRIVATE
Director Community Cultural Services	\$241,728	\$186,883	--	29.3%	--
Assistant Director Community Cultural Services	\$189,150	\$160,441	--	17.9%	--
Event Manager⁵⁶	\$123,280	\$91,277	\$109,255	35.1%	12.8%
Program Manager⁵⁷	\$130,130	\$105,069	\$112,513	23.9%	15.7%
Program Specialist⁵⁸	\$45,952	\$54,984	\$95,233	-16.4%	-51.7%

FINANCE

POSITION	SANTA MONICA MEDIAN	PEER MEDIAN	PRIVATE SECTOR	% DIFF. FROM PEER	% DIFF. FROM PRIVATE
Director Finance	\$225,814	\$204,423	\$576,000	10.5%	-60.8%
Assistant Director Finance	\$178,002	\$148,214	\$275,403	20.1%	-35.4%
Accounting Manager	\$142,592	\$139,353	\$148,326	2.3%	-3.9%
Risk Manager	\$171,968	\$142,536	\$143,100	20.6%	20.2%
Accountant	\$78,717	\$72,568	\$84,211	8.5%	-6.5%
Billing Specialist	\$59,555	\$57,952	\$61,369	2.8%	-3.0%
Financial Analyst Senior ⁵⁹	\$103,237	\$105,468	\$109,579	-2.1%	-5.8%

FIRE

⁵⁵ Many of the programs run out of the Community and Cultural Services Department have no private-sector equivalent. Therefore, there is little equitability in comparing against private sector positions.

⁵⁶ Generalized position title: examples of types of position titles included in analysis are venue manager; event facilitator; events supervisor; event services manager

⁵⁷ Generalized position title: examples of types of position titles included in analysis are nature center manager; recreation services manager; social services manager

⁵⁸ Generalized position title: examples of types of position titles included in analysis are recreation specialist; community services specialist; human services specialist; community garden program specialist

⁵⁹ Generalized position title: examples of types of position titles included in analysis are revenue analyst; treasury analyst; finance analyst; grants analyst



POSITION	SANTA MONICA MEDIAN	PEER MEDIAN	% DIFF. FROM PEER
Fire Chief⁶⁰	\$225,110	\$239,058	-5.8%
Deputy Fire Chief	\$238,621	\$239,506	-0.4%
Battalion Chief	\$239,198	\$233,097	2.6%
Fire Marshall	\$252,980	\$198,434	27.5%
Fire Captain I	\$231,925	\$194,970	19.0%
Fire Engineer I	\$208,883	\$170,940	22.2%
Fire Inspector I	\$196,915	\$119,982	64.1%
Fire Fighter I	\$193,551	\$143,066	35.3%

⁶⁰ Fiscal year 2016 data reflects a position in transition



HOUSING AND ECONOMIC DEVELOPMENT⁶¹

POSITION	SANTA MONICA MEDIAN	PEER MEDIAN	PRIVATE SECTOR	% DIFF. FROM PEER	% DIFF. FROM PRIVATE
Director Housing & Economic Development	\$213,867	\$184,091	\$270,449	16.2%	-20.9%
Program Manager⁶²	\$162,215	\$132,237	\$112,513	22.7%	44.2%
Management Analyst	\$89,011	\$82,422	\$95,233	8.0%	-6.5%
Program Specialist⁶³	\$85,560	\$70,926	\$52,486	20.6%	63.0%

HUMAN RESOURCES

POSITION	SANTA MONICA MEDIAN	PEER MEDIAN	PRIVATE SECTOR	% DIFF. FROM PEER	% DIFF. FROM PRIVATE
Director Human Resources	\$224,535	\$172,294	\$411,567	30.3%	-45.4%
Human Resources Manager	\$153,399	\$124,444	\$142,429	23.3%	7.7%
Human Resources Analyst	\$92,984	\$65,961	\$84,457	41.0%	10.1%
Human Resources Specialist	\$66,567	\$53,385	\$51,956	24.7%	28.1%

⁶¹ Many of the programs run out of the Housing & Economic Development Department have no private-sector equivalent (housing assistance, and economic development efforts overall). Therefore, there is little equitability in comparing against private sector positions.

⁶² Generalized position title: examples of types of position titles included in analysis are Workforce Development Manager; Housing Project Manager; Economic Development Manager

⁶³ Generalized position title: examples of types of position titles included in analysis are Housing Specialist; Property Management Specialist; Program Integrity Specialist



INFORMATION SYSTEMS

POSITION	SANTA MONICA MEDIAN	PEER MEDIAN	PRIVATE SECTOR	% DIFF. FROM PEER	% DIFF. FROM PRIVATE
Chief Information Officer	\$182,556 ⁶⁴	\$200,158	\$441,960	-8.8%	-58.7%
Information Systems Manager	\$164,367	\$142,774	\$166,095	15.1%	-1.0%
Web Developer	\$116,575	\$107,004	\$112,168	8.9%	3.9%
Software Engineer	\$116,438	\$117,203	\$128,022	-0.7%	-9.0%
Network Engineer	\$121,560	\$116,977	\$126,062	3.9%	-3.6%
Information Systems Analyst	\$93,691	\$93,746	\$90,941	-0.1%	3.0%
IT Support Specialist	\$85,328	\$86,136	\$98,496	-0.9%	-13.4%

LIBRARY SERVICES

POSITION	SANTA MONICA MEDIAN	PEER MEDIAN	PRIVATE SECTOR	% DIFF. FROM PEER	% DIFF. FROM PRIVATE
Library Director⁶⁵	\$163,396	\$156,741	--	4.2%	--
Assistant Library Director⁶⁶	\$147,171	\$111,493	--	32.0%	--
Principal Librarian	\$81,857	\$83,546	\$107,808	-2.0%	-24.1%
Librarian	\$80,221	\$75,493	\$80,701	6.3%	-0.6%
Library Clerk	\$62,274	\$62,377	\$41,516	-0.2%	50.0%

⁶⁴ This represents the minimum salary level for this position; SCO data did not include an entire year's worth of salary data for fiscal year 2016 in Santa Monica.

⁶⁵ Library Director left position in July 2016

⁶⁶ Assistant Library Director served as Interim Library Director starting in July 2016



PLANNING AND COMMUNITY DEVELOPMENT

POSITION	SANTA MONICA MEDIAN	PEER MEDIAN	PRIVATE SECTOR	% DIFF. FROM PEER	% DIFF. FROM PRIVATE
Director Planning Community Development	\$ 239,598	\$202,817	\$225,814	18.1%	6.1%
Plan Check Engineer Senior	\$122,692	\$104,127	--	17.8%	--
Planning Senior	\$119,839	\$109,507	\$104,631	9.4%	14.5%
Building & Safety Inspector	\$87,940	\$78,272	\$103,667	12.4%	-15.2%

POLICE

POSITION	SANTA MONICA MEDIAN	PEER MEDIAN	% DIFF. FROM PEER
Police Chief	\$309,287	\$268,435	15.2%
Deputy Police Chief	\$291,626	\$269,394	8.3%
Police Captain	\$253,864	\$218,341	16.3%
Police Sergeant	\$199,985	\$171,936	16.3%
Police Officer	\$149,338	\$127,370	17.2%
Records Management Specialist	\$66,028	\$61,999	6.5%



PUBLIC WORKS

POSITION	SANTA MONICA MEDIAN	PEER MEDIAN	PRIVATE SECTOR	% DIFF. FROM PEER	% DIFF. FROM PRIVATE
Director Public Works⁶⁷	\$225,057	\$198,738	\$410,037	13.2%	-45.1%
Assistant Director Public Works	\$162,322	\$159,474	\$189,621	1.8%	-14.4%
Engineering Manager	\$124,393	\$157,863	\$181,976	-21.2%	-31.6%
Facility Manager⁶⁸	\$159,925	\$124,949	\$113,120	28.0%	41.4%
Operations Manager⁶⁹	\$156,513	\$147,054	\$134,375	6.4%	16.5%
Operations Supervisor	\$102,931	\$105,823	\$85,577	-2.7%	20.3%
Maintenance Worker⁷⁰	\$52,537	\$51,374	\$59,304	2.3%	-11.4%
Maintenance Worker Supervisor	\$89,434	\$80,820	\$92,408	10.7%	-3.2%
Equipment Operator	\$62,983	\$72,418	\$68,818	-13.0%	-8.5%
Fleet Mechanic	\$59,645	\$62,128	\$64,794	-4.0%	-7.9%
Fleet Services Supervisor	\$107,890	\$98,309	\$118,318	9.7%	-8.8%
HVAC Mechanic	\$89,205	\$83,418	\$73,283	6.9%	21.7%
Landscape Worker	\$53,658	\$55,669	\$34,645	-3.6%	54.9%
Mechanic	\$60,865	\$91,325	\$65,320	-33.4%	-6.8%
Electrician	\$73,256	\$89,611	\$74,235	-18.3%	-1.3%
Plumber	\$71,107	\$75,621	\$71,891	-6.0%	-1.1%
Carpenter	\$71,215	\$73,375	\$47,186	-2.9%	50.9%
Welder	\$63,951	\$73,472	\$61,774	-13.0%	3.5%

⁶⁷ Fiscal year 2016 data reflects a position in transition

⁶⁸ Generalized position title: examples of types of position titles included in analysis are Facilities Manager; Warehouse Manager; Convention Center Manager; Transit Facilities Manager

⁶⁹ Generalized position title: examples of types of position titles included in analysis are Public Works Operations Manager; Streetscape Manager; Environmental Programs Manager; Water Systems Manager

⁷⁰ Generalized position title: examples of types of position titles included in analysis are Construction and Maintenance Worker; General Repair Worker; Facilities Maintenance Worker; Public Works Maintenance Worker



TRANSIT⁷¹

POSITION	SANTA MONICA MEDIAN	PEER MEDIAN	PRIVATE SECTOR	% DIFF. FROM PEER	% DIFF. FROM PRIVATE
Director Transit	\$241,550	\$236,075	\$262,814	2.3%	-8.1%
Transit Manager	\$134,084	\$125,294	\$123,838	7.0%	8.3%
Maintenance Worker	\$64,000	\$63,389	\$58,452	1.0%	9.5%
Management Analyst	\$86,667	\$82,388	\$95,233	5.2%	-9.0%
Bus/Coach/Motor Operator	\$70,636	\$67,905	\$53,361	4.0%	32.4%

⁷¹ Note: Transit positions amongst peers are difficult to reliably identify and compare, since transit in peer cities a minor part of a larger transportation department or simply within Public Works.

APPENDIX A: PEER CITY DEMOGRAPHIC AND ECONOMIC DATA

		Santa Monica	Anaheim	Beverly Hills	Burbank	Culver City	El Segundo	Glendale	Inglewood	Pasadena	Redondo Beach	Santa Barbara	Torrance
Population⁷²	Population	92,987	351,043	34,871	105,368	39,691	17,063	201,020	11,095	140,881	69,494	91,930	148,495
	Square miles	8.41	50.92	5.71	17.34	5.11	5.46	30.45	9.07	22.97	6.20	21.10	20.48
	Persons per square mile	11,057	6,894	6,107	6,077	7,767	3,125	6,602	1,313	6,133	11,209	4,357	7,251
	Daytime population	126,600	352,302	68,476	136,692	59,850	62,172	196,152	101,727	173,396	55,147	105,766	170,104
City Government⁷³	Operating cost	\$614,100,000	\$1,743,524,375 ⁷⁴	\$448,119,185	\$659,018,444 ⁷⁵	\$220,109,311	\$123,109,311	\$819,533,134 ⁷⁶	\$103,192,627	\$690,440,000 ⁷⁷	\$83,875,745	\$355,141,316	\$299,328,883
	FTEs	2257.4	1,929	951.7	1422.5	691.7	330	1579	Unavailable	2024	439	1,030	1498.7
	Operating cost per capita	\$6,604	\$4,967	\$12,851	\$6,254	\$5,546	\$7,215	\$4,077	\$8,668	\$4,901	\$1,207	\$1,207	\$2,016
	Operating cost per FTE	\$272,039	\$903,849	\$470,862	\$463,282	\$318,215	\$373,011	\$519,020	Unavailable	\$341,189	\$191,061	\$191,061	\$199,726
	FTEs per 10,000 residents	242.8	54.9	272.9	135	174.3	193.4	78.6	Unavailable	143.6	63.2	63.2	100.9
Housing and Economics⁷⁸	Median household income	\$76,580	\$60,752	\$97,327	\$66,076	\$81,189	\$85,727	\$52,574	\$42,044	\$72,402	\$105,145	\$66,017	\$79,549
	Median home price	\$1,030,500	\$431,400	\$1,727,600	\$586,200	\$632,000	\$784,800	\$619,200	\$335,000	\$628,000	\$736,100	\$846,400	\$638,700
	Median rental cost	\$1,593	\$1,374	\$1,928	\$1,409	\$1,655	\$1,575	\$1,296	\$1,103	\$1,372	\$1,751	\$1,514	\$1,473
	Percent owner-occupied homes	26.1	27.9	24	26.1	25.6	22.9	27.1	30.1	43.6	49.9	39.9	55.1

⁷² 2010 Census Data

⁷³ Data collected from FY2016-17 budget documents.

⁷⁴ Includes electric utility.

⁷⁵ Includes electric utility.

⁷⁶ Includes electric utility.

⁷⁷ Includes electric utility.

⁷⁸ 2010 Census Data

APPENDIX B: WAGE COMPARISON METHODOLOGY

DATA SOURCE

STATE CONTROLLER'S OFFICE'S GOVERNMENT COMPENSATION IN CALIFORNIA (GCC)

The State Controller's Office's (SCO) Government Compensation in California (GCC) website initially collected government compensation data as a component of the financial transaction reports from cities, counties, and special districts, but in 2014 the Legislature explicitly authorized the SCO to collect compensation data and required this data be published on its website. In August 2017, Moss Adams downloaded the available compensation data files for city employee compensation in California from fiscal years 2012 through 2016. The information presented is posted as submitted by each reporting public employer. The SCO notes that it is not responsible for the accuracy of this information.

ECONOMIC RESEARCH INSTITUTE (ERI)

ERI provides robust salary, cost-of-living, and executive compensation survey data through multiple databases comprised of data collected from thousands of salary surveys. Analysis is conducted on wages by geographic area, size of company, years of experience, and industry. Data values are automatically updated to match market movement rates, which allows for historical and future modeling.

Data inputs for creating position profiles included:

- Industry: All Industry Aggregate
- Location: Santa Monica, CA
- Revenue: \$774,900,000 (operating expenses for Santa Monica)
- Median of Total Cash Compensation (base plus incentive pay)

DATA ANALYSIS

In order to provide a more thorough review of Santa Monica's total employee costs and the overall compensation, including comparison against the identified peer cities, Moss Adams reviewed the data and the reported departments, and in good faith standardized the departments to better match Santa Monica's structure. Limited data cleanup was also conducted on position titles (e.g., changing "Admin Analyst" to match "Administrative Analyst" and "Dir" to "Director") to better facilitate the peer position analysis.

Over 103,000 lines of data were imported into PowerBI, a data visualization tool, to analyze five years of compensation data from the GCC across the identified peer cities. PowerBI allowed Moss Adams to provide a more in-depth look across all compensation categories and peer cities over the past five years.



Calculations were made on this data in order to calculate Total Cash Wages and Retirement Total Costs (see glossary for equations).

In order to better compare full-time positions (and filter out positions that were reported as vacant or temporary), the GCC Regular Pay column was filtered to remove any position with reported Regular Pay less than the minimum salary classification amount for that position. Positions such as “City Temporary Worker” and “Intern” were also excluded from this analysis. Additionally, if a city reported no minimum salary for a position, we removed that position data line-item as well.

LIMITATIONS OF THE DATA

- The GCC does not consistently distinguish between or separate full- and part-time positions.
- There is no timely way to validate the accuracy of the data.
- Cities that report many zero or low amounts of regular pay (e.g., Santa Barbara) may be skewing the overall averages and percentiles.

GLOSSARY

Employee's Retirement Cost Covered: The dollar amount paid by the employer toward the employee's share of pension costs.

Deferred Compensation Plan: The dollar amount paid by the employer toward the employee's defined contribution/deferred compensation plan. This includes 401(a), (b), (k), 403(b), and 457 plans.

Defined Benefit Plan Contribution: A portion of the total contribution paid by the employer towards the defined benefit plan for the year, which sometimes includes payment toward the unfunded liability. The defined benefit plan contribution is paid directly to the employer sponsored retirement plan and is not a part of the employee's compensation for that calendar year. The amount of retirement benefits paid to an employee upon retirement are determined using a formula, based in part on an employee's age at retirement, final average salary, and length of service. Cities, counties, and special districts began reporting this data starting with 2011.

Health/Dental/Vision Contribution: The dollar amount paid by the employer toward the employee's health, dental, and/or vision care plans.

Other Pay: The dollar amount paid to the employee for any other pay not reported as regular pay, overtime pay, or lump-sum pay (such as car allowances, meeting stipends, incentive pay, bonus pay, etc.).

Overtime Pay: The dollar amount paid to the employee for working more than normal hours.

Position: The job title provided by the employer. Position listings on this website do not distinguish between full-time and part-time employees.

Regular Pay: The dollar amount paid to the employee for working regular hours.



Min Classification Salary: The minimum annual salary as reported by the local government for the particular classification. Position listings on this site do not distinguish between full-time and part-time employees.

Max Classification Salary: The maximum annual salary as reported by the local government for the particular classification. Position listings on this site do not distinguish between full-time and part-time employees.

Retirement Total Cost: The summing of Defined Benefit Plan Contribution, Deferred Compensation Plan, and Employee's Retirement Cost Covered, as defined above.

Total Retirement and Health Cost: Amount paid by the employer toward the employer sponsored retirement plan plus health, dental, and/or vision benefits for the employee and dependents. This amount sometimes includes payments toward the unfunded liability of the employer sponsored retirement plan.

Total Cash Wages: The summing of Regular Pay, Other Pay, and Overtime Pay, as defined above.

Total Compensation: Total wages reported by the employer on a W-2. Amounts listed may include regular pay, overtime, cash payments for vacation and sick leave, and bonus payments. Position listings on the GCC site do not distinguish between full-time and part-time employees.

Natalie Acosta

From: Sam Thanawalla
Sent: Tuesday, November 07, 2017 12:41 PM
To: Natalie Acosta
Subject: Re: Audit Subcommittee Meeting

Hello Natalie,

I hope to be available for the meeting on the 21st

Additionally, I have been reviewing the information we received in the last meeting from Moss Adams and have a couple of follow up questions.

can we get the population of each of the cities on our list
can we get crime stats for the past 3 years for the cities - want to see if there is any correlation with police overtime stats discussed in depth during the meeting.

Thanks
Sam

From: Natalie Acosta
Sent: Tuesday, October 31, 2017 7:47:05 AM
To: Dominic Gomez; Laurence Eubank; Janine Bush; Libby Bradley; James Williams; Sam Thanawalla; Homa Mojtabai; Tony Vazquez; Pam OConnor; Sue Himmelrich; Greg Morena; Elizabeth VanDenburgh; dagomez2@gmail.com; Elizabeth Van Denburgh; Gigi Decavalles; Stephanie Manglaras; Denise Anderson-Warren; Katie E. Lichtig; Mark Steranka; Lane Dilg; Colleen Rozillis; Donna Peter; Rick Cole; Emily Oxenford; Tammy.Lohr@mossadams.com; Marcus Taddwilliams
Subject: Audit Subcommittee Meeting
When: Tuesday, November 21, 2017 7:00 PM-10:00 PM.
Where: SMi Training Room, 330 Olympic Drive, 2nd Floor (Plaza Level)

All – please note the change in time for the next Audit Subcommittee meeting. Due to scheduling conflicts, it has been pushed to 7:00 p.m. If you are unable to attend, please notify me as soon as possible.

The agenda packet will be sent to you the week before the meeting.

Thank you,

Natalie Acosta

Executive Administrative Assistant
City of Santa Monica | Finance Department
1717 4th St., Suite 250 | Santa Monica, CA 90401
(310) 458-8283

Natalie Acosta

From: Laurence Eubank <laurence.eubank@gmail.com>
Sent: Monday, November 13, 2017 2:40 PM
To: Natalie Acosta; Gigi Decavalles; Lane Dilg
Cc: Denise Anderson-Warren; James Williams; Dominic Gomez
Subject: Re: SM Compensation Study Advisory Committee

This is to request 15 minutes during the 11/21 Audit Sub-Committee meeting for questions and discussion initiated by Compensation Study Advisory Committee members Williams, Gomez and Eubank regarding compensation and staffing level impacts on future city budgets.

In lieu of Brown Act protocol, I hereby attest that only Messrs. Williams, Gomez, and Eubank have participated in conversations regarding the above; furthermore, that no other party or parties have been privy to our deliberations at any time, for any reason, under any circumstance; nor will party or parties be included in said discussions until the 11/21 meeting participants have been duly registered by the City Clerk at that time.

Please confirm our agenda disposition as requested.

Thank you and best regards,

Laurence Eubank
Member SM Compensation Study Advisory Committee

On 30 October 2017 at 09:08, Natalie Acosta <Natalie.Acosta@smgov.net> wrote:

Good morning Laurence,

Thank you for your email. Agenda items for the November 21st Audit Subcommittee meeting are due no later than Monday, November 13th. The packet will be distributed the following day. Please feel free to email your item, and any supplemental material you would like included, to me by 5:00 p.m. on November 13th.

Thank you,

Natalie Acosta

Executive Administrative Assistant

City of Santa Monica | Finance Department

1717 4th St., Suite 250 | Santa Monica, CA 90401

[\(310\) 458-8283](tel:(310)458-8283)

From: Denise Anderson-Warren
Sent: Monday, October 30, 2017 8:51 AM
To: Laurence Eubank <laurence.eubank@gmail.com>
Cc: Natalie Acosta <Natalie.Acosta@SMGOV.NET>; Gigi Decavalles <Gigi.Decavalles@SMGOV.NET>
Subject: RE: SM Compensation Study Advisory Committee

Good morning Mr. Eubank. I am forwarding your email to the Finance Department, as they are responsible for planning the Audit Subcommittee agenda. I have included both Gigi Decavalles, Director of Finance, and her assistant Natalie Acosta on your email.

Denise Anderson-Warren, CMC

City Clerk

City of Santa Monica

From: Laurence Eubank [<mailto:laurence.eubank@gmail.com>]
Sent: Monday, October 30, 2017 8:48 AM
To: Denise Anderson-Warren <Denise.Anderson-Warren@SMGOV.NET>
Subject: SM Compensation Study Advisory Committee

Ms. Andersen-Warren:

Could you please advise me when agenda items for the November session of the Audit Subcommittee must be submitted to your office?

If this query should be directed to the city Finance Department, please so indicate with the name of an appropriate official to contact.

Thank you and best regards,

Laurence Eubank

Member - SM Compensation Study Advisory Committee