



Department: Human Resources
Cost Center: 3001
For Agenda of: 3/17/2025
Placement: Public Hearing
Estimated Time: 15 Minutes

FROM: Nickole Domini, Human Resources Director
Prepared By: Jeff Andrews, Human Resources Manager

SUBJECT: OVERVIEW OF VACANCIES AND RECRUITMENT AND RETENTION EFFORTS FOR CALENDAR YEAR 2025

RECOMMENDATION

Conduct a public hearing regarding and receive and file the City of San Luis Obispo Workforce Vacancies, Recruitment, and Retention Trends presentation.

POLICY CONTEXT

Information in this report complies with [Section 3502.3 of the Government Code](#) (GC 3502.3) which became effective January 1, 2025, as set forth via Assembly Bill 2561. GC 3502.3 requires public agencies to present the status of their vacancies and recruitment and retention efforts during a public hearing before their governing board at least once per fiscal year prior to the adoption of a final budget for the fiscal year.

DISCUSSION

Background

Staff presented the status of vacancies and recruitment and retention efforts in March 2025 during the first year of GC 3502.3 requirements. At that time, the City Council adopted a [Resolution](#) to approve policies and procedures to comply with this law.

City of San Luis Obispo Bargaining Groups

There are six (6) bargaining groups (four represented and two unrepresented) at the City consisting of 488¹ authorized regular full- and part-time positions (485.5 full-time equivalent² (FTE)).

¹ This number does not include the Council – one (1) Mayor and four (4) City Council Member positions.

² A position is a job role that exists whether filled or vacant; FTE measures hours worked rather than the number of employees, allowing part-time hours to be aggregated into the equivalent of full-time positions for budgeting, forecasting, and staffing purposes.

Table 1: Count of Regular Full- and Part-Time³ Positions by Bargaining Group as of December 31, 2025

City of San Luis Obispo Bargaining Group	Position Count
City Employees' Association	218
International Association of Firefighters, Local 3523	53
Police Officers' Association	73
Police Staff Officers' Association	17
Unrepresented Confidential Group	13
Unrepresented Management Group	114

Vacancies, Recruitment, Retention

Vacancies

Position vacancies occur when newly budgeted positions are approved, when internal movement occurs such as a promotion or transfer, or when an employee leaves the organization. When vacancies occur, it is a high priority for the Human Resources Department and the City’s hiring managers to fill the positions to ensure continuity of services, maintain operational efficiency, minimize the need for overtime, and minimize disruptions to departmental functions. Timely recruitment and hiring efforts help the City sustain its workforce, meet community needs, and uphold service standards while also providing opportunities for internal growth and external talent acquisition.

Throughout the 2025 calendar year (CY), the City’s average vacancy rate across all bargaining units was 7.6%, compared to 6.6% in CY 2024. The vacancy rate is calculated monthly as the quantity of vacant positions divided by the quantity of positions. While the vacancy rate increased by one percent in CY 2025, this is likely due to the activation of the [Fiscal Health Contingency Plan](#) (FHCP) in April 2025, which also included a hiring chill and set the requirement for City Manager approval to fill vacant positions that were critically needed to support operations.

Table 2: Vacancy Rate by Bargaining Group

City of San Luis Obispo Bargaining Group	CY 2024	CY 2025
City Employees' Association	7.0%	9.6%
International Association of Firefighters, Local 3523	11.3%	9.4%
Police Officers' Association	2.8%	2.7%
Police Staff Officers' Association	5.9%	0.0%
Unrepresented Confidential Group	7.7%	7.7%
Unrepresented Management Group	9.7%	7.0%

Recruitment and Retention Efforts

³ There are five (5) City positions budgeted at 50% part-time.

Item 7a

Pursuant to the Council adopted [Compensation Philosophy](#), it is the policy of the City of San Luis Obispo to recruit and retain well-qualified employees who exemplify the City's organizational values.

To assist with recruitment and retention efforts, the City Council adopted a [Recruitment, Referral, and Retention Incentive Program](#) (RRR Program) (Attachment A), which establishes guidelines and procedures for the eligibility, approval, and processing of recruitment, hiring, referral, and retention incentives for employees. Additionally, the City's [Employee Opportunity Program](#) (EOP) was developed to enhance employment opportunities for current City employees who desire to transfer or promote to another position. Internal promotions are a key performance indicator for the Human Resources Department, with a goal of filling 40% of vacant positions via EOP. In CY 2025, 43% of vacant positions were filled via EOP, the same percentage as CY 2024.

The table below summarizes average monthly recruitment activity, median time-to-hire for regular part- and full-time vacancies, and total positions filled for the two most recent calendar years in which this data has been tracked.

Recruitment Metrics	CY 2024	CY 2025
Average Monthly Active Recruitments	39	23
Median Time to Hire (Days)	71	58
Total Positions Filled	107	76

While the City maintains an overall low vacancy rate, hiring for certain regular positions, such as civil engineers, planners, utility billing, and firefighter paramedics, remains a challenge. The high cost-of-living in the San Luis Obispo area and the City's geographical distance from a major metropolitan center limit the applicant pool. Additionally, some applicants have declined job offers because the salary for the position is not competitive or comparable with those offered by other organizations.

For CY 2025, the City's retention rate was 91%, reflecting a strong ability to retain employees. The retention rate is calculated as the quantity of original employees remaining at the end of the year, divided by the quantity of employees at the beginning of the year. The average tenure for City employees is 7.7 years, demonstrating some stability within the workforce.

Filing vacancies and recruiting top talent are critical to delivering core services to the community and carrying out Council's priorities but retaining that talent is equally essential for sustaining long-term success and minimizing future vacancies. While the City has a 91% retention rate, employees with less than five (5) years of tenure with the City are leaving more frequently. In CY 2025, 76% of all City resignations stemmed from employees with less than five (5) years of City service (up from 70% in 2024). Exit interviews from these employees and national trends indicate that employees are increasingly prioritizing flexibility, remote work, increased salary, and other evolving workplace values.

Item 7a

To support employee retention and reduce burnout, the City continues to prioritize physical and mental well-being through flexible work arrangements, including 9/80 schedules and hybrid-telework options for certain positions. Employee engagement is further sustained through a culture of recognition and transparent communication. Beyond formal recognition committees and regular performance feedback from management, the City maintains open lines of communication through bimonthly City Manager briefings and anonymous Employee Engagement Surveys. The most recent survey, launched in January 2026, will help to provide critical data to ensure the City continues to invest in its workforce effectively, fostering trust and empowering employees to serve the community.

Previous Council or Advisory Body Action

City Council adopted a [Resolution](#) on March 4, 2025, to approve the policies and procedures to comply with GC 3502.3.

Public Engagement

All City bargaining units were notified that they are entitled to make a presentation at this hearing pursuant to GC 3502.3. In accordance with the noticing requirements for public hearings, a legal ad was published in The New Times 10 days prior to the public hearing. The public will have an opportunity to provide public comment in writing prior to the meeting or as public comment during the meeting.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act does not apply to the recommended action in this report, because the action does not constitute a “Project” under CEQA Guidelines Sec. 15378.

FISCAL IMPACT

Budgeted: Yes

Budget Year: 2025-26

Funding Identified: No

Fiscal Analysis:

Funding Sources	Total Budget Available	Current Funding Request	Remaining Balance	Annual Ongoing Cost
General Fund				
State				
Federal				
Fees				
Other:				
Total	\$0	\$0	\$0	\$0

There are no financial impacts directly associated with this item.

ALTERNATIVES

Council could direct staff to present the status of vacancies and recruitment and retention efforts during a public hearing more than once per fiscal year. The law only requires such reporting on an annual basis before a budget is adopted. Providing updates more frequently may not allow for collection of sufficient data to present accurate and appropriately representative reporting.