



OPERATIONS BOARD OF DIRECTORS

November 14, 2018



**SPECIAL JOINT MEETING OF THE POLICY
BOARD OF DIRECTORS AND THE
OPERATIONS BOARD OF DIRECTORS**

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THE CITY OF SAN LUIS OBISPO AND CITY OF MORRO BAY TO JOIN MONTEREY BAY COMMUNITY POWER

Background:

- 2013 The Central Coast counties of SLO, Santa Barbara and Ventura began investigating the feasibility of launching a CCA
- 2015 The city of SLO approved resolution confirming their commitment to exploration of CCA
- 2017 SLO city directed staff to examine the formation of a CCA working with other cities in SLO and Santa Barbara counties
- 2018 SLO council approved a resolution to move forward with the city of Morro bay. Later both cities approached staff to examine the feasibility of joining MBCP

The CITY OF SAN LUIS OBISPO AND CITY OF MORRO BAY to join MONTEREY BAY COMMUNITY POWER

- The Value Proposition for SLO and Morro Bay
 - Join an established CCA
 - Avoid the upfront time and expense to establish a viable CCA
- The Value Proposition for MBCP
 - Political Influence
 - Access to offshore wind power
 - Possible expansion to SLO and Santa Barbara Counties



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COMMUNITY ADVISORY COUNCIL'S REPORT

Recommendation: Receive report from Chair, Jeff Byron.

CEO'S REPORT

- New Employee Introduction: Matt Willis
- Update on PCIA Decision
- Gonzalez Business Park

APPROVE AMENDMENTS TO MBCP FY 2018-19 EMPLOYEE SALARIES AND BENEFITS SCHEDULES

Recommendation:

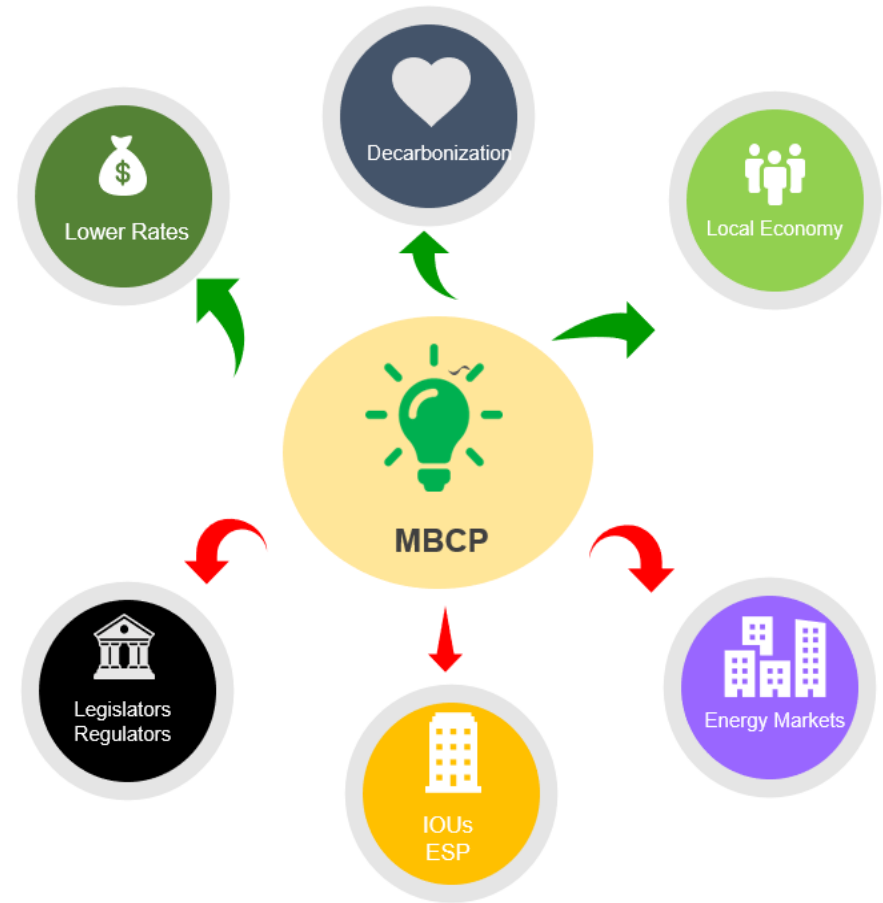
1. Approve recommendations to amend MBCP employees' salary and benefit schedule.
2. Forward the updated salary schedule to the Policy Board for approval during their December 2018 meeting.

The revisions include:

- Update MBCP employees' salary max pay as shown in the attached table;
- Increase the current employer paid premiums of health care insurance from \$1,000 to \$1,200 per month per employee;
- Add five additional paid holiday days in 2018, namely December 24th, 26th, 27th, 28th and 31st
- Remove minimum starting salary from MBCP employees' salary pay range.

MBCP Business Environment

- CCAs must compete for business
- Customers can opt out with no penalty
- Regulatory mandates aren't favorable
- Top talent is needed to manage the enormous inherited risk.



Competition For Talent

- In 2016, there were 6 operating CCAs in California serving < 5% of the total customer demand. Today, there are 19 operating CCAs in California.
- Competition for talent is tough and expected to become fierce in 2019 when the City of San Diego and Orange County begin the formation of their has CCAs.
- The job market in California has tightened considerably specially for technical professionals in the Power Supply and Regulatory and Legislative management positions.



Not All Benefits Are Alike

Retirement Plan

Government Sector offers a life-time CalPERS retirement, whereas MBCP terminates 401(a) retirement contribution once the employee retires or terminates their employment.

Health Care Insurance Plan

About \$840/month higher than MBCP's offering, and in many cases these benefits continue post retirement.

Paid Holidays

Cities offer an annual average of 34 PTO days to employees working < 5 years and 44 days for employees working > 10 years. MBCP offers 20 PTO days (all-inclusive) to employees annually.



Small Price To Pay

FY2018-19 Compensation to Revenue Ratio:

Revenue

\$228M



Increased Salary Max Pay

\$0.4M

% of Revenue

0.18%

Total Payroll & Benefits Budget

\$4.6M

% of Revenue

2.02%

Payroll & Benefits Actual

\$3.7M

% of Revenue

1.61%