



City of Morro Bay

AB 2561

2025 Annual Reporting

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What is AB 2561?

- Effective January 1st, 2025
- Adds Govt. Code Section 3502.3 to the Meyer-Milias-Brown Act. Imposing new obligations on public sector agencies related to tracking and presenting information on job vacancies.

What is AB 2561?

- AB 2561 declares that job vacancies are a widespread and significant problem for the public sector
- CA Legislature found high public employee vacancy rates contribute to:
 - Negative impacts on public service delivery to citizens
 - Increased workloads
 - Burnout/increased turnover

City's AB 2561 Obligation

- Mandate for Annual Reporting and Presentation of:
 - Vacancies, recruitment, and retention efforts BEFORE formal budget adoption
 - If a bargaining units vacancy rate is at or above 20%, then more comprehensive analysis and reporting must be done

Public Hearing Purpose

- Increase transparency on staffing shortages in a public setting
- Address recruitment and retention challenges
 - Provides an avenue to discuss challenges to maintaining a stable workforce

Purpose of AB 2561

- Requires annual public hearing before budget adoption
- Invite input from recognized bargaining units during the public hearing
 - The City has 3 recognized bargaining groups, SEIU, Police and Fire

Workforce Overview

- Total Employees (FTE): 114.5
- • Vacancies: 5
- • Overall Vacancy Rate: 4%
- • No groups meet or exceed the 20% vacancy threshold

**Represented
Employees with
MOU Labor
Contracts = 78**



Morro Bay Vacancy Data

Employee Group	FTE's Budgeted	Vacancies	Vacancy Rate
Confidential	4	0	0%
Dept Heads	7	0	0%
Management	18	2	11%
MBFFA (Fire)	13	0	0%
MBPOA (Police)	16	2	13%
SEIU	56.5	1	2%
City Overall	114.5	5	4%

Current Full-Time Recruitments

- City Engineer
- Police Officer
- Police Sergeant

2024 Recruitment Activity

- 20 full-time and 111 part-time hires
 - 635 full-time and 741 part-time applications
- Challenges:
 - Unqualified candidates
 - Salary expectations
 - High cost of living for relocation

2024 Departure Reasons

Employee Departure Reasons



5

Local Govt. Jobs



2

Local Private
Sector Jobs



2

Resignation
Without
Employment



1

Retirement



1

Termination



1

Moved to Part-time
Due to Childcare

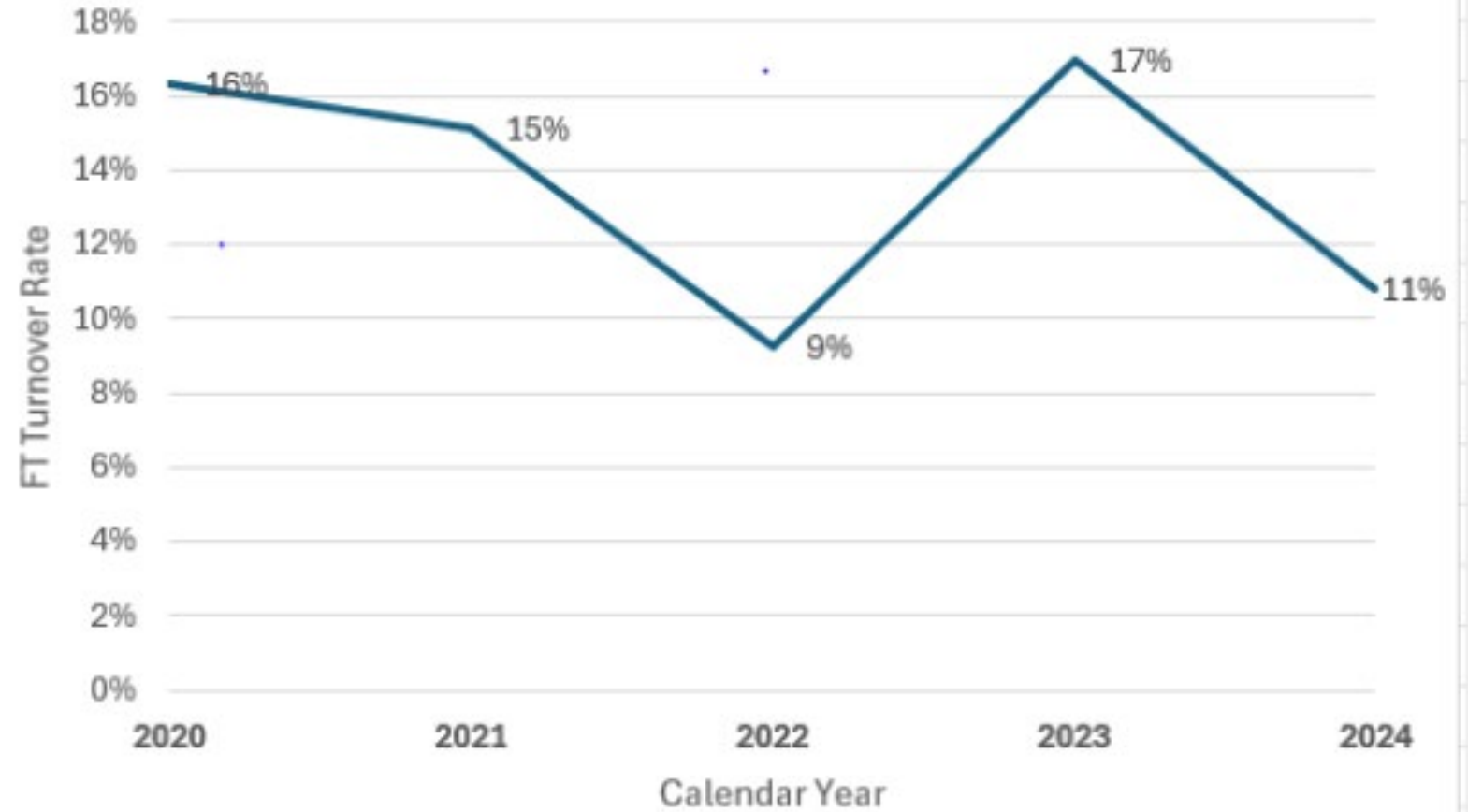
Retention Efforts

- 2024 Market-aligned wage adjustments from 2023 Compensation Study
- New three-year labor agreements with market wage and benefits increases
- New longevity incentives to encourage retention
- Employee training & development
- Flexible scheduling for some positions

Retention Efforts

- Open communication with bargaining units
- Competitive employer-paid benefits
 - Dental, vision, & life insurance for family
 - Employee health insurance for Gold PPO
 - Deferred Compensation City contributions
 - Longevity Incentives
- Employee recognition
 - Years of Service Pins
 - Employee appreciation events
 - Employee performance reviews

5 – Year Full-Time Turnover



Turnover rate decreased!

Conclusion

- Presentation and public hearing meets our AB 2561 obligation
- All groups are under the 20% vacancy threshold with overall vacancy rate at low 4%.
- No Council action is needed at this time.
- Bargaining group presentations.

SEIU Presentation

MBPOA Presentation

MBFFA Presentation