



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 14

Air District Compensation Philosophy

Board of Directors Meeting
March 6, 2024

Lisa Baker
Human Resources Officer
lbaker@baaqmd.gov

Requested Action



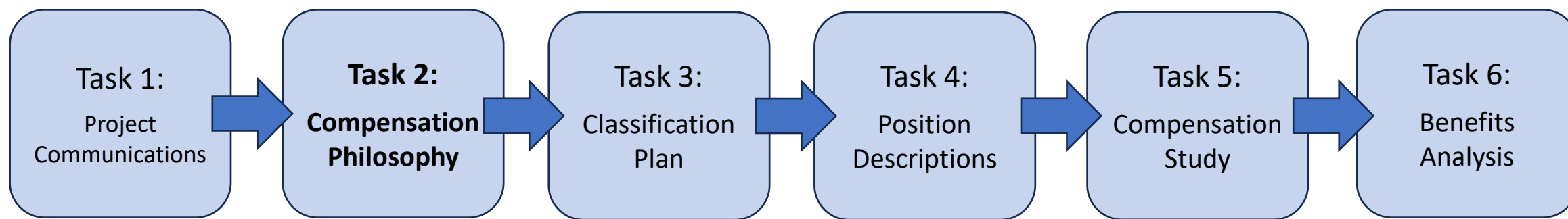
This is an action item for the Board of Directors to consider adopting the proposed Compensation Philosophy for the Air District.

Agenda Overview



- Background and Project Overview
- Definition and Key Elements of a Compensation Philosophy
- Proposed Compensation Philosophy
- Our Proposed Talent Market
- Sustainability and Public Stewardship
- Stakeholder Input
- Communication Plan
- Recommended Action

Project Overview



Definition of a Compensation Philosophy



- Formal statement aligning pay practices with mission and values
- Guides employee compensation "why" and purpose
- Designed to attract, retain, and value our employees
- Basis for transparent compensation decisions
- Serves as the cornerstone of the organization's compensation framework

Key Elements of Compensation Philosophy



- Mission Statement
- Market Competitiveness
- Internal and External Pay Equity
- Comprehensive Compensation
- Recognition
- Career Development
- Transparency and Communication

Proposed Compensation Philosophy



Our employees at the Air District are our most valued resources. The Air District's compensation philosophy must allow us the ability to recruit, retain and engage highly qualified employees capable of delivering world-class public service that ensures community engagement and collaboration; complies with regulatory requirements; and carries out the critical mission of improving air quality and addressing climate change for the residents of nine (9) counties in the Bay Area.

This compensation philosophy should also reflect the ability over the long term to keep pace with economic inflation through periodic general wage increases. Compensation should be data-driven to allow for internal and external pay equity, while ensuring we account for historical bias in the data we collect.

The Compensation Philosophy should be reviewed periodically to make sure it continues to meet the goals of the Air District.

Comprehensive Compensation



Direct compensation:

- Salaries
- Contributions to flexible benefits (health, life, vision, dental, long-term disability)
- Contributions to pension/retirement benefits and money purchase pension plan (401a)
- Leave benefits (holiday, annual, floating holiday, sick, and management leaves)
- Transit Subsidy payments

Non-cash benefits:

- Investments in learning and development
- Employee and team recognition
- Health and wellness programs
- A work culture where innovation, dedication, and belonging are recognized and celebrated

Our Proposed Talent Market



The Air District attracts talent from federal, state, and local agencies, the private sector, and other special districts across the region. Candidates apply from across the nation and internationally and many share a strong commitment to our mission. Because we compete with private industry where total compensation is generally higher, we must commit to and continue to offer competitive compensation and benefits and to provide the resources needed to create a workplace where our employees are recognized for their performance and can thrive.

Sustainability and Public Stewardship



To ensure continued effectiveness:

- Review compensation philosophy every three years
- Perform a compensation market study every three years for competitiveness
- Adjust base pay ranges annually based on economic conditions, budget considerations, and labor agreements
- Review overall benefits package annually, considering market trends, employee needs, and costs

Our Proposed Compensation Program



Generally paying above market rates for government employers, we also offer workplace flexibility, paid time off, employee wellness benefits, competitive healthcare and retirement benefits. This has been found to allow us to attract top talent and to be recognized as a desirable workplace.

To ensure we are able to attract and retain a diverse workforce from the communities we serve, we must continue this commitment.

Stakeholder Input



- Value our competitive compensation and benefits packages
- Appreciation for workplace flexibility
- Positive reputation as an employer of choice in the industry
- Desire for enhanced parental benefits
- Request for recognition of exceptional performance
- Call for improved cohesion as one unified team
- Interest in implementing 360-degree assessments for management performance

Finance and Administration Committee Feedback



Presented and recommended on 2/21/24 that BOD adopt but the Philosophy should also ensure that we:

- Consider and account for bias in data collected for Classification and Compensation plan
- Plan created must reflect the mission and values of the Air District

Communication Plan



All information regarding comprehensive compensation is considered public, and we are committed to 100% transparency in our communications about our total compensation packages.

Recommended Action



Recommend the Board of Directors to adopt the proposed Compensation Philosophy for the Air District.



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AGENDA: 15

State Legislative Bills Update

**Board of Directors Meeting
March 6, 2024**

**Alan Abbs
Legislative Officer
aabbs@baaqmd.gov**

Presentation Outcome



The Board of Directors (Board) will discuss and consider staff's recommendation for the following legislative bills:

- **Assembly Bill (AB) 1894 (Ta)** - Nonvehicular air pollution: civil penalties.
- **Senate Bill (SB) 382 (Becker)** - Single-family residential property: disclosures.
- **SB 1158 (Archuleta)** - Carl Moyer Memorial Air Quality Standards Attainment Program.
- **SB 1193 (Menjívar)** - Airports: leaded aviation gasoline.

The Board will provide direction to staff related to potential amendments to **AB 2522 (Carrillo)** - South Coast Air Quality Management District: district board: compensation.

Presentation Outline



- Staff will provide the Board with a summary and status of high-priority bills of interest to the Air District, including updates on current Air District sponsored and co-sponsored legislation.
- Staff will present recommendations for the Board's consideration for four current bills of interest.

Presentation Requested Action



Support and Offer to Co-Sponsor

- SB 382 (Becker) - Single-family residential property: disclosures.

Support

- SB 1158 (Archuleta) - Carl Moyer Memorial Air Quality Standards Attainment Program.
- SB 1193 (Menjivar) - Airports: leaded aviation gasoline.

Oppose

- AB 1894 (Ta) – Nonvehicular air pollution: civil penalties.

Provide direction to staff related to AB 2522 (Carrillo) - South Coast Air Quality Management District: district board: compensation.

Update: AB 1465 (Wicks)



Nonvehicular air pollution: civil penalties.

- Introduced by Assemblymember Wicks on February 17, 2023.
- Passed the referred Committees and Floor in the Assembly and made its way to the Senate Floor after passing the Senate Judiciary and Senate Environmental Quality Committees.
- Ordered to the inactive file on September 6, 2023, and may be taken up at a later date.
- Position: Sponsor

Update: AB 2298 (Hart, et al.)



Coastal resources: voluntary vessel speed reduction and sustainable shipping program.

- Introduced by Assemblymember Hart, Bennett, and Connolly on February 12, 2024.
- Reintroduction of last year's Air District Co-Sponsored bill, AB 953 (Connolly and Hart).
- Double-referred to the Assembly Water, Parks, and Wildlife Committee and Assembly Natural Resources Committee. It has not yet been set for a hearing.
- Position: Co-Sponsor

Update: SB 1095 (Becker)



Cozy Homes Cleanup Act: building standards: gas-fuel-burning appliances.

- Introduced by Senator Becker on February 12, 2024.
- This bill will update the Civil Code and Health and Safety Code to address language ambiguity related to electric appliances.
- Double-referred to the Senate Housing Committee and Senate Judiciary Committee. It has not yet been set for a hearing.
- Position: Sponsor

Action Item: SB 382 (Becker)



Single-family residential property: disclosures.

- Introduced by Senator Becker on February 9, 2023, and most recently amended on January 4, 2024, and now includes an electric panel disclosure requirement. Staff will continue working with the Author's office on amendments to include additional disclosures related to the purchase of zero-emission appliances for replacement purposes.
- Current Status: Passed the Senate in January 2024 and is currently awaiting committee referral in the Assembly.
- Staff Recommendation: Support and offer to co-sponsor, if necessary.

Action Item: SB 1158 (Archuleta)



Carl Moyer Memorial Air Quality Standards Attainment Program.

- If passed, SB 1158 would extend the deadline for the period of liquidation to June 30 of the 6th calendar year following the date of disbursement and raises the administration levels to 12.5% for all local air districts regardless of population.
- Current Status: double-referred to the Senate Environmental Quality Committee and Senate Transportation Committee. It has not yet been set for a hearing.
- Staff Recommendation: Support

Action Item: SB 1193 (Menjivar)



Airports: leaded aviation gasoline.

- If passed, SB 1193 would prohibit an airport operator or aviation retail establishment, as defined, from selling, distributing, or otherwise making available leaded aviation gasoline to consumers, consistent with a specified timeline, as provided.
- Current Status: double-referred to the Senate Transportation Committee and Senate Judiciary Committee. It has not yet been set for a hearing.
- Staff Recommendation: Support

Action Item: AB 1894 (Ta)



Nonvehicular air pollution: civil penalties.

- If passed, AB 1894 would require an air district to allow sources a minimum of 30 days, and up to 60 days, to rectify a violation before the air district can issue a Notice of Violation (NOV).
- Current Status: Double-referred to the Assembly Natural Resources Committee and Assembly Judiciary Committee. It has not yet been set for a hearing.
- Staff Recommendation: Oppose

Action Item: AB 2522 (Carrillo)



South Coast Air Quality Management District: district board: compensation.

- AB 2522 addresses a section of the Health and Safety Code (HSC) specific to the South Coast AQMD related to compensation for their board members attending District board meetings, raising the per meeting compensation rate from \$100 to \$200 per meeting, with a not to exceed limit rising from \$1,000 to \$2,000 per month. Additionally, the meeting rate is proposed to be adjusted annually based on the consumer price index. The South Coast AQMD has asked the other 34 air districts in the state if they would like to provide amendments relative to their specific part of the HSC, that would modify their respective Board compensations.

Action Item: AB 2522 (cont.)



South Coast Air Quality Management District: district board: compensation.

- Current Status: This bill is in the process of being amended and has not yet been referred to a committee or set for a hearing.
- Staff Request: The Board will direct staff whether to opt in to AB 2522 and provide amended language for HSC 40227 addressing per meeting compensation, per day compensation, and annual compensation, as well as annual adjustments due to Consumer Price Index, that would establish consistency with South Coast AQMD's and other air districts' compensation.

Recap: Presentation Requested Action



Support and Offer to Co-Sponsor

- SB 382 (Becker) - Single-family residential property: disclosures.

Support

- SB 1158 (Archuleta) - Carl Moyer Memorial Air Quality Standards Attainment Program.
- SB 1193 (Menjivar) - Airports: leaded aviation gasoline.

Oppose

- AB 1894 (Ta) – Nonvehicular air pollution: civil penalties.

Provide direction to staff related to AB 2522 (Carrillo) - South Coast Air Quality Management District: district board: compensation.



Questions / Discussion