Air District Compensation Philosophy

Finance and Administration Committee
February 21, 2024

Lisa Baker
Human Resources Officer
lbaker@baaqmd.gov
Requested Action

This is an action item for the Finance and Administration Committee to consider recommending the Board of Directors adopt 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
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 ensure internal and external pay equity. 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 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.
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 reviews for management performance
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 to the Board of Directors to adopt the proposed Compensation Philosophy for the Air District.
Air District Sponsorship Procedures

Finance and Administration Committee
February 21, 2024

Viet Tran
Deputy Executive Officer, Public Affairs
vtran@baaqmd.gov
Background

• New Air District sponsorship and grant policies.
• Administrative Code – Board adoption Nov. 15, 2023.
• Adheres to policy and meets minimum criteria.
• Internal procedures to manage requests.
• External procedures for sponsorship prospects.
• End of year summary.
Sponsorship Policy

- Promote transparency, fairness, and best practices in our work with potential sponsorship partners.
- Advance the work of the Air District, promote clean air, behavior change, health, GHG reductions and air quality education.
- To qualify an organization or activity must fall within one or more of the following categories:
  
  (a) Showcasing Air District Programs and Initiatives
  
  (b) Education, Training and Networking Opportunity for Air District Workforce
  
  (c) Community Partnerships with Non-Profit Health Organizations
Criteria

- Event is within the 9-county Air District jurisdiction.
- Event to target Bay Area or air quality professional audience.
- Available resources to staff event or provide appropriate materials.
- Staff available to participate in training or speak at the event.
- Goals align with the Air District mission and vision.
- Ensure distribution of sponsorship funding opportunities are provided within each of the 9 Bay Area counties.
- Event dates align with the Air District calendar.
Internal Procedures

- All requests funneled through External Affairs.
- Confirmation requests meet criteria and have Air District Division support.
- Establish internal review panel to review requests (monthly or quarterly).
- Requests presented to review panel for consideration.
- Approved sponsored events coordinated with Air District Division partners to fulfill commitments (speakers, presentations, logos, other materials).
- External Affairs prepares contracts, PO for payment, coordinates deliverables.
- After action questionnaire sent to sponsored organization and Division partners for event summary and review.
External Procedures

- Sponsorship process and procedures available on Air District sponsorship webpage (under development).
- Application for sponsorship request available will be available on webpage.
- Submit online application by established deadlines.
- Once approved, work with Air District External Affairs Office to finalize contract, receive Air District information for inclusion on event materials.
- Complete after-action questionnaire and return to the Air District - failure to complete questionnaire will impact future year sponsorship decisions.
End of Year Summary

External Affairs will prepare an end of year summary including:

• Summary of all sponsored events and grants.
• Map of events and projects.
• Total amount spent/awarded.
• Review of benefits received, and goals achieved.
Questions?