



Staff Report Item 14

TO: East Bay Community Energy Board of Directors

FROM: Nick Chaset, CEO

SUBJECT: EBCE Budget Adjustment Fiscal Year 2021-2022 (Action Item)

DATE: October 20, 2021

Recommendation

Adopt a Resolution approving an adjustment to the fiscal year 2021-2022 budget that adds \$750,000 in incremental personnel expense and authorizes the CEO to add six additional positions to EBCE staff.

Background and Discussion

Since EBCE's inception through the beginning of 2021, EBCE had only one staff member leave to pursue another opportunity. In 2021, EBCE has had three voluntary resignations to pursue new opportunities and at least five requests to support long term remote work due to moving outside of the Bay Area. This reflects broader trends - a booming job market, rising Bay Area housing costs, demonstrated effectiveness of long term remote work - that are forcing employers to adapt to retain and attract talent. EBCE's 2021/2022 staffing plan was largely developed in Q1 of 2021, when both EBCE specific - and macro - trends were not as apparent as they are now.

As a small agency - 35 people - with a very large and important mandate, every position counts and attrition - even of one or two people - is felt acutely. As EBCE has continued to in-source work - from RFO administration to data management - the need to ensure organizational resilience is even more important, as we cannot simply hire more consultants to do the work. In the 2021/2022 budget, 9 new hires were approved. To date, 3 positions have been filled, while 2 existing have left the agency for new opportunities. Leaving EBCE having to hire for 8 positions.

EBCE proposes to increase the 2021/2022 staff budget by adding 6 incremental positions to the 9 already included in the approved budget. Each of these positions is being added into a functional team where the position will both take on incremental work that EBCE is either not currently doing, but believes it should be; or is currently outsourcing to a consultant. It will also add additional depth and skills to staff.

- **Power Resources - Transactions Analyst:** enhance PR team procurement capabilities in RPS and RA and enhance review of financial settlements currently outsourced to NCPA
- **Power Resources - Market Fundamentals/Risk Management:** enhance PR team ability to assess short, medium and long term market risks. This is currently outsourced to firms like E3 and Ascend Analytics. This role will also provide resiliency across PR analytics
- **Technology - CRM Engineering:** this role will take on on-going engineering and enhancement of Salesforce for entire organization. This is currently managed partially in house and partially outsourced. Full-time dedicated resource will both reduce outsourced costs and allow us to do more to build out our CRM
- **Technology - Data Engineer/Analyst:** this role will provide general support to on-going data engineering and analysis, which will increase ability to move analytical projects through more quickly. This role will also provide resilience across Technology team
- **MAS - Customer Communications/Customer Experience:** this role will lead efforts to evaluate and deploy enhanced customer communications and customer experience through EBCE's programs. This role will enhance customer communications and engagement capabilities and provide resiliency across MAS team
- **Executive - Operations and Finance Associate:** this role will support COO and Finance manager across a broad range of operations and finance needs. This role will enhance finance team reporting capabilities and efforts to build out the office

The Fiscal Year 2021-2022 budget, as approved by the Board on June 16, 2021, provides \$9,421,000 in funding for personnel expenses. The 12-month fully loaded cost to add these 6 incremental positions is expected to increase by \$1-\$1.2m a year. For FY 21/22, EBCE is seeking to add \$750k to its staffing but to hire these 6 positions - recognizing that staff will join EBCE Q4 2021/Q1 2022.

Fiscal Impact

Addition of 6 incremental hires will add \$750,000 in salary and benefits expense in fiscal year 2021/2022.

Attachments

- A. Presentation of EBCE Budget Change Proposal for FY 2021-2022, salary scaling and flexible work policy
- B. Resolution to Approve the Budget Change Proposal for the 2021-2022 Fiscal Year



Budget Change Proposal for FY 2021/2022 and Discussion of Salary Scaling and Flexible Work Policy



EBCE Workforce Context

- In 2020, EBCE participated in a multi-CCA effort to work with Mercer consulting to assess where current compensation levels compare to industry comparables – benchmarking across public sector, energy sector, and private in all functions
- In March 2020, EBCE transitioned to 100% remote work and we expect to operate in a ‘work from home first’ hybrid model through, at least, 2021
- 15 months into the ‘new normal’, and EBCE is experiencing multiple staff moving outside of the Bay Area and requesting a long term ‘remote first’ work option, as well as higher than forecasted levels of staff turnover

EBCE Workforce Context cont.

- In an effort to position EBCE to both retain existing staff and attract new talent to the agency, EBCE is seeking to take a set of actions related to
 - More closely tie salary levels in each functional area to market levels
 - Adopting a flexible work from home policy that enhances ability to retain staff who have moved outside of the Bay Area while still working to attract as much new, local talent as possible
 - Increase EBCE staffing levels with an additional 5-6 incremental hires this FY to enhance organizational resiliency to continued higher levels of attrition

MERCER Study Results

- MERCER, on behalf of five CCAs, studied how compensation packages for 27 specific CCA jobs compare with publicly and privately owned utilities
 - Study evaluated both how different CCAs stack up against each other as well as how CCA positions compare to outside utilities comparables
- MERCER looked at EBCE jobs across all functional areas
 - Executive, Customer Service, Finance, HR/Admin, Power Procurement, Marketing/Programs, Regulatory, Technology
- MERCER assessed how EBCE salaries and total compensation to both public and private utilities, accounting for EBCE cost of living, by comparing EBCE and its comparable set at the 25%, 50% and 75% levels

MERCER Study Results cont.

- MERCER found that EBCE is in line with the 50% of utility salaries in most of the jobs analyzed
- These findings were differentiated by EBCE functional area (Executive, MAS, Power, Local Dev, Policy, Technology)
- Two areas were highlighted in the MERCER study as being below the utility salary average: Power and C-level Executive
- In response to the MERCER study, EBCE proposes to update its salary map to differentiate compensation across functional areas and better align with the market

MERCER Study Alignment

CURRENT SALARY MAPPING – all positions across functional areas linked to same position			MERCER Aligned SALARY MAPPING – each functional area (Power, MAS, Policy, Local Dev, Tech, Exec) will be individually mapped against one of twelve positions and salaries			Example	
	21/22 - Low	21/22 - High		21/22 - Low	21/22 - High	Functional Area A	Functional Area B
Fellow	\$57,503	\$64,574	Entry	\$57,503	\$64,574	Fellow	Fellow
Coordinator	\$64,575	\$83,639	Entry	\$64,575	\$83,639	Coordinator	Coordinator
Analyst	\$83,640	\$109,777	Entry	\$83,640	\$109,777	Analyst	Analyst
Associate	\$109,778	\$134,530	Intermediate	\$109,778	\$134,530	Associate	Analyst
Sr Associate	\$134,531	\$141,257	Intermediate	\$134,531	\$141,257	Sr Associate	Associate
Manager/Principle	\$141,258	\$156,055	Intermediate	\$141,258	\$156,055	Manager/Principle	Sr Associate
Sr Manager/Sr Principle	\$156,056	\$177,734	Senior	\$156,056	\$177,734	Sr Manager/Sr Principle	Manager/Principle
Director	\$177,735	\$204,487	Senior	\$177,735	\$204,487	Director	Sr Manager/Sr Principle
Sr Director	\$204,488	\$231,393	Senior	\$204,488	\$231,393	Sr Director	Director
VP	\$231,394	\$269,062	Senior/Exec	\$231,394	\$269,062	VP	Sr Director
SVP	\$269,063	\$295,968	Senior/Exec	\$269,063	\$295,968	SVP	VP
	\$295,969	\$348,004	Senior/Exec	\$295,969	\$348,004		SVP

Notes: Updated Salary will not result in any current EBCE staff experiencing any reduction in compensation. This update will also not result in EBCE exceeding current year staffing budget



Developing Long-Term Flexible Work Policy

- Since March 2020, EBCE has been operating in a 100% remote work environment
- Starting in July 2021, EBCE opened its office on a fully voluntary basis with 1-2 people typically working in person on any given day
- EBCE has conducted multiple staff surveys to assess preferences. Findings have continued to evolve as vaccines, schools and Delta variant situation changed.
 - Currently there is general interest in a return to work on a 2-3 day a week hybrid basis
 - EBCE has current office lease at 1999 Harrison, 251 8th St not likely to be ready to occupy until Q3 2022
 - Over last 3 months, 15% of staff have either moved outside the Bay Area or made permanent previously temporary moves outside the Bay Area

Developing Long-Term Flexible Work Policy cont

- EBCE proposes to fully support 100% remote work option through end of 2021
- Starting in 2022, EBCE proposes:
 - Hybrid schedule where each functional team works in-person 1-2 days a week (with coordination to ensure office is never overcrowded)
 - This will be re-evaluated once 251 8th St is ready to be occupied
 - All hands, in person meetings every 6-8 weeks
 - On a case by case basis (with approval by CEO), allow 100% remote work for both existing and new EBCE hires subject to requirement to attend quarterly in person meetings

Increasing EBCE Workforce Resilience

- Since EBCE's inception through the beginning of 2021, EBCE had only one staff member leave to pursue another opportunity
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Increasing EBCE Workforce Resilience

Attachment Staff Report Item 14A

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- As EBCE has continued to in-source work – from RFO administration to data management – the need to ensure organizational resilience is even more important, as we cannot simply hire more consultants to do the work
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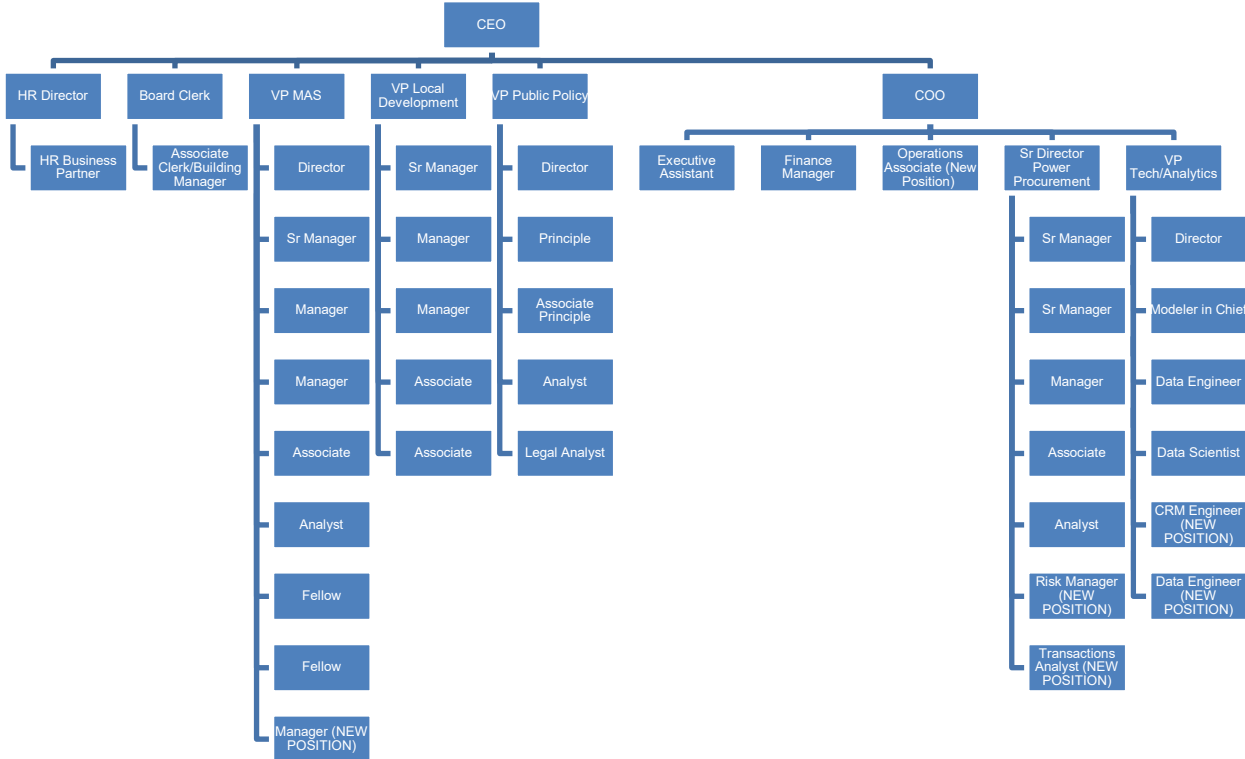
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- Each of these positions is being added into a functional team where the position will both take on incremental work that EBCE is either not currently doing, but believes it should be; or is currently outsourcing to a consultant. It will also add additional depth and skills to staff.
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- The 12-month fully loaded cost to add these 6 incremental positions is expected to increase by \$1-\$1.2m a year. For FY 21/22, EBCE is seeking to add \$750k to its staffing but to hire these 6 positions – recognizing that staff will join EBCE Q4 2021/Q1 2022.

Updated Org Chart



RESOLUTION NO. R-2021-xx

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY TO APPROVE AN ADJUSTMENT
TO THE BUDGET FOR THE 2021-2022 FISCAL YEAR AND AUTHORIZE THE CHIEF
EXECUTIVE OFFICER TO ADD SIX NEW STAFF POSITIONS**

WHEREAS, the East Bay Community Energy Authority (“EBCE”) was formed as a community choice aggregation agency (“CCA”) on December 1, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.*, among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of EBCE and parties to the Joint Powers Agreement in March of 2020;

WHEREAS, EBCE operates on a fiscal year budget cycle from July 1st through June 30th;

WHEREAS, on June 16, 2021, the Board of Directors adopted Resolution No. R-2021-26 approving the Fiscal Year 2021-2022 Budget;

WHEREAS, the Fiscal Year 2021-2022 Budget provides \$9,421,000 in funding for personnel expenses;

WHEREAS, EBCE would like to add six staff positions and increase the Fiscal Year 2021-2022 budget by \$750,000 to cover the additional personnel expenses.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Board of Directors hereby approves an additional \$750,000 in funding in EBCE’s Fiscal Year 2021-2022 Budget for personnel expenses.

Section 2. The Board of Directors hereby authorizes the Chief Executive Officer to add six new staff positions, as proposed and described in the staff report dated October 20, 2021.

ADOPTED AND APPROVED this 20th day of October, 2021.

Dianne Martinez, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board

