



**CAC Item C6
Staff Report Item 18**

TO: East Bay Community Energy Board of Directors

FROM: Jason Bartlett, Finance Manager

SUBJECT: Update Board and CAC Stipend Amount and Set Frequency (Action Item)

DATE: July 20, 2022

Recommendation

Approve a Resolution to update the Board of Directors and Community Advisory Committee (CAC) stipend amounts to reflect Consumer Price Index (CPI) adjustments and set policy to limit the frequency for receiving a stipend to not exceed more than four (4) per month, effective July 1, 2022.

Background and Discussion

East Bay Community Energy (EBCE) has endowed powers outlined in its mutually agreed upon Joint Powers Authority (JPA) charter. One of these powers is the ability for the Board of Directors to establish directives to compensate Directors and Community Advisory Committee (CAC) members with stipends for attendance.

Current Stipend Policy

Director stipends are established in the JPA under Section 4.7 which states:

“Directors shall receive a stipend of \$100 per meeting, as adjusted to account for inflation, as provided for in the Authority’s Operating Rules and Regulations.”

Historically, this has been interpreted to be specific to Board of Director meetings and special meetings only as Section 4.8 provides language and guidance which can apply to other meetings related to Commissions, Boards, and Committees:

“The Board may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees and shall determine whether members shall be compensated or entitled to reimbursement for expenses.”

Specific consideration is given to CAC members in Section 4.9, which states:

“The Board of Directors shall determine whether the [CAC] members will receive a stipend and/or be entitled to reimbursement for expenses.”

At the April 18, 2018 Board meeting the Board of Directors passed a Resolution (R-2018-17) permitting CAC members to receive a stipend in the amount of \$50 per meeting in attendance and up to two (2) meetings per calendar month, with the Chair of the CAC being entitled to receive the same stipend as Directors. In this resolution there is no mention of CPI, or other, adjustments to CAC member stipends.

Proposed Changes to Stipend Policy

Upon review of the current stipend policy by the Finance, Administrative, and Procurement committee, the following proposed changes have been put forth for formal Board review and approval:

1. The Director stipend be updated by the CPI from June 2018 through June 2022;
2. The CAC stipend be updated by the CPI from June 2018 through June 2022;
3. Both the Director and the CAC stipends be updated every new fiscal year to reflect CPI changes;
4. Directors can be eligible for stipends for attendance at additional meetings of commissions, boards, and committees. Examples of such additional meetings, include but are not limited to: Executive Committee; Finance, Administrative, & Procurement subcommittee; Marketing, Regulatory, & Legislative subcommittee; and ad-hoc meetings;
5. A cap be applied of four (4) stipends per month for attendance of meetings.

Note that during the June CAC meeting, CAC members requested an increase in the CAC stipend to a level equivalent to the stipend received by the Board of Directors.

Fiscal Impact

Currently, there are 15 Directors and 15 alternates for the Board and 12 CAC members with 4 alternates.

Of the Directors, one alternate has elected to opt-out of the stipend and two alternates have not submitted IRS form W9 to allow payments. This means of the 30 total qualifying Directors, 90% receive stipends when participating. Of the 16 CAC total qualifying members, three regular and one alternate have elected to opt-out of the stipend. This means 75% of all CAC members receive the stipend when participating.

Using the 12-month San Francisco-Oakland-Hayward local CPI, catch-up adjustments from June, 2018 through June, 2022 are expected to increase stipend payments by about 20.07%. This would increase the stipends to \$120.07 for Directors and \$60.04 for CAC members.

Year	CPI	Director	CAC
Base	0.00%	100.00	50.00
2018	3.90%	103.90	51.95
2019	3.20%	107.22	53.61
2020	1.60%	108.94	54.47
2021	3.20%	112.43	56.21
2022	6.80%	120.07	60.04

The annual maximum participation cost at the current stipend is approximately \$29,400, assuming quarterly special meetings with all members. The fiscal impact of increasing the stipend in the above, described manner would increase annual maximum expenses by about \$27,514 (93.6%) to \$56,914 total.

Committee	Participants	Current Stipend	Total	New Stipend	New Total	Difference
BOD	15	100.00	1,500.00	120.07	1,801.07	301.07
CAC	9	50.00	450.00	60.04	540.32	90.32
ExCom	5	0.00	0.00	120.07	600.36	600.36
FAP	5	0.00	0.00	120.07	600.36	600.36
MAS	5	0.00	0.00	120.07	600.36	600.36
Special*	15	100.00	500.00	120.07	600.36	100.36
Monthly			2,450.00		4,742.82	2,292.82
Annual			29,400.00		56,913.89	27,513.89

**Special Meetings are estimated at once per quarter, as such Monthly Totals are divided by 3*

Attachments

- A. Resolution of the Board of Directors to Approve an Increase in Stipend Amount for Directors and Community Advisory Committee Members

RESOLUTION NO. __

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EAST BAY COMMUNITY ENERGY AUTHORITY TO APPROVE AN INCREASE IN
STIPEND AMOUNT FOR DIRECTORS AND COMMUNITY ADVISORY COMMITTEE
MEMBERS**

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 JPA in March of 2020.

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

WHEREAS The Joint Powers Agreement (“JPA”) permits the Board of Directors (“Directors”) to adjust stipend amounts annually for inflation, approve stipends for additional commissions, boards, and committees, and establish governing rules, regulations, policies, bylaws or procedures related to compensation or reimbursements; and

WHEREAS Currently, stipends are approved for Directors, Special Director, and Community Advisory Committee (“CAC”) meetings and are set at \$100 per meeting per Director in attendance and \$50 per CAC meeting per member in attendance. One-hundred dollars is allowed for the CAC chair. All CAC members are limited to receive the stipend no more than twice per calendar month. There is no similar limitations to Directors; and

WHEREAS The Finance, Administrative, and Procurement committee has proposed that stipend increases for Directors and CAC members be based on the San Francisco-Oakland-Hayward Consumer Price Index (“CPI”) and that additional stipends be granted for any and all additional commission, board, and committee meetings for Directors, up to a limit of four (4) stipends per calendar month.

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

Section 1. Additional stipends are granted for any and all additional commission, board, and committee meetings for Directors, up to a limit of four (4) stipends per calendar month.

Section 2. Effective July 1, 2022, the Director and CAC member stipend increases are to be based on the 12-month San Francisco-Oakland-Hayward CPI beginning June, 2018 through June, 2022, as provided by the U.S. Bureau of Labor Statistics.

Section 3. All stipends shall be adjusted each new fiscal year by the June 12-month CPI.

ADOPTED AND APPROVED this 20th day of July, 2022.

Dianne Martinez, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board