



Consent Item 8

TO: East Bay Community Energy Board of Directors

FROM: Trevor Cherr, Sr. Director of HR

SUBJECT: Authorization of CEO Expenditure to Mercer

DATE: January 18, 2023

Recommendation

Approve a Resolution delegating authority to the CEO to authorize spend up to \$130,000 to Mercer for compensation & benefits studies.

Background and Discussion

In order to refresh our compensation data, EBCE reviewed potential 3rd party vendors to complete several Compensation and Benefits studies, including a specific review of the CEO total compensation package, as well as a review, analysis, and recommendations for total compensation and benefits approach across EBCE roles.

The vendor list was initially narrowed down to three potential vendors and then further narrowed to two potential vendors after discussion and assessment of their ability to meet our needs. Due to the significant differences in the final product and outcome that EBCE would receive, Mercer was selected as the clear top pick and the only vendor who can meet all needs. In addition, to support cost and consistency, EBCE partnered with another CCA as a study participant. This CCA had already selected Mercer as its partner.

Fiscal Impact

The fees related to this scope of work originally indicated an estimated cost to EBCE of \$90,000 - \$135,000 based on various participation factors for EBCE and the other CCA included. Initial reviews of the agreement and steps to take place indicated that the other CCA would participate in most of the stages, keeping the cost to EBCE below \$100,000 the threshold for CEO signing authority. However, during the process,

the other CCA opted out of a couple of components in the studies, leading to a greater cost burden for EBCE.

Committee Recommendation

A Compensation Board Sub-Committee was consulted during this process, including several sessions held to discuss the initiative's purpose, review vendors, and discuss ongoing updates from the studies. This sub-committee's purpose was to review the components of the compensation studies that impact the CEO total compensation package. In August 2022, the sub-committee decided to proceed with Mercer to conduct the compensation studies.

Attachments

- A. Resolution Authorizing CEO to Spend up to \$130,000 for Mercer Benefits and Compensation Studies.

RESOLUTION NO. R-2023-XX

A RESOLUTION OF THE BOARD OF DIRECTORS

OF THE EAST BAY COMMUNITY ENERGY AUTHORITY AUTHORIZING THE CEO TO SPEND UP TO \$130,000 FOR MERCER BENEFITS AND COMPENSATION STUDIES

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.

WHEREAS EBCE is seeking to refresh our position compensation data to ensure we remain competitive in the market, inclusive of total compensation and benefits; and,

WHEREAS Mercer was selected for these services from three potential vendors as the clear top pick and the only vendor able to meet all of EBCE’s needs, and EBCE has worked with Mercer in the past successfully; and,

WHEREAS EBCE has already engaged Mercer for these services but the cost of services has now exceeded the threshold of CEO signing authority, and Board approval is required to delegate authority to the CEO to spend up to \$130,000 for the Mercer benefits and compensation studies.

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

Section 1. The CEO is authorized to spend up to \$130,000 for Mercer to complete compensation benefits and studies.

ADOPTED AND APPROVED this 18th day of January, 2022.

Dan Arriola, Chair

ATTEST:

Adrian Bankhead, Clerk of the Board