



Policy Title	Total Compensation Policy # 2023-07
Policy Owner	Human Resources
Policy Approver(s)	Board of Directors
Related Policies	Employee Handbook
Related Procedures	N/A
Storage Location	To be determined
Effective Date	March 23, 2023
Next Review Date	N/A

TOTAL COMPENSATION POLICY

Mission Statement: San Diego Community Power is a community-owned organization that provides affordable clean energy and invests in the community to create an equitable and sustainable future for the San Diego region.

Our success can only result from a workforce of talented, professional, and committed employees. We must be able to attract, develop and retain talent. Therefore, we offer a range of benefit programs, including, compensation reflective of our geographic locations, group health welfare benefits, time-off, work life balance, formal learning, and on-the-job development opportunities. We benchmark compensation and benefits periodically to current energy industry, San Diego regional and California based CCA data. This policy is designed to help support and recognize staff contributions to organizational success.

Our goal is to:

- Attract, motivate, develop, and retain employees.
- Recognize employee performance contribution and goal accomplishment.
- Be internally equitable, externally competitive, financially sustainable, and compliant with all laws and regulations.
- Provide managers a wage framework to administer fair pay, pay transparency, and to recognize the level of job responsibility and capabilities required for effective job performance.

The Board of Directors approves the budget annually, including, but not limited to, job classifications, personnel budget, and salary schedules. Individual employee salary increases, where and when applicable, are approved and administered by the Chief Executive Officer (CEO).

Designated Job Titles and Descriptions

The compensation program establishes consistent and authorized job titles, department assignments, designated Fair Labor Standards Act (FLSA) Exempt or Non-exempt job status, Worker’s Compensation codes, and other required payroll coding. Also, every manager carries the responsibility to guide the compensation program in accordance with

Equal Opportunity guidelines: all job and salary decisions must be made without regard to any protected classes in accordance with federal, state or local laws.¹

Job descriptions will be evaluated and updated by the organization on a periodic basis. Questions about job titling and descriptions can be addressed with the immediate manager and Human Resources (HR). Managers in consultation with HR, will ensure that the job title and job description accurately reflect job responsibilities, essential functions and

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¹ These include race, color, sex (including reproductive health decision-making), sex stereotyping, sexual orientation, gender, gender identity (including transgender identity), gender expression (including transgender expression), because an individual has transitioned (to live as the gender with which they identify), is transitioning, or is perceived to be transitioning), religious or political affiliation, creed (including religious dress and religious grooming practices), military or veteran status, service or obligation, reserve status, national guard status, marital status, pregnancy (including perceived pregnancy, childbirth, breastfeeding, or other pregnancy related conditions), age (over 40), national origin, ancestry, citizenship, physical or mental disability (including HIV and AIDS), legally protected medical condition or information, genetic identity, genetic expression, genetic information, protected medical leaves, domestic partner status, status as a victim of domestic violence, sexual assault, or stalking, enrollment in a public assistance program, engaging in protected communications regarding employee wages or otherwise exercising rights protected under the California Fair Pay Act, requesting a reasonable accommodation on the basis of disability or bona fide religious belief or practice, or any other basis protected by federal, state or local laws.

required qualifications. Final job descriptions are evaluated and finalized by HR, working with the manager and functional director.

Final job description must meet approval of the CEO and HR. Authorized job descriptions are maintained by HR. Job descriptions are key to successful recruitment, onboarding, and staff development.

The compensation program and authorized jobs are a function of the SDCP's current business situation and are subject to change, update, or deletion at any time.

(See Compensation Tool A – Job Responsibility Level Listing of Approved Jobs & EEO Categories)

Presenting New Job Descriptions

If business circumstances present the need to establish a new job description, modify a job title, change an existing job description or to update a job's Fair Labor Standards exemption status or Workers' Compensation class code, the manager must address first with her/his functional director and HR. The manager will undertake a Job Description Questionnaire (JDQ) process to present the job criteria. HR in collaboration with the executive team will evaluate the proposed job and conduct analysis to clarify the final job description, budgeted salary range, and proposed job responsibility level.

(See Compensation Tool B – Job Description Questionnaire)

Salary Ranges & Job Responsibility Levels

SDCP's Compensation Program presents salary grade based on levels based on job responsibility. Job responsibility levels consider job factors such as scope of work, organizational impact, management of others, budget development and oversight, revenue or expense control, years of experience and education required for the job.

The job responsibility levels present broad salary ranges to allow for employee career development and growth with the current job level. Compensation data will be benchmarked periodically as directed by CEO and HR to inform directors and managers recommendations as it related to job title and salary adjustments.

(See Compensation Tool C – Salary Grading Tool)

Job Offers, Salary Changes, and Documentation

Job offers for external candidates must be presented by HR within the compensation guidelines. Generally, salary changes for employees being newly promoted to a job with a higher responsibility level will fall within the first half up to the midpoint of the salary range.

Salary change recommendations for existing staff must be accompanied by their respective Director's review and support. A new job offer to an external candidate or job transfer assignment to an existing employee must be budgeted and supported by business need (EMPLOYMENT AGREEMENT) and approved in advance with a Salary worksheet or Notice of Employee Change payroll change form signed by the Director of People, the CFO, and the CEO.

Hiring managers recommending a job offer to an external candidate will do so considering qualifications, experience level (number of years in a similar position), type of business where the candidate served, and level of responsibility and complexity of duties, and if applicable, managerial experience if required for the job. SDCP will review internal equity when evaluating external candidate job offers.

Managers are expected to consult with HR prior to presenting a salary change or job offer to make sure the salary proposed is budgeted, internally equitable, and within the compensation guidelines. The salary change or job offer proposal must be presented to your manager and HR to clarify the salary recommendation to the CEO for final approval.

A Notice of Employee Change payroll form must be submitted with supporting documentation, such as a performance evaluation, salary worksheet, or a written memo describing and/or quantifying the reasons why the manager presents the salary change recommendation. In addition, for current employees being promoted or those being recommended for a transfer assignment, a letter or salary worksheet to the employee must be presented to clarify the new job title, updated goals and assignments, and effective date of the changes. HR will assist the manager complete this step.

Final salary changes or job offers may not be communicated to an employee or candidate until the salary rate is approved by the CEO on a salary worksheet.

1) Merit Increases

In conjunction with the annual performance feedback process, merit increases may be awarded based on the overall success of the organization, individual employee performance, and goal achievement. Merit increases are contingent on SDCP's financial results as reported by the CFO/Treasurer based on the fiscal year-end results as presented to the SDCP Board of Directors in the annual audited financial statements by a certified public accountant. Merit increases are typically a percentage of base salary within a range of 1%-5% and will be reflected on the 1st pay period in April of each year.

The CEO and CFO will identify the merit increase pool on an annual basis as part of the annual budget process. SDCP Finance and HR will present the merit pay process guide to managers. The merit increase award is designed to recognize employees considerate of the performance of the employee during the evaluation period.

The following factors are the basis for awarding merit pay to employees:

- Wage/salary funds available as identified in the budget.
- The employee's employment time in the performance evaluation period.
- The employee's performance as reported in the performance feedback tool, and as noted by the manager during one-on-one meetings, observation, and actual performance and goal achievement.
- The appropriate job responsibility level considering the employee's performance and performance of others within the range.

Salary Adjustments

A promotion is when an employee moves to a higher job responsibility level position. A promotional increase may be designated when new or existing activities call for additional or increased job responsibilities, performance has been documented, and the higher salary level is supported by organizational need and budget availability. Approved promotions will be presented by the manager to the employee in a letter describing the terms of the promotion.

A salary adjustment may be applicable when an employee is placed in a different job having more or less demanding responsibilities or a different work schedule, as may be the case in a lateral job change. A salary adjustment may also be justified if market conditions for a job have changed significantly or if greater or less duties are now assigned to the employee. Documentation describing the reason for the salary adjustment must be presented by the manager.

Employees Whose Salary is Above the Salary Range Maximum

Employees at or above the current salary range maximum will remain at the current salary level until that time that the salary range is updated by the SDCP Board of Directors, or the individual is promoted. The employee whose current salary is above the current salary range maximum is eligible for participation in any applicable merit increase, if available, and if SDCP's financial performance and the performance of the employee meets the criteria designated for the increase.

Compensation Tool A – SDCP Job Responsibility Level Listing of Approved Jobs & EEO Categories

Compensation Tool B – SDCP Job Description Questionnaire

Compensation Tool C – SDCP Job Responsibility Table / Salary Grading Tool

COLA Policy

A cost-of-living adjustment (COLA) is a company-wide compensation increase that corresponds to a rise in the cost of living.

COLA increases are based on data from the San Diego Consumer Price Index for all Urban (CPI-U) consumers. SDCP will use the CPI-U calculated on a rolling 12-month basis by the Bureau of Labor Statistics in January of the calendar year in which the COLA increase will take effect. COLA increases may be incorporated into the annual budget each year at the discretion of the CEO, subject to final approval by the SDCP Board of Directors.

Eligibility:

The COLA adjustment takes effect on July 1 of each fiscal year and will be reflected on the first paycheck following the effective date. All employees hired prior to April 30 of the current increase will be eligible.

https://www.bls.gov/regions/west/news-release/consumerpriceindex_sandiego.htm

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