



Blue Whale
Compensation LLC

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EXECUTIVE DIRECTOR
COMPENSATION ASSESMENT AND
RECOMMENDATION

GAS ECOLOGY FORUM

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Introduction

Blue Whale Compensation LLC was retained by the Gas Ecology Forum to conduct and advance a compensation market analysis for its Executive Director (ED).

The agreed process involved the following steps:

- Meeting with Board of Directors and with Executive Director to review the project and the steps.
- Review available organizational KPIs, leadership structure, other pertinent industry performance metrics.
- Conduct an analysis of compensation levels among peer and related industries to determine the market competitiveness of current salary and bonus (if applicable).

This review and analysis have been completed with the relevant findings and recommendations presented in the following sections:

- Methodology and Approach
- Market Pricing Review
- Executive Benefits Review
- Recommendations

The remainder of this report explains these sections in more detail.

SECTION 1 - METHODOLOGY AND APPROACH

Methodology and approach to this study was to:

- Review the organization’s structure, including operating budget, key metrics, and industry.
- Review available position description, org chart, to identify job duties and responsibilities.
- Identify and analyze compensation industry and peer national and regional data from published sources and /or available via published using the national data for both base salary and total cash compensation (annual base plus annual bonus).
- Prepare the market comparison analysis.
- Present the findings and any pertinent recommendations.

It must be emphasized that it is the duties and responsibilities of the position that are being compared to market, not any characteristics of the incumbent. Any performance issues, length of service, or individual ownership characteristics of the incumbents is therefore not considered, nor is the number of hours worked per day nor the location of the work performed.

Therefore, independent of the incumbent, this review took the position of determining the market with outside talent with no ownership stake in the company. In other words what is the market rate for employees performing these duties and responsibilities elsewhere? Once that market rate was established, it was then compared with the salary of the individual currently performing those duties and responsibilities.

SECTION 2 - MARKET PRICING REVIEW

The analysis was based on a review of publicly available compensation data from organizations with a similar operation revenue and, where possible, a similar line of business.

As such, the study targeted peer organizations with the following characteristics:

- Of comparable revenues (projected revenues in the \$20 Million range).
- Non-profit peer entities based on relevancy to Gas Ecology Forum’s industry and services
- Organizations with HQs near Berkeley, GA

To compile this study, the following data and market salary surveys were reviewed:

- (A) **990s**: Identified and reviewed over six hundred 990s based on industry match and revenues and selected the top 10 best matches.
- (B) **Fair Pay for North Carolina Nonprofits**
This survey was produced by Nonprofit Compensation Associates, Inc. using FAIRPAY, a nonprofit salary and benefits model and software. This firm has over 40 years of experience in conducting this report.
- (C) **List from Client of Potential Peer Organizations**: We reviewed the listing of 15 companies provided by the client as potential peer matches. We were only able use one company as part of the “Top Ten” in the chart below. This is because most of them did not fit the criteria in terms of revenue or industry.

Top 10 Non-Profit Matches – 990 Information (includes Gas Ecology Forum’s Data) – Based on latest Data available and aged to current date. Geographic differentials applied as applicable to 4 of the companies.

| | <u>Company Name</u> | <u>Total Revenue</u> | <u>Name</u> | <u>Job Title</u> | <u>Annual Base Compensation (Data Aged 6%)</u> | <u>Tenure at Current Org</u> |
|----|---|----------------------------|-------------|---------------------------|--|------------------------------|
| | Gas Ecology Forum | \$20 Million Target | xxxx | Executive Director | \$176,951 | 24.4 Years |
| 1 | Project Opan Hand | \$17,605,896 | xxxx | CEO | \$297,832 | 5.11 Years |
| 2 | California Ins. | \$20,757,230 | xxxx | Executive Director | \$297,139 | 10.4 Years |
| 3 | Food Inc | \$21,763,890 | xxxx | President and CEO | \$245,560 | 3 Years |
| 4 | Foodbank Of Barbara County | \$26,074,997 | xxxx | CEO | \$226,570 | 17.1 Years |
| 5 | Waldan Anvironmant | \$16,600,913 | xxxx | CEO | \$221,801 | 14.4 Years |
| 6 | Marion Food Shara Inc | \$21,611,241 | xxxx | Executive Director | \$219,529 | 14.1 Years |
| 7 | Food For Montaray County | \$26,495,705 | xxxx | CEO | \$207,070 | Not Available |
| 8 | Farmworkars Instituta Of Aducation And Laadarship Davalopmant Inc | \$15,883,206 | xxxx | President | \$200,018 | 24.2 Year |
| 9 | Placard Food Bank | \$20,653,395 | xxxx | Executive Director | \$177,342 | 17.4 Years |
| 10 | *Aarth Island Institute Inc | \$23,826,462 | xxxx | Executive Director | \$171,811 | 41.1 Years |
| | Average (excluding Gas Ecology Forum) | \$21.1 Mil. | | | \$226,467 | 16.31 Yrs. |

**Company identified by client and deemed to meet the criteria*

The chart below lists the non-profit salary survey source and collects the median salary. The median is that point where half the companies surveyed pay more than that amount, and half pay less.

| | <u>Salary Survey</u> | <u>Breakout</u> | <u>Effective Date</u> | <u>Job Title</u> | <u>Median Base Compensation (Data Aged 3.5%)</u> |
|---|---|--------------------------------|-----------------------|--------------------------|--|
| 1 | 2024 CA Fair Pay for Northern GA Nonprofits | \$20 Million + Expenses | 1/2024 | Executive Director / CEO | \$277,334 |
| 2 | 2024 CA Fair Pay for Northern GA Nonprofits | Conservation/Environment/Parks | 1/2024 | Executive Director / CEO | \$159,367 |
| 3 | 2024 CA Fair Pay for Northern GA Nonprofits | # FTEs 41-100 | 1/2024 | Executive Director / CEO | \$221,609 |

Survey data for each of the surveys listed above was collected at the 25th percentile, median and 75th percentile levels. The median is that point where half the companies surveyed pay more than that amount, and half pay less. The 75th Percentile is the point at which 25% of companies pay more and 75% percent of the companies pay less than that amount. Conversely, the 25th percentile is the point at which 75% of companies pay more and 25% percent of the companies pay less than that amount.

SECTION 3 - COMPENSATION RECOMMENDATIONS

Prevailing Compensation: Based on findings, it is estimated that the base compensation level for an Executive Director for an organization that’s comparable to Gas Ecology Forum and within projected revenues of \$20 Million, is approximately between **\$159,367 to \$297,832** with a prevailing market of **\$221,609**.

Findings to Executive Director’s Compensation: Based on the estimated base compensation level noted above, the report finds that Gas Ecology Forum’s **\$176,951** base compensation for its Executive Director is **11% above the estimated low end** of the market and **68.3% below the high end**. Note that Gas Ecology Forum’s Executive Director’s length of time in position is 24.4 years which is above the average of 16.31Years.

Recommendations: Based on the information from the report, this report makes the following compensation recommendations based on these findings:

1. Since the Executive Director’s compensation is lagging the market salary, a market equity salary increase is recommended. It is recommended that the standard merit increase awarded to the other executives is also awarded to this incumbent, provided funding is available, and if work performance meets expectations.

However, many factors go into determining where to place an incumbent within the market salary range. These factors include but are not limited to: number of years of relevant experience; education level; certifications used in the position; compensation philosophy of the organization; unique critical knowledge, skills and abilities the incumbent possesses; performance level and achievement of key organizational goals and critical benchmarks; and retention considerations. Based on these factors, as an example, the Board could have justification and decide to pay higher within the range, such as at the 75th percentile.

2. For its next salary adjustment cycle, consider implementing a bonus plan that allows the incumbent to realize an additional \$10,000 to \$16,000 per year. Ideally, the bonus plan should be based and predicated on the incumbent meeting the objectives and benchmarks that best serve Gas Ecology Forum’s overall strategic mission.
3. In addition,
 - a. For 2025 to 2026, set salary levels competitive to Gas Ecology Forum’s projected operating budgets. These levels should be a mix of a competitive base and a bonus that rewards the incumbent for reaching company-lead goals.
 - b. Additionally, to match market changes, 2025 and 2026 recommendations should be adjusted according to market movements which at this time, are unpredictable but like to minimally approximate 3.5%.
 - c. Moving forward, it is recommended that the overall compensation package be examined against Executive Director’s attainment of strategic goals and recalibrated accordingly.
 - d. These goals are best when they align key quantitative metrics, budget, market penetration, etc., versus subjective-base qualitative benchmarks.
 - e. In addition to the compensation package, most organizations also provide their Executive Director/President/CEOs a variety of employment benefits. The following is a summary of benefits, that the Board may consider in determining the incumbent’s total rewards package.

**SECTION 4 - (A) EXECUTIVE BENEFIT INFORMATION & (B) OTHER PAY
CONSIDERATIONS**

(A) **EXECUTIVE BENEFITS:** Employee Benefits for Executives can differ greatly. In general, however, the annual dollar value of Executive Benefits ranges between \$12,000 to \$18,000 per year.

The Most Frequently Granted Benefits are:

- | | |
|--|--|
| • Additional Life Insurance | • Severance Package |
| • Employment Contract | • No cost-healthcare coverage |
| • Special Travel Accident Insurance | • Reduced cost-healthcare coverage |
| • Expense accounts | • Extended vacation plan |
| • All-Expense Medical Insurance | • Executive Supplemental Thrift/401(k) |
| • Special Disability Income Continuation | |

(B) **Car Allowances:** Almost 50% of companies provide some sort of automobile allowance to its executive team. On average, the value of the allowance is \$290 per month.

(C) **Merit Increases:** Along a competitive pay plan, for executive positions, companies generally set merit budgets above other non-executive positions. For 2025, merit increases for executives in Northern California will be approximately 3.5%.

SECTION 5 – FINAL CONSIDERATIONS

The data collected shows that overall, your Executive Director’s current salary has under-market considerations both in base and total compensation. We would like to discuss this market analysis with you.

When reviewing the market, and when deciding a competitive market strategy, it is recommended that the organization consider paying at the median pay threshold noted in this report. By doing so, the organization’s pay philosophy of competitive pay will help retain this key position.

You may wish to consider developing a specific compensation philosophy to determine where your executive compensation should fall within the marketplace. It is recommended that you first determine which group within the marketplace you wish to be compared to, such as companies of a similar size, or larger organizations, similar industries, and whether you want to be at market or above market.

Finally, you may wish to consider additional benefits that seem common if you do not already have them in place.



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