

NYSERDA GOVERNANCE COMMITTEE MEETING

April 26, 2023

Clean Copy of Transcript

Arturo Garcia-Costas:

Sorry to interrupt.

Sherburne Abbott:

I'm sorry.

Arturo Garcia-Costas:

<Laugh>. I call this meeting to order and know the presence of a forum. A notice of the meeting of the Governance Committee was forwarded to Committee Members on April 12, 1963. My, or of 1963. That's my birthday. It's <laugh> on 60th birthday. So like I was thinking about. And then to the press on a week later on April 19th, this meeting is being conducted by video conference. The Authority will post a video and a transcript of the meeting on the web to confirm that we have forum. I would like to ask each of the Committee Members to introduce themselves. I will start. I am Arturo Garcia-Costas, Chair of the Governance Committee

Jay Koh:

Jay Koh, Member of the Committee, Member of the Board.

Sherburne Abbott:

Shere Abbott, Member of the

Arturo Garcia-Costas:

Excellent. Thank you. So the first item on the agenda is approval of the Minutes of the 35th Committee meeting that was held on October 3, 2022. Are there any comments on the Minutes or questions about the Minutes? Hearing none, may I have a motion approving the Minutes?

Jay Koh:

So moved.

Arturo Garcia-Costas:

Second? <inaudible>

Arturo Garcia-Costas:

All in favor?

Members of the Committee:

Aye. Aye.

Arturo Garcia-Costas:

Any opposed? Hearing? No objections. The Minutes are approved. The next item on the agenda is proposed revisions to the Authority's Conflict of Interest Policy. Peter Costello, the Authority's General Counsel, will present on this item. Peter.

Peter Costello:

Thank you, Committee Chair. Public Authority's Law Section 2824(7) stipulates that the Governance Committee of the State Public Authority is to examine ethical and conflict of interest. Diffuse Authority's Budget Office items recommends that the Conflict of Interest Policies of an Authority should be reviewed annually by the Board to ensure that it meets the organization's needs and addresses any resilience in the law. As such, the Members are being asked to recommend that the full Board adopt resolution improving the Employee Conflict of Interest Policy and Board Member Conflict of Interest Policy, copies of which were included with your materials, including red lines showing changes. The amendments this year are being proposed as are as ministerial in nature, mainly deriving from the reconstitution of the Joint Commission on Public Ethics to the Commission on Ethics and Lobbying in Government. Additionally, Colleen Dawson, the Authority's Ethics Officer, has reviewed the Conflict of Interest Policies of the New York Power Authority, Empire State Development, the Environmental Facilities Corporation, the Long Island Power Authority, and the model policy developed by the Authority's Budget Office, and determined that the Board of the Board Conflict of Interest Policy is in alignment with those policies. Happy to answer any questions?

Arturo Garcia-Costas:

Questions. Hey, hearing none may I have a motion recommending approval of the amendments to the Employee Conflict of Interest Policy and the Board Conflict of Interest of Policy?

Jay Koh:

So moved.

Arturo Garcia-Costas:

And seconded. All in favor?

Members of the Committee:

Aye. Aye.

Arturo Garcia-Costas:

Any opposed? Hearing none. The motion passes. Thank you, Peter. The next agenda item concerns a Resolution to convene in private session and executive session Section 108 of the Public Officer's Law authorizes the Members to convene in private session in order to review a matter made confidential by State Law section 2800 of the Public Authority's Law requires that the Authority conduct an Annual Confidential Board Member Performance Evaluation. Since the law states that the Annual Board Member Performance Evaluation is confidential, it may be discussed by the Members in private session. Additionally, Section 105 of the Public Officer's law authorizes the Members to convene an executive session in order to discuss the employment history of a part particular person.

May I have a motion to convene in private session for the purpose of reviewing the Annual Confidential Board Member Performance Evaluation report and to enter into executive session to discuss the employment history of a particular person?

Sherburne Abbott:

So moved.

Jay Koh:

Second.

Arturo Garcia-Costas:

I'm not sure. I hopefully someone got those, that back and forth moving in second. All in favor?

Members of the Committee:

Aye.

Arturo Garcia-Costas:

Any opposed? Hearing? No opposition. The re Resolution improve is approved. Members will now enter into private session and executive session. I would like everyone but the Members and Officers to leave the room during that time. The webcast will remain up. Upon our return, we will reconvene the meeting. Okay. welcome back. This meeting of the NYSERDA Governance Committee is reconvened in open session. No action was taken during the private section and the executive session. So the Committee is asked to recommend approval of the Annual Confidential Board Member Performance Evaluation report, what a mouthful, which was reviewed during private session. Before we do that, is there any discussion from Committee Members?

Jay Koh:

I could comment that I think is incredibly important. We'll do annually to review applications among the Board sense of periodically reviewing our practices. So enjoy, I think, a robust discussion and look forward to proper discussion with the Board and communicating any solutions or recommendations to management.

Arturo Garcia-Costas:

Excellent. Thank, thank you, Jay. Any additional comments or discussion? Seeing none, may I have a motion recommending approval of the Annual Confidential Board Member Performance Evaluation report?

Jay Koh:

So moved.

Arturo Garcia-Costas:

Moved and seconded. All in favor?

Members of the Committee:

Aye. Aye. Aye.

Arturo Garcia-Costas:

Any opposed? Hearing none. The motion passes. The Annual Confidential Board Member Performance Evaluation Report is recommended for approval. The next item on the agenda is

proposed amendments to the Officers' compensation. The Authority's Chief Financial Officer, Pam Poisson, will discuss this item. Pam.

Pam Poisson:

Good afternoon. Thank you. The Public Authority's Law requires the Board for establish policies regarding the compensation of the Authority Officers. And in the By-laws, Article III, Section 3 calls for Board approval of the Officers' compensation. Other employee compensation is approved by the President and CEO. NYSERDA's overall practices to provide its employees with compensation and is generally comparable to that provided from the State Management/Confidential employees serving in similar roles in line with Resolution 1629 passed at the June, 2021 NYSERDA Board meeting Officer level compensation is calibrated with that of other staff to keep Officer salaries aligned with both State trends and overall staff compensation. Officer salaries are currently calculated based on the salary cap for the M7 salary range for the State Management/Confidential employees by a formula that was established through a review of peer organization practices. Concurrent with that Resolution, the Board requested a regular review by NYSERDA of this convention to ensure that it remains current rational, largely consistent with practices of similar organizations.

Just such a review was conducted in early 2022, and it confirmed that the approved formula still aligns with other New York State entities' practices as was reported to the Board last year. Since that time, some additional benchmarking has empirically indicated one refinement to this convention to update the basis for the Officer level salaries to retain internal parity. Consistent with the Board's intent in the 2021 Resolution, the basis would change to the cash compensation cap or the M7 grade level rather than the salary cap alone. Other than the update to the basis, the formula to determine the Officer level salaries is not proposed to change as proposed. This change would be effective as of April 1, 2022. Consisted with the last update of the cash compensation first schedules. This concludes by our report.

Arturo Garcia-Costas:

Thank you, Pam. Are there any questions or discussion on Pam's work?

Jay Koh:

Anyway, just your quickly. I think, you know, in all kind of all matters of personnel and the critical human capital that enables this agency to execute its mission on behalf of New York State rate fairs, there's always a balance of two sets considerations on the one hand to make sure that there's fair and adequate compensation for all employees of NYSERDA so that we can appropriately re recruit and retain those employees and motivate them in a way that's consistent with the mission of the agency overall. And the second one is obviously we take very seriously any deployment or use of repair funds programmatically, certainly in personnel matters. And so wanna make sure that we have an appropriate process in place for doing that. And that's the basis, I think, for this annual review, which looks to considerations of current practical and consistent with other agency practice ideas when we think about evaluating these kinds of recommendations. So I just wanted to be clear in, in my analysis of this Pam, is it fair to say first that the proposed strategy here is consistent with the 2021, 6099 Resolution establishment the proportionality that is described in that Resolution?

Pam Poisson:

Yes. It's.

Jay Koh:

And second in evaluation per the description of keeping current, practical and consistent with other agencies and organizations that are of similar nature here in New York State. But this recommendation's also consistent with that?

Pam Poisson:

Yes, that's what the data's written review is indicated.

Jay Koh:

And, and finally without an this recommended empirical driven analysis are shift in recommendation that some of the objectives and proportionality would that were established in the June 21 resolution, we would be frustrated by just changes in the overall re relative levels of compensation between Officers and M7 employees?

Pam Poisson:

Yes. Your understandings track on that.

Jay Koh:

That's correct. Thank you. I have no further questions, <inaudible>.

Arturo Garcia-Costas:

Thank you, Jay. Any other questions, comments? Hearing none may I have a motion recommending approval of proposed updated basis for Office or salary calculations?

Jay Koh:

So moved.

Arturo Garcia-Costas:

Any all in favor?

Members of the Committee:

Aye. Aye.

Arturo Garcia-Costas:

Any opposed? Hearing none, the motion carries. Thank you so much now. So next one of my favorite things is the report on the Authority's Diversity, Equity, and Inclusion work from our DEI Officer, Michelle Andry, Michelle.

Michelle Andry:

Thank you. Thank you. Good afternoon, and thank you to the Committee for the time today to provide a brief update on a specific annual action from our DEI Strategic Plan, which is our engagement survey which we initially shared with you about, with the Board at this time last year. So if we could go to the next slide please. So, as a refresher our assessment of engagement

at NYSERDA began with a first limited survey conducted in 2020, which was one of the means by which the guiding principles and goal, one of the DEI Strategic Plan were informed as both an informing and accountability component of our DEI Strategic Plan efforts. We are conducting an annual engagement survey of our entire NYSERDA team, and as such have completed a second organization-wide survey, which was administered in Q4 of 2022.

The 2022 survey was a repeat by the third-party provider we have worked with since our initial survey. As we've mentioned in the past, using this third-party survey administrator enables analysis of our survey results including analysis against benchmarked industry data while preserving anonymity for our team's responses to the survey for the questions employed in the survey are designed to provide feedback and insights from the team on core engagement principles. For the purposes of this survey, which include motivation around this organization, motivating me to do my best work commitment I am, I have not considered searching for another job referral. I would highly recommend working at this organization to others. So the survey also gathers input and feedback on drivers of organizational culture, inclusion, and basic employment features like pay and benefits, professional development, schedule, flexibility, et cetera. So to the next slide, please for a brief summary of our 2022 survey activity and performance.

So rec, we received 417 total team member responses to the survey. The survey was all employee and contractor contracted resource team members at NYSERDA were invited to participate in the survey. That was approximately 500 or so individuals. The 417 total responses translated into an 82% response rate, which is still incredibly strong, although it was down just slightly from the prior year survey response rate of 85%. So we're really happy with that response rate, though still when it comes to our score. Our score changed ever so slightly, but really very little over this single year since we conducted our first organization-wide survey. So we're talking about a year between our first organization-wide survey and our second organization-wide survey. So our score changed one percentage point which tracks with standard expectations across industries that significant upward movement in, in engagement is really the result of sustained multi-year improvement efforts.

And assessment and assessment rather than something that you're gonna see, you know, happen really quickly. So our score this year indicates a level of 44% engagement on our team. And the benchmark, the government benchmark that our survey provider uses sets the, the government benchmark score at 51%. So we're currently about seven points below the bench, the benchmark. But this is actually it, it turns out that that's actually a bit of a narrowing of the, the gap between us and the benchmark because the government benchmark did decrease by a few points this year. So that gap is slightly narrower, and we've learned that employee engagement in the US more broadly is seeing its first decline in a decade, really across 2021 and 2022. So, you know, we're keeping that context in mind while we are still very much focused on our own progress year over year now that we're conducting and benchmarking for ourselves.

So in turning to just really briefly while we're still on this slide, some specific thematic findings from the survey where we have fundamental strengths has been consistent year over year. Overall, our team continues to have a strong feeling of connection to NYSERDA's mission and being a part of something meaningful in that mission. Our team consistently shares expressed sharing and appreciation of our passionate, talented, and dedicated colleagues. And we've

learned year over year that many colleagues feel that their direct supervisors care about their concerns, which is a really key contributor to good engagement at an organization. And so that's something that we are, we're really happy to hear about, although we do recognize that that goes hand in hand with providing our managers with the support and resources of, of their own that they need to effectively meet the concerns of their direct reports.

So, where we need to improve this year has also, however remained unchanged. But fortunately we began work on these improvement areas over the past year and are in a good position to focus and build on the momentum of those efforts going forward, while also putting a finer lens on just a few new foundational areas that Doreen will talk about in just a bit. So just going to the next slide which has a, a very large table on it. But I just to kind of summarize what you're looking at here as we shared previously the areas for improvement that I just mentioned are consistent from last year, and include areas such as addressing departmental silos and promoting cross team collaboration, the need to re to realize greater operational efficiencies, the need to provide a more robust way of professional development opportunities and building practices and culture that impact equity and inclusion when it comes to both the workplace experience and career growth and advancement at NYSERDA .

So what I've done here with this slide is provide a bit of a snapshot of, of those improvement themes, which are in the dark blue across the top that we've identified in these last two surveys year over year, and the specific actions in light blue on the side there we've already had underway to address them over the past year as the result of the last survey. So a key point conveyed by this table is that all of the work streams that we've undertaken mapped to achieve impact across multiple areas of improvement that we are looking to see. And it's also worthwhile to note that nearly all of these actions also map to activities specified in the DEI Strategic Plan. And as you can see pretty easily from this table, they, they all impact a key identified objective in both the Strategic Plan and the engagement survey findings that team members that we really wanna get to a place where team members are reporting that they feel enabled to work at their full potential.

So just to quickly highlight some of the improvement work that we've been doing since the prior survey and that we're, you know, saying that we're continuing, they range from implementing the risk control and streamlining assessment which I heard about earlier this morning in a different Committee meeting. Primarily impacting areas of operational efficiency as relates to the survey findings. Moving to things like enhancing our focus on defining job roles and competencies along with performance coaching for individual, individual staff by our managers. More standardized access to professional development general professional development. And then to our series of trainings focused not only on creating awareness of equity and inclusion, but developing skills that will support both our workplace and our work to our efforts to maintain options for work schedule, flexibility and supportive work-life balance.

I do wanna mention that these areas of work are, are, are, are, are being led by a, a variety of responsible parties across the organization the HR team and in the CFO's business unit being one of those key players in some of this work. So the work in these areas will continue for the current, for the current year going forward. And I am gonna turn it over to Doreen now to talk a

bit more about some ways that we're planning to hone in on some of these efforts in the coming year as well.

Doreen Harris:

Thanks, Michelle. Next slide please. So, so when we are, we're looking at the engagement survey results year, year, really what it does to, to summarize Michelle's points, it really confirms for us that the work streams we had underway are in large part those that are really getting it. The areas that we've learned about and that are consistent this year versus last is just, you know, the facts on the ground are that these just take some time to both execute on and, and see the changes resulting from it. That's actually not to say though that there aren't other items on our list from our DEI Strategic Plan that we will actually be reporting to this Committee according to our standard schedule. We'd report out in the fall on where we are with respect to DEI Strategic Plan implementation. And we've already been thinking about really where we should be adding to this list that you see here.

However, for the moment, really when we look at 2023, we have these focus areas of communication, leadership, and management. Again, this is, this is critical both sort of within the organization as well as from the leaders to, to the teams themselves, but also with a very strong focus on process decision making and workload as being central to not only efficiency, but also with respect to recognizing that we are a growing organization and one that really needs to be thinking about our operational effectiveness in the context of that growth. As well as these engagement survey results, we've heard clearly in our advancing additional opportunities for professional development, including the leaders of their organization, how they are made available to o but also to recognize the traits and characteristics of leaders as to how they execute on a day-to-day basis.

And then notably and relatedly to the topic of professional development we have a robust process. In fact, we're, we're launching as we speak our, our annual review process in which we establish goals for individuals, but ultimately those goals need to be expansively and increasingly consistent with the goals of the Authority, which we had discussed annually with this Board previously. So, so from the perspective of I'd say sort of staying consistent with that theme, we would be instituting rolling updates to ensure that we're staying true to the goals that we've established and, and specifically their effectuation. So all that to say this is certainly a work in progress, but it is a strong focus of ours remains as such. And I really specifically want to thank Michelle and the DEI team for really establishing this cadence that we are now really integrating within the entire organization as such. So with that, we'll conclude the presentation and discuss any questions you might have.

Jay Koh:

I, one, just one question. Have you seen any other trendline impact in, in the kinda engagement, broader to the objectives, NYSERDA for the current ramblled labor market? I mean, I know it's hard to attract and retain. We talked a little bit about, you know, how competitive it is. It's great mission, it's, it's great to hear there's alignment around that and that direct connection at that national. I'm just wondering if you're seeing any broader trends come, like considering this in the evaluation of NYSERDA?

Michelle Andry:

Are you essentially asking, are we seeing any impacts from kind of like the upheaval in the labor market right now?

Jay Koh:

Yeah. On, on DEI in particular that you need to be aware of?

Michelle Andry:

I mean, I don't know. I, I, I don't know, Pam, you have maybe a bit of perspective to add on this from, from the human resources lens.

Pam Poisson:

But I can, I can frame, I can frame maybe the, the overall <inaudible>, but I think we've seen trends there that in general are, are aligned with similar organizations. It's average this comparables would be number between that and 13% on average over the past three years. I can't really comment on the, the DEI prospect per say, so I don't,

Michelle Andry:

So we're right now one of the last reports that we made to this, I think was around the, the data the data work that we're doing as a part of the DEI Strategic Plan. So we're really working on our systems and processes for being able to track that kind of information right now. Also, we're on track to potentially have that kind of information available by the end of this year, so I'll be better able to tell you then. Yeah.

Arturo Garcia-Costas:

So understanding that many of the things that are being measured there are quite in quorate and as suggested, and you suggested it takes time to sort of change those big in quorate systemic things. At what point, like if, if you don't see movement next year, do you think that's going to make you re-evaluate the, how that's being asked or how that's being measured? Or what is, why is that response coming out so, so strongly in the, in, in the engagement of survey? Is there another type of way of like illuminating that issue?

Michelle Andry:

Yes. I mean, the thing is, we, we conduct the survey, but one of the things that we're also doing between surveys is really taking an approach of going into the organization, into the business units and finding out more, trying to better understand exactly what the kind of levers are. So that we're really like as, as close as possible, figuring out what we need to work with so that we are not trying to figure it out just based on, on the survey. Yeah, yeah, yeah. The survey annually. So we'll continue to do that. We, we're, we're working on that right now with our business unit business unit leads. And so that will really help us just even going into the next survey. So yeah, I, I, I think that's really gonna help us ensure that we are, although we'll probably be asking the same things, we'll always, like you said, we'll always have other means by which we're getting information and, and helping to kind of expand what expand what we're, what we're hearing from the survey.

Arturo Garcia-Costas:

Excellent. Thank you. Yeah. Any other comments, questions?

Sherburne Abbott:

Hey, so can I

Arturo Garcia-Costas:

Sure, sure. Sorry.

Sherburne Abbott:

From a social science perspective there, there are two things. One is from a, from the survey responses, 8 85 is nothing to be,

Arturo Garcia-Costas:

Yeah, really that's, that's pretty amazing.

Sherburne Abbott:j

Two, I, you know, there are a number of things that I could tell you, but right. But one of them is interest and, and, and level of engagement to start, right. The second one is, is that you know, this began in the, the, the sort of beginning of the post pandemic environment. So I would caution about making any conclusions that, you know, that it, it is this long process, but it's, it's terrific, terrific effort.

Arturo Garcia-Costas:

It's really excellent. Thank, thank you so much, Michelle and Doreen for your leadership, all these issues. So with that, we're gonna move on to other business. Are, are there any other matters that the Members would like to discuss or bring before the Governance Committee? Speak now, forever. Hold this particular Committee meeting. Okay. Hearing none, may I have a motion to adjourn this time? I'm getting with to Sherry and like You can sec. Second <laugh>. All in favor?

Members of the Committee:

Aye.

Arturo Garcia-Costas:

Any opposed? Hearing none. The meeting is adjourned.