XIII. Compensation and Benefits Monitoring Report

I certify that the information contained in this report is true.

Christine Keller, Executive Director & CEO

submitted: July 30, 2025
Date

Summary by Policy Area & Compliance Status – July 2024 to June 2025

A concise overview of compliance across all policies is provided below.

Policy Area	Compliance Status	Key Notes
Global Policy	✅ In Compliance	Policies A–E demonstrate fiscal integrity and strong public image. Consultant/contractor agreements in place; adequate insurance maintained.
A. Executive Director Compensation	✅ In Compliance	2024 ED compensation adjustment documented by Board; benefits consistent with other employees.
B. Employment Terms	✅ In Compliance	All offer letters confirm at-will status; Employee Handbook acknowledged by all staff.
C. Compensation & Benefits – COLA	✅ In Compliance	4% COLA applied, above federal benchmark; merit bonuses awarded; retirement contributions restored to 8%.
C. Compensation & Benefits – Insurance	✅ In Compliance	2024 insurance review confirmed competitive coverage; EAP upgraded; hospital indemnity added.
C. Compensation & Benefits – Salary Benchmarking	✅ In Compliance	2022 study confirms competitive salaries; WHES data available to supplement in future.

Policy Area	Compliance Status	Key Notes
D. Long-Term Obligations	✅ In Compliance	No long-term liabilities for compensation or benefits.
E. Retirement Benefits	✅ In Compliance	Defined contribution plan with equal access for all; no unfunded liabilities.

I report compliance with all Compensation & Benefits policies for the July 2024–June 2025 period.

Global Policy Language

With respect to employment, compensation, and benefits to employees, consultants, and contract workers, the Executive Director will not cause or allow jeopardy to fiscal integrity or to public image.

Interpretation 1
The interpretations and data for Policies A–E reasonably demonstrate that AIR's practices in compensation and benefits protect fiscal integrity and public image.

Evidence 1
In aggregate, Policies A–E show fair, transparent, and fiscally responsible administration of staff compensation and benefits, aligned with market conditions and with specific oversight for the Executive Director's compensation.

Compliance 1
I report compliance. The interpretations and supporting evidence for Policies A–E demonstrate adherence to policy and avoidance of fiscal or reputational risk.

Interpretation 2
The terms of any compensation for consultants or contractors are clearly delineated in writing and signed by the Executive Director or Deputy Director and the other party. Consultants and contractors are not eligible for employee benefits.

Evidence 2
All consultants and contractors engaged during the monitoring period signed agreements that defined scope, compensation, and deliverables. Agreements clearly identified the individuals as non-employees and, where applicable, specified ownership of work products.

Compliance 2
I report compliance.

Interpretation 3

Adequate levels of insurance are maintained to protect AIR, staff, contractors, and consultants, and the Board from liability claims, thereby protecting fiscal integrity and public image.

Evidence 3

During the reporting period, AIR maintained the following coverage: 1) Workers' compensation, 2) Business owners' general liability, 3) Professional liability insurance for staff and contractors/consultants, and 4) Directors' and Officers' liability insurance (including employment practices liability).

Compliance 3

I report compliance. Adequate insurance policies were maintained for the Association, staff, contractors, and Board, providing appropriate protection against liability risks.

A. Policy Language

The Executive Director will not: Change the Executive Director's own compensation and benefits, except as his or her benefits are consistent with a package for all other employees.

Interpretation

Any adjustments to the Executive Director's compensation or benefits beyond those applicable to all employees are documented in writing by the Board of Directors

Evidence

The Board initiated a change to the Executive Director's compensation for 2024 in a letter dated December 2, 2024, in accordance with BRE IV.C - *Executive Director Compensation and Benefits*. Benefits remain consistent with those of all other full-time employees, with one Board-approved addendum to the Executive Director's contract (August 2018) stipulating additional support for professional development.

Compliance

I report compliance.

B. Policy Language

The Executive Director will not: Promise or imply permanent or guaranteed employment.

Interpretation 1

All employees receive offer letters clearly stating that employment is at-will unless otherwise specified. Employees annually acknowledge the AIR Employee Handbook, which also affirms at-will employment.

Evidence 1

All offer letters reviewed during the 2023–2024 Human Resources Audit by HR consultant, Linda Barineau, included the at-will language. In January 2025, all employees acknowledged receipt and understanding of the Employee Handbook.

Compliance 1

I report compliance.

Interpretation 2

C. Policy Language

The Executive Director will not: Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.

Interpretation 1

Cost-of-living adjustments are considered annually based on financial capacity and reputable benchmarks such as the U.S. Social Security Administration's Cost-of-Living Adjustment (SSA COLA) and Conference Board projections.

Evidence 1

For 2025, the federal COLA rate was 2.5% and the Conference Board projection was 3.9%. Given AIR's strong financial position, a 4% COLA increase was awarded to all eligible staff. Merit bonuses of $2,000–$3,000 were also distributed. Retirement contributions increased from 7% to 8%.

Compliance 1

I report compliance. 2025 COLA adjustments and merit bonuses align with market benchmarks and financial capacity.

Interpretation 2

Staff insurance benefits are reviewed at least every two years by an experienced broker to ensure competitive cost and value in line with AIR's financial position.

Evidence 2

In 2024, AIR worked with Brown & Brown Insurance to review all health, dental, life, and disability benefits. Competitive bids confirmed that current carriers remain the best option. Enhancements included employee-paid hospital indemnity coverage and an upgraded Employee Assistance Program (EAP).

Compliance 2

I report compliance. Insurance benefits were reviewed; current carriers remain competitive, with appropriate enhancements made.

Interpretation 3

Full-time staff positions are benchmarked by a reputable source every three to five years or as staffing patterns change materially.

Evidence 3

A 2022 compensation study by AIR's HR consultant, supplemented by ASAE data, confirmed salaries are competitive. Additional salary comparison data will be available in 2025 through AIR's membership in the Washington Higher Education Secretariat (WHES).

Compliance 3

I report compliance. 2022 salary benchmarking and supplemental market data confirm salaries are competitive; additional WHES data will inform any future reviews.

D. Policy Language

The Executive Director will not: Create obligations over a longer term than revenues can be safely projected, in no event longer than one year, and in all events subject to losses in revenue.

Interpretation

AIR's audited financial statements show no long-term liabilities for compensation or benefits.

Rationale

If AIR were to have a financial obligation greater than one year it would appear on the financial statements as a long-term liability.

Evidence

The audited financial statements for 2024 show no long-term liabilities for compensation or benefits.

Compliance

I report compliance.

E. Policy Language

The Executive Director will not … Establish or change retirement benefits so as to cause unpredictable or inequitable situations, including those that

1. *Incur unfunded liabilities.*
2. *Provide less than some basic level of benefits to all full-time employees, though differential benefits to encourage longevity are not prohibited.*
3. *Treat the Executive Director differently from other key employees.*

Interpretation

AIR maintains a defined contribution retirement plan (403b) that automatically enrolls all eligible employees (those regularly scheduled to work 20 hours or more per week). The Executive Director receives the same retirement benefits as other eligible employees.

Rationale

By providing equal access to a defined contribution plan, AIR ensures retirement benefits are equitable, predictable, and free from unfunded liabilities. (There is no guarantee of a specific amount of retirement income with a defined contribution plans as there is with a defined benefit pension.)

Evidence

1. The audited financial statements for 2024 show no long-term liabilities related to retirement benefits.
2. AIR's retirement plan through Voya provides an automatic employer contribution of 8% of gross monthly salary for employees working 20+ hours/week, with no required employee match. Employees may also make pre-tax contributions, subject to IRS limits. All eligible employees participated during the reporting period.
3. The Executive Director receives the same 8% employer contribution and the same pre-tax contribution option as other eligible employees.

Compliance

I report compliance.