



**Minutes of the Human Resources Committee
September 10, 2012**

The Human Resources Committee of the Rhode Island Housing and Mortgage Finance Corporation convened at 8:30 am on September 10, 2012 at the offices of Rhode Island Housing. Committee members present were Chairman DeRentis, Commissioners Monteiro and Louis DeQuattro, designee of Commissioner McGreevy, constituting a quorum of the Committee. Also present were Richard Godfrey, Executive Director, Kara Lachapelle, Director of Finance and Technology, Susan Bodington, Deputy Director, Patricia Trinqué, Human Resources Director, and Michael Milito, Deputy Assistant Director for Law and Human Resources.

The publicly posted Committee agenda consisted of the following matter: Discussion of Human Resources Related Matters Relevant to Fiscal Year 2013 Budget and Consideration of proposals for Development of Executive Performance and Compensation Models.

1. Salary and Benefits – FY 2012

Mr. Godfrey touched on some of the main points of the proposed FY 2013 budget as it relates to human resources issues, primarily salary and benefits.

The proposed budget assumes a staffing level of 172 regular positions. The proposed budget assumes the continuation of the Project Based Contract Administration (PBCA) relationship with HUD at the reduced compensation level through the end of FY 2013. If the PBCA contract is renewed we expect to fill a few open positions because the new contract will impose greater inspection obligations than is contained in the continuation contract.

In light of current market conditions and uncertainty regarding the continuation of the PBCA contract, the proposed budget does not include funding for any salary increases in FY 2013. If circumstances warrant, we may seek approval of funding for merit increases later in the FY 2013.

Following a period of discussion, on a motion made by Commissioner Monteiro and seconded by Designee DeQuattro, the Committee unanimously voted to recommend to the Board of Commissioners that the proposed FY 2013 budget be adopted.

2. Engagement of Executive Performance and Compensation Consultant

The Committee next considered staff's recommendation that Rhode Island Housing engage the firm of The Singer Group to assist in the development of an executive performance and compensation model.

At a recent meeting the Board of Commissioners considered the renewal of the Executive Director's contract and adjustment to compensation. As a follow-up to those items, the Chairman requested that staff seek proposals from outside consultants to develop a performance evaluation and compensation process for future executive performance and compensation reviews.

Staff issued a Request for Proposals (RFP) for these services in June. The RFP was provided to a number of firms that had previously responded to a prior RFP regarding a full-staff compensation study. In addition, the RFP was posted on Rhode Island Housing's website, and on the state purchasing website administered by the Division of Purchasing.

Proposals were submitted by the following organizations:

- The Bronner Group (Chicago, IL)
- DIJ Management (Holden, MA)
- The Singer Group (Reisterstown, MD)

Staff reviewed the proposals and recommended that The Singer Group be engaged to provide these services.

The Bronner Group is a relatively large organization that generally provides a broader scope of services to clients that are far larger than Rhode Island Housing. Their size is not a good fit for Rhode Island Housing's needs and their proposed fee of \$31,960 was more than three times higher than the other bidders.

DIJ Management is a small organization based in Holden, Mass. DIJ is essentially a one-person organization that brings in additional consultants as necessary. Jacobs has a background in town management in Massachusetts, and in municipal finance for small financial institutions. DIJ has had a few engagements in Rhode Island, for the Towns of East Greenwich and Lincoln, the City of Newport and the Rhode Island Economic Development Corporation. The references DIJ provided primarily involved compensation studies and organization-wide performance models, as opposed to development of a performance evaluations approach for executive director/senior managers. We reached out to DIJ to see if there were other references available for the performance review scope of work but none were provided.

We were able to make contact with one of the Rhode Island references provided. The feedback was that DIJ does a good job on organization-wide compensation studies but they would not recommend DIJ for the development of an executive director performance review model.

Page 3

The Singer Group is a Maryland based organization that has a broad private and public sector practice, focusing in the mid-Atlantic but with a number of clients in other parts of the country. They are a three person organization that also brings in additional assistance on a particular job, if deemed necessary. They have significant experience working with a broad range of non-profits, as well as public libraries, colleges and universities, local school districts, and the like.

They gave references to a number of organizations for which they provided assistance in developing an evaluation process and approach for senior management and executive directors. The recommendations for the Singer Group were uniformly positive. They were described as “first-rate,” “spry and flexible,” and providing service that was “head and shoulders above others organizations I have worked with on similar engagements.”

Their proposed fee of \$9,500 was slightly above the lowest proposal.

Following a period of discussion, on a motion made by Commissioner Monteiro and seconded by Designee DeQuattro, the Committee unanimously voted to recommend to the Board of Commissioners that The Singer Group be engaged to assist in the development of an executive performance and compensation model.

There being no further business, the meeting was adjourned at 9:00 am.

Respectfully Submitted:

Chairperson

Date