



OFFICIAL MINUTES OF:

Meeting of:	Ad Hoc Compensation Committee
Date:	April 30, 2008
Time:	12:00 P.M.

MEMBERS PRESENT

Vincent Mesoella, Chairman
Joseph Kimball, Ad Hoc Compensation Committee, Chairman
Raymond Marshall, Executive Director
Bruce Campbell
Angelo Rotella
Michael Salvatore
Al Montanari

MEMBERS ABSENT

Robert Andrade

STAFF AND GUESTS PRESENT

Laurie Horridge Bissonette, NBC
Karen Musumeci, NBC
Rich Bernier, NBC
Tom Uva, NBC
Paul Nordstrom, NBC
Paul Martineau, TEA
Karen Giebink, NBC
Cecille Antonelli, NBC

1. Call to Order

Noting that a quorum was present, Ad Hoc Compensation Committee Chairman Kimball called the April 30, 2008 meeting of the Ad Hoc Compensation Committee to order at 12:15 p.m.

2. Approval of Minutes – February 19, 2008-Ad Hoc Compensation Committee Meeting

Ad Hoc Compensation Committee Chair Joseph Kimball asked members of the Ad Hoc Compensation Committee if they had an opportunity to review the minutes of the February 19,

2008 Ad Hoc Compensation Committee Meeting. Commissioner Rotella motioned to approve the minutes of the February 19, 2008 Ad Hoc Compensation Committee meeting as written. Commissioner Mesolella seconded the motion, and the vote taken by the Ad Hoc Compensation Committee was unanimous. The motion carries.

3. Items for Discussion

- A. Continued Discussion on the Progress Report for the Non-Union Compensation Study being prepared by The Employers Association

Chairman Kimball asked Executive Director Raymond Marshall to inform the Commissioners of the progress made on this matter since the last meeting.

Mr. Marshall stated that at the last meeting salary, benefit and pension data compiled by The Employers Association was reviewed by the Committee. It was comprised of Market Data which was national in scope and spanned many industries and a Competitor Analysis which was comprised of two (2) national and two (2) regional consulting firms along with (2) public agencies, The Airport Corporation and Rhode Island Resource Recovery. Upon review of NBC's salary data to the salary data supplied by The Employers Association it appeared that a number of positions at NBC were not being properly compensated. Therefore, at the request of the Compensation Committee members the NBC Directors, in their respective divisions, were asked to take an in-depth look at these positions and to evaluate the data. After obtaining limited information via the Internet it was determined that it would be helpful to perform a salary comparison between NBC and other wastewater agencies, and we reached out to our friends at the National Association of Clean Water Agencies. Fifteen (15) NACWA member agencies from across the country were selected and a one page data request was e-mailed to the agency directors.

The request outlined what type of agency NBC is terms of what we do here, how many customers we service, and what our budget is along with a list of pay ranges for the top two (2) dozen positions at NBC. We felt that benchmarking the highest paid positions at NBC would create a barometer which could then be used as a measure for salary in the lower range positions. We asked that they provide NBC with their respective agency information and thirteen (13) agencies responded.

Mr. Marshall provided members of the Committee a copy of the one page data request that was sent along with a spread sheet detailing the agency responses. He stated that the agencies responding do differ for example Western Carolina which is in Greenville, South Carolina is similar to NBC in size, amount of customers serviced, and is a retail operation as opposed to Metro Denver located in Denver, Colorado which services 5 times more customers but is a wholesale operation. Also noted was that some agencies have the responsibility of maintaining all of the pipes while others like NBC have responsibility for just the Interceptors and that these factors play into the scope of responsibilities of their staff. Not all of the positions from the responding agencies matched the positions at NBC, and in some cases there were many salary gaps and in other cases there were very few. The two extremes in terms of pay ranges were Anchorage, Alaska and Hartford MDC with the latter salaries the highest range. Mr. Marshall also noted that further salary information was compiled via the Internet for the City of Phoenix.

Mr. Marshall presented a table which listed the salary data received from The Employers Association, NACWA and the Narragansett Bay Commission. On Page 3 of the table the information from the NACWA group was compiled to show an average minimum and average maximum salary for each position in comparison to NBC's salaries. While the initial salary data

supplied by The Employers Association was of concern, the salary information obtained from the NAWCA group indicates that with the exception of a few positions, NBC's salary ranges for the positions outlined were favorable to what other wastewater agencies throughout the country are offering. He did state that those few positions that warranted a salary adjustment could be revised by using the current grading system in place at NBC.

Mr. Martineau of The Employers Association stated that in his opinion the positions in question could be adequately compensated using the current NBC grading system that was developed in unison with The Employers Association.

Mr. Marshall stated that regarding the health coverage, vacation and sick leave benefits overall what NBC offers is equal if not better than what is offered by other employers. However, in reviewing pension benefits the parity between NBC's union and non-union pensions needs to be addressed.

Commissioner Mesoella asked if any of the NACWA respondents had offered information regarding their pension benefits specifically as to whether they are in a defined contribution or defined benefit plan.

Mr. Marshall advised that the NACWA information consisted of only salary data and suggested that a follow-up request for pension information could be sent to the NACWA group.

Commissioner Kimball agreed that it would be pertinent to gather additional information regarding the pension plans in place at other wastewater agencies.

Commissioner Montanari asked had questions regarding how many sick days employees are given per year and if NBC employees were participants of the Temporary Disability Insurance program.

Mr. Marshall stated that employees are allowed 15 sick days per year and can accumulate a maximum of 150 days and that NBC employees are not participants of the Temporary Disability Insurance program. NBC does provide at no cost to non-union employees a long term disability insurance policy which would take effect after 90 days of illness.

Commissioner Mesoella asked which positions showed the most disparity.

Mr. Marshall stated one example is the Laboratory Technician position. Over the last 5 to 6 years their job has become much more technical, and they have additional responsibilities as a result of higher levels of analysis creating a much heavier work load. While NBC does receive a good pool of qualified applicants when the prospective employee realizes that their starting salary will be on the low end of the pay grade they lose interest in employment with NBC. This suggests that the position requires either a higher starting salary within the pay grade or an upgrade in the position. Another example is the Public Affairs Specialist, the NBC salary is below both the Competitor Analysis and the Market Data. Mr. Marshall advised that in each department the respective Director could identify one or two positions where the salary should be reviewed.

Commissioner Rotella stated that he was satisfied with the salary information that has been presented to the Committee and recommended that any positions requiring a salary or grade adjustment be implemented and/or presented to the appropriate Committee for action.

Commissioners Campbell stated that he felt that the issues concerning wages had been adequately addressed through this Committee.

Mr. Marshall advised that while the wage and benefit issues have been addressed the disparity between the union and non-union pensions still needs to be look into.

Commissioner Mesolella asked Paul Martineau if The Employers Association had a mechanism in place to address the differences between the pension plans.

Mr. Martineau stated that The Employers Association has the ability to review, compare and make recommendations regarding closing the gap between the pension plans. He acknowledged that the overriding question was the disparity between the state retirement system vs. what is currently in place for the non-union employees at NBC. He stated that there are in the market place other options that could be developed with respect to fashioning savings and investment 401K's or retirement plans that might bring the non-union employees pension plan to closer parity with the state retirement system (that NBC's union employees are a part of).

Mr. Marshall advised that in addition if the Commissioners so desired he could send out an additional questionnaire to the NACWA participants requesting information on their employee pension benefits/plans.

After a lengthy discussion between the Commissioners a Motion was made by Committee Chairman Kimball that NBC move forward on those positions requiring salary adjustments. Commissioner Rotella seconded the motion, and the vote taken was unanimous.

A motion was made by Commissioner Mesolella authorizing The Employers Association to conduct a study to address the differences in compensation between the union and non-union pension plans and for NBC to gather additional pension information from the National Association of Clean Water Agencies. Commissioner Kimball seconded the motion, and the vote taken was unanimous. The pension study work will be undertaken in the next fiscal year.

3. Other Business

None to report.

4. Adjournment

With no further business to come before the Committee, Commissioner Salvadore motioned to adjourn. Commissioner Campbell seconded the motion, and the vote take was unanimous. The meeting adjourned at 1:45 p.m.

Respectfully submitted,



Raymond J. Marshall, P.E.
Executive Director/Secretary