

The Narragansett Bay Commission  
One Service Road  
Providence, RI 02905

(401) 461-8848  
(401) 461-6540 FAX

Vincent J. Mesolella  
Chairman

Raymond J. Marshall, P.E.  
Executive Director



**OFFICIAL MINUTES OF:**

Meeting of:	Compensation Committee Meeting
Date:	December 17, 2014
Time:	9:00 a.m.

**MEMBERS PRESENT:**

Joseph Kimball, Chairman  
Robert Andrade  
Vincent Mesolella  
Angelo Rotella

**MEMBERS ABSENT:**

Bruce Campbell  
Michael DiChiro

**STAFF AND GUESTS PRESENT:**

Raymond Marshall, NBC Executive Director  
Laurie Horridge, NBC  
Karen Musumeci, NBC  
Jennifer Harrington, NBC  
Richard Bernier, NBC

Joanne Maceroni, NBC  
Diane Buerger, NBC  
Paul Martineau, Employers Association  
Patti D'Amaddio, Employers Association

**1. Call to Order**

Recognizing that a quorum was present Committee Chairman Kimball called the December 17, 2014 Compensation Committee Meeting to order at 9:50 a.m.

**2. Items for Action**

- A. Review of Current Status
- B. Employer's Association Presentation and Discussion
- C. Executive Director's Contract

Executive Director Raymond Marshall stated that the Compensation Committee met on November 17 and at that meeting the status of our current non-union program and the provisions in the Quasi-Public Corporations Accountability & Transparency Act (a.k.a. a the Sheehan Bill) were reviewed.

At that meeting some preliminary data collection and analysis information was passed out to the Committee members for their review. It was indicated at that time that at the next meeting of the Committee, Paul Martineau and Patti D'Amaddio of The Employers Association (EANE) would be before the Committee to present their findings in terms of a market analysis of the position of executive director as well as looking at the pay ranges for other the other directors which may need some modification for incorporation into our existing non-union plan.

Mr. Marshall introduced Paul Martineau and Patti D'Amaddio of the Employers Association to the Committee.

Mr. Martineau stated that The Employers Association has provided services to the Narragansett Bay Commission over the past 15 years. Ms. D'Amaddio who will be presenting today heads the Human Resources Strategic Services Group within The Employers Association of the Northeast with and EANE. She is an accomplished compensation analyst and professional. He noted that The Employers Association has kept in touch every step of the way with this project and is confident that we have come to a very reliable outcome that the Commission can have confidence in.

Ms. D'Amaddio stated that she has been on staff with The Employers Association of the North East for the last ten years and has been a member since 1978. The Employers Association serves about 900 member companies in Massachusetts, Connecticut and Rhode Island.

The Narragansett Bay Commission engaged the Employers Association to perform an in-depth market analysis for the position of Executive Director to ensure compliance with Section 1, Title 42, Chapter 55 of the Rhode Island General Laws, addressing the accountability and transparency of quasi-public corporations in their compensation decisions.

Ms. D'Amaddio advised that prior to doing the Market Analysis both she and Paul Martineau met with Mr. Marshall to get an understanding of the NBC organization, the industry and the executive director position. They were also provided a copy of the Executive Director's position description.

She stated that the most important piece in the development of a compensation plan is the survey data, having multiple surveys and multiple data points are important. Also when compiling the market analysis you look for data that is statistically valid. To be statistically valid you need a minimum of six different businesses that participate in each survey. You also want to use data that is relevant and that it is comparable when possible in regard to operational size, budget size, industry and geographic region. Geographic region is an important component because cost of living varies considerably between geographic regions. When necessary based on survey publication date, survey data was aged using the corresponding change in the CIP (Consumer Price Index) as necessary to make it current.

She noted the survey tools that were used in the performance of the market analysis:

- Third Sector New England Compensation survey of and for Non-Profits in MA, RI and Adjoining Communities 2014
- The Employers Association of America Executive Compensation Survey 2014
- PAS (Personal Administrative Services, Inc.) Executive Compensation Survey for Contractors 2012 (Data aged to current)
- Bluewater National Non-Profit Solutions 2014 Compensation Survey
- NBC solicited salary data from Wastewater Utility Commissions across the country. The respondent data was forwarded directly to the EANE compensation consultant. A geographic

adjustment between the reporting geography and Providence, RI was calculated for range midpoint pay rates.

Ms. D'Amaddio stated that when she developed the work product for a recommended salary range for the NBC Executive Director position she looked at the compensation philosophy of the organization, meaning where in the market do you need to be to attract and retain the talent you need. Also when you look at the composition of the NBC you are looking at Engineers, Finance, Legal and Accounting and HR personnel. NBC is competing not just with not for profit organizations you are competing for talent with the for profit world as well. So having that mix of data is important. Depending on where the Commission wants to be and the presumption is that you want to be at market, competitive not leading the market but not lagging the market.

For the Executive Director's position salary range minimum, midpoints and maximum rates were established applying a 40% spread off the market median pay rates.

Three range scenarios were developed based on three survey data segments:

- a. Market median pay rates as reported by budget Size \$100M and under
- b. Market median pay rates for all segment breakouts (budget size, employment size and industry type)
- c. Wastewater Utility median pay rates with budget size \$70-\$152M

Ms. D'Amaddio extensively reviewed the survey data with the Committee and there was a lengthy discussion with the Committee members regarding the survey data, salary range, considerations based on longevity, educational credentials, years of related professional experience and job performance i.e., successfully achieved organizational goals and objectives, leadership competency, etc.

Mr. Marshall noted that the Sheehan bill addressed in addition to an in depth look at the Executive Director's position/compensation was a look at the senior management compensation structure.

The Employers Association at Mr. Marshall's request reviewed the senior management (Directors) positions/compensation ranges. The Employers Association had data points from the surveys that were previously mentioned as well as the information from the NACWA surveys. To comply with the Sheehan Bill the Director's salary ranges must also be affirmed by the Committee and the full Board.

Ms. D'Amaddio stated that some years ago for the purpose of establishing a Compensation/Salary Range plan, all of NBC's non-union positions including the Director positions were evaluated using the National Position Evaluation Plan (NPEP). The Employers Association uses this plan for all its members. The NPEP forces an organization to evaluate a job based on a defined set of factors such as level of education required, level of experience, complexity of duties, the impact of an error, etc. All of NBC's jobs were evaluated based on those factors and that system assigns each job to a salary grade based on that point factor evaluation.

Ms. D'Amaddio extensively reviewed the work product/salary results she compiled for the Director's salary range with the Committee. There was discussion on changing the minimum to maximum spread of the pay range from 40% to 50%.

It was noted that after the requirements of the Sheehan bill are met in regard to the Executive Director and Senior Management (Director) positions the Compensation Committee will have the Employers Association take a look at the pay ranges and spread for non-union employees below the Director level.

NBC Chairman Mesolella asked if the Employees Association had collected any salary data from any of the other Rhode Island Quasi-Public agencies?

Ms. D'Ammadio stated that they did not have that information available today.

Chairman Mesolella stated that he thought it was relevant and necessary that the Committee be able to review salary information for the Executive Directors of other RI Quasi-Public agencies be provided to the Committee.

Mr. Marshall stated that RI Quasi-Public salary information is public record and that it would be provided to the Committee at the next meeting.

This completed Ms. D'Ammadio's presentation.

Mr. Marshall stated that the next step to be in compliance with the Sheehan bill would be for the Committee to pass and the full Board approve a Resolution stating that you endorse the process being used by the Narragansett Bay Commission and the new pay ranges for the director's whether you want to keep the spread on the minimum to maximum at 40% or you want to increase the spread to 50%.

Commissioner Andrade made a motion to increase the spread on the minimum –maximum salary ranges for the Directors from 40% to 50%. NBC Chairman Mesolella seconded the motion and the vote taken was unanimous. The motion carried.

It was agreed that a Resolution would be presented at the next meeting of the Compensation Committee on January 13, 2015 to confirm the non-union salary administration process the NBC uses and to confirm the Directors pay ranges with the minimum and maximum being a 50% spread.

It was also noted that once the Resolution is passed the Executive Director will continue to determine the compensation for the individual Directors.

There was no further discussion.

#### **4. Other Business**

There was no other business to report.

#### **5. Adjournment**

A motion to adjourn was made by Commissioner Rotella seconded by Commissioner Andrade and the Compensation Committee meeting adjourned at 11:20 a.m.

Respectfully submitted,



Raymond J. Marshall, P.E.

*Executive Director/Secretary*