



Narragansett Bay Commission

Market Analysis for the Positions of Executive Director & Senior Management

Final Report Results & Recommendations

Conducted and Prepared By:

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Employers Association of the NorthEast
Your Human Resources and Training Partner

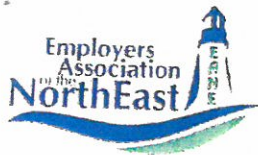
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Objective:

The Narragansett Bay Commission (NBC) Board of Directors engaged the Employers Association of the NorthEast to perform an in-depth market analysis for the positions of Executive Director and six Senior Management positions. Based on the data compiled in the market analysis the Board requested EANE to provide recommend salary ranges for each position. This initiative was undertaken by the Board 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 budgeting and compensation decisions.

In addition to the position of Executive Director, the following senior management positions were included in the scope of this project:

- Director of Engineering & Operations
- Director Construction Services
- Director Administration & Finance
- Director Policy, Planning & Regulation
- Director Executive Affairs
- Deputy Director

Methodology:

- The EANE compensation consultant was provided a copy of the position description for each in-scope position.
- EANE met with the Executive Director on-site to obtain an industry and operational overview.
- Survey information was selected to ensure statistical validity and provide the closest alignment with position content, the NBC geographic region, operating budget size and industry. When necessary, based on survey publication date, survey data was aged using a formula that corresponds with the change in the CPI (Consumer Price Index) since the date of data compilation.
- The following surveys were used in the market analysis portion of this project:
 - Third Sector New England Compensation Survey of and for Non-Profits in MA, RI and Adjoining Communities, published 2014
 - The Employers Association of America Executive Compensation Survey published 2014
 - PAS (Personnel Administration 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 utilities 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.
- **Salary Range Development**
 - Salary range minimum, midpoints and maximum rates were established using a 50% spread formula, with salary range midpoint pay rates being aligned with market median pay rates. Exhibit 1 attached.

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1. Executive Director Market Analysis and Salary Range Development:

Three range scenarios were provided based on three differing survey data segments.

- a. Survey data compiled from multiple survey sources for organizations with a budget size of \$100 M and under
- b. Market median pay data from multiple survey sources, reporting the median pay rate for all relevant segment breakouts (budget size, employment size and industry type)
- c. Utility Industry median pay rates for organizations with a budget size between \$70M-\$152M

	Data Segment	Minimum	Market Median	Maximum
a.	Organizations with budget size \$100 M	\$172,419	\$206,903	\$241,394
b.	Market median pay data (comparable budget size, employment size and industry type)	\$185,825	\$222,991	\$260,164
c.	Utility Industry median pay rates for organizations with comparable budget size	\$183,130	\$219,765	\$256,400
Range based on average median pay rates		\$180,458	\$216,553	\$252,653

In addition to the salary survey data compiled by EANE, the Board Chairman requested that NBC legal counsel gather data for comparable positions from other Rhode Island based quasi-public entities. This data is provided in Exhibit 2 attached.

Separate and apart from the survey data analysis compiled for this position, the Executive Director for NBC is assigned to grade 23 within NBC's existing compensation plan. This grade was established several years ago using the National Position Evaluation Plan (NPEP) which is a well-defined, validated position evaluation methodology. The range within the grade is adjusted annually to align with the CPI and ranges are developed using generally accepted progression and spread formulas. When the salary ranges are expanded to grade 23 using the progression formula, this calculation independently places the midpoint of grade 23 at \$222,644 which aligns with the recommended grade midpoint based on actual Executive Director market data.

2. Incumbent Position in Grade Determination:

The placement of a position incumbent within the recommended pay range should be determined taking the following factors into consideration:

- Possession of the required educational credentials
- Total number of related years of professional experience
- The degree to which the incumbent demonstrates key competencies defined for the position
- The degree to which the incumbent has successfully achieved established organizational goals and objectives

Generally the fully qualified incumbent that achieves the standards outlined above should be positioned at the range midpoint. The pay range from midpoint to maximum should be reserved for superior performance combined with longevity with the organization.

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3. Senior Management Position Market Analysis and Salary Range Development:

As previously stated, the NBC compensation plan was developed some years ago using the National Position Evaluation Plan (NPEP) which is a well-defined, validated position evaluation methodology. It is comprised of a comprehensive set of defined, compensable factors that are universally accepted by courts, labor unions and businesses, including but not limited to education, experience, complexity, impact of error, etc.

Each of the senior management positions were evaluated using this methodology and assigned to a salary grade. Unless the position content changes significantly the position's grade assignment does not change. In order to remain competitive with the market, the salary range associated with each grade must be evaluated regularly. Generally the range is adjusted annually by an amount that aligns with the change in the consumer price index and every 3-5 years a market analysis should be performed on benchmark positions within each grade.

EANE performed this benchmark position market analysis and provides the recommended ranges for each grade as reflected in the documents attached as Exhibits 3 and 4. These ranges were developed using generally accepted progression and spread formula for executive positions. Specifically, a progression rate (rate of increase from midpoint of one grade to the midpoint of the next higher grade) of 10% and a spread rate (difference between the grade minimum and maximum pay rate) of 50%.

In conclusion, EANE believes the analysis presented in his report provides the NBC Board with a solid foundation upon which compensation of the Executive Director and Senior Management can be determined. EANE appreciates the opportunity to work with the NBC on this important initiative and the opportunity to present and review the data compiled and ranges recommended.

Sincerely,

Patti D'Amaddio

Patti D'Amaddio, SPHR
Director Strategic HR and Compensation Services

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EXHIBIT 1(a)



Executive Director Market Analysis Prepared for the Narragansett Bay Commission						
Reported Utility Market Data for Comparable Budget Size Organizations						
Utility	Budget in M \$	FTE's	Range Min	Range Mid	Range Max	Geographic Adjustment to Midpoint
Metro Waste Water, Denver, CO	\$70.0	362	\$183,150	\$202,575	\$222,000	\$186,369
MMSD Milwaukee, WI	\$87.5	225	\$144,635	\$180,738	\$216,841	\$216,886
Metropolitan Council St. Paul, MN	\$90.0	631	\$110,519	\$137,166	\$163,813	\$142,653
NBC Providence, RI	\$100	260	\$178,115	\$222,645	\$267,174	\$222,645
Metro District Commission Hartford, CT	\$143	536		\$286,872		\$281,135
NEORS D Cleveland, OH	\$152	673	\$146,500	\$190,451	\$234,401	\$253,299
Median Data	\$95	449	\$146,500	\$196,513	\$222,000	\$219,765
Range				\$183,130	\$219,765	\$256,400

All Reporting Utilities						
Utility	Budget in Millions	FTE's	Range Min	Range Mid	Range Max	Geographic Adjustment to Midpoint
Fairfield Suisun Sewer District, Fairfield, CA	\$22.0	61		\$191,859		\$ 159,243
NEW Green Bay, WI	\$35.4	94		\$161,907		\$ 189,431
Alexandria, VA	\$50.0	100	\$ 183,000	\$238,500	\$ 294,000	\$ 162,180
Metro Waste Water, Denver, CO	\$70.0	362	\$ 183,150	\$202,575	\$ 222,000	\$ 186,369
MMSD Milwaukee, WI	\$87.5	225	\$ 144,635	\$180,738	\$ 216,841	\$ 216,886
Metropolitan Council St. Paul, MN	\$90.0	631	\$ 110,519	\$137,166	\$ 163,813	\$ 142,653
NBC Providence, RI Sanitation District No. 1 Ft. Wright, KY	\$100	260	\$ 178,115	\$222,645	\$ 267,174	\$ 222,645
Metro District Commission Hartford, CT	\$143	536		\$286,872		\$ 281,135
NEORS D Cleveland, OH	\$152	673	\$146,500	\$190,451	\$234,401	\$ 253,299
Albuquerque Bernalillo Cty Water Utility Authority Albuquerque, NM	\$197	659	\$134,763	\$165,547	\$196,331	\$ 173,824
Virginia Beach, VA	\$226	760		\$187,000		\$ 179,520
City of Columbus, OH	\$276	539	\$103,459	\$137,946	\$172,432	\$ 177,950
BWSC Boston, MA	\$310	464				
MWR District of Greater Chicago	\$1,220	1876		\$271,627		\$ 277,060
City of LA, Los Angeles, CA	\$800	2800	\$176,081	\$200,135	\$224,188	\$ 130,087
MSD St. Louis, MO	1 Billion	950		\$189,625		\$ 238,928
Median Data	\$ 122	\$ 536	\$ 146,500	\$190,451	\$ 222,000	\$ 186,369

Narragansett Bay Commission Executive Director Market Analysis

Comparable Position: Executive Director: Responsible to the BOD for management of the entire nonprofit organization including fundraising, development, HR, strategic planning, finance, communications. Represents organization to government agencies, community and the public.

Survey: Third Sector New England Compensation Survey of and for Non-Profits in MA, RI and Adjoining Communities 2014	# Orgs	# Exec	25%	Median Base	75%	Actual Avg Bonus	Cash Compensation
Budget Size \$25M and over	20	20	\$ 185,900	\$ 221,427	\$ 271,306	NR	NR
251+ FTE's	33	33	\$ 142,253	\$ 180,003	\$ 240,126	NR	NR
Median				\$ 200,715			

Comparable Position: Chief Executive - Not-for-Profit: Top Executive in a not-for profit organization. The job typically requires a bachelor's degree and 10+ years of related experience, or equivalent. May be titled Executive Director / Manager or Administrator. Responsible for all planning, operations, staffing and budget administration. Does not include top managers of facilities or divisions that report to a higher-level corporate position.

Survey: Employers Association of America Executive Compensation Survey 2014	# Orgs	# Exec	25%	Median Base	75%	Actual Avg Bonus	Median Total Cash Compensation
Budget Size \$50 - 99M Non-Manufacturing	14	15	\$132,500	\$163,092	\$240,000	\$9,679	\$166,672
Budget Size \$100 - 249M Non-Manufacturing	7	7	\$ 198,631	\$ 270,000	\$ 400,000	\$ 81,705	\$ 270,000
Employment Size 200-399 FTE's	42	42	\$ 135,900	\$ 176,399	\$ 222,602	\$ 16,258	\$ 176,399
Industry Code: Utilities	9	9	\$ 158,100	\$ 160,866	\$ 270,000	NR	\$ 160,868
Median				\$ 169,746			

Comparable Position: Chief Executive - For-Profit: Top Executive in a for-profit organization. The job typically requires a bachelor's degree and 10+ years of related experience, or equivalent. May be titled Executive Director / Manager or Administrator. Responsible for all planning, operations, staffing and budget administration. Does not include top managers of facilities or divisions that report to a higher-level corporate position.

Survey: Employers Association of America Executive Compensation Survey 2014	# Orgs	# Exec	25%	Median Base	75%	Variable Median	Median Total Cash Compensation
Budget Size \$100 - 249M Non -Manufacturing	75	77	\$ 210,385	\$ 300,000	\$ 375,585	\$ 160,533	\$ 375,585
Budget Size \$50-99.9M Non -Manufacturing	31	31	\$ 190,000	\$ 215,000	\$ 250,000	\$ 19,600	\$ 215,000
Employment Size 200-399 FTE's	184	193	\$ 185,000	\$ 250,016	\$ 350,000	\$ 109,150	\$ 283,000
Industry Code: Utilities	32	34	\$ 160,000	\$ 189,300	\$ 325,000	\$ 106,728	\$ 206,800
Median			\$ 187,500	\$ 232,508	\$ 337,500	\$ 107,939	\$ 249,000

Comparable Position: President: Officer responsible for the day-to-day direction of the organization. Formulates plans and policies to achieve overall objectives.

Survey: PAS Executive Compensation for Contractors	# Orgs	# Exec	25%	Median Base	75%	Median Bonus	Median Total Cash Compensation
Base salary all orgs	289	293	\$ 174,930	\$ 231,011	\$ 293,265		
Type of Construction =Municipal	79	79	\$ 171,329	\$ 231,011	\$ 293,218		
By Revenue 25-100M	130	130	\$ 187,278	\$ 226,498	\$ 271,039		
By Revenue 100-250M	58	58	\$ 246,960	\$ 282,975	\$ 334,425		
Median			\$ 181,104	\$ 231,011	\$ 293,241		

Chief Executive Officer/ President/ Executive Director: Senior most staff position in the organization. Responsible for formulating policies while providing strategic direction for an organization within guidelines set up by a board of directors. Plan, directs or management income development, advocacy, programs and services, finance, human resources, communications, marketing, IT and administration activities at the highest level of management with the help of subordinate executives and staff managers.

Survey: Bluewater National Non-Profit Solutions 2014 Compensation Survey	# Orgs	# Exec	25%	Median Base	75%	Median Bonus	Cash Compensation
Budget Size \$50M >	19	19	\$ 201,106	\$ 308,900	\$ 389,429		\$ 341,600
Budget Size \$25-49.9M	18	18	\$ 185,100	\$ 208,500	\$ 253,750		\$ 214,750
Median			\$ 185,100	\$ 258,700	\$ 253,750		

Budget Size \$100 M and Under	
Median All Data	
Utility Data Org's \$79M-152M Budget	
Range based on average of median pay rates	

\$ 172,419	\$ 206,903	\$ 241,394
\$ 185,825	\$ 222,991	\$ 260,164
\$ 183,130	\$ 219,765	\$ 256,400
\$ 180,458	\$ 216,553	\$ 252,653

RI Quasi Corporations Executive Compensation

NAME	FTE	BUDGET (M)	EXEC DIR COMP
NBC	265	100	\$199,357.00
Quonset Dev.	44	12	\$184,855.00
RI Airport Corp	155	50	\$260,000.00
RI EDC	39	7	\$185,000.00
RI Higher Ed Assist	25	24	\$116,657.00
RI Housing	115	21	\$180,250.00
RI Public Transit (RIPTA)	763	100	\$150,000.00
RI Resource Rec	102	46	\$180,000.00
RI Student Loan	36	33	\$160,300.00

Updated as of January 12, 2015

*Any quasi with less than 10 employees was excluded from this salary survey.
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Senior Leadership Position Utility Data						
Most Comparable Data Based on Organizational Budget Size						
Director Construction Services						
Utility	Budget in M	FTE's	Range Min	Range Mid	Range Max	Geographic Adjustment to Midpoint
Metro Waste Water, Denver, CO	\$70.0	362				
MMSD Milwaukee, WI	\$87.5	225				
Metropolitan Council St. Paul, MN	\$90.0	631	\$103,289	\$126,791	\$150,293	\$131,863
NBC Providence, RI	\$100	260	\$100,542	\$125,677	\$150,812	\$125,677
Metro District Commission Hartford, CT	\$143	536	\$106,745	\$128,094	\$149,443	\$125,532
NEORS D Cleveland, OH	\$152	673	\$119,451	\$155,286	\$191,121	\$206,530
Median Data	\$95	449	\$105,017	\$127,443	\$150,553	\$128,770

Most Comparable Data Based on Organizational Budget Size						
Director Administration & Finance						
Utility	Budget in M	FTE's	Range Min	Range Mid	Range Max	Geographic Adjustment to Midpoint
Metro Waste Water, Denver, CO	\$70.0	362	\$110,115	\$140,400	\$170,685	\$129,168
MMSD Milwaukee, WI	\$87.5	225				
Metropolitan Council St. Paul, MN	\$90.0	631	\$87,859	\$107,848	\$127,837	\$112,162
NBC Providence, RI	\$100	260	\$121,655	\$152,069	\$182,483	\$152,069
Metro District Commission Hartford, CT	\$143	536	\$117,000	\$141,000	\$165,000	\$138,180
NEORS D Cleveland, OH	\$152	673	\$119,451	\$155,286	\$191,121	\$206,530
Median Data	\$95	449	\$117,000	\$141,000	\$170,685	\$138,180

Most Comparable Data Based on Organizational Budget Size						
Director Policy Planning & Administration						
Utility	Budget in M	FTE's	Range Min	Range Mid	Range Max	Geographic Adjustment to Midpoint
Metro Waste Water, Denver, CO	\$70.0	362				
MMSD Milwaukee, WI	\$87.5	225				
Metropolitan Council St. Paul, MN	\$90.0	631	\$103,289	\$126,791	\$150,293	\$131,863
NBC Providence, RI	\$100	260	\$121,655	\$152,069	\$182,483	\$152,069
Metro District Commission Hartford, CT	\$143	536				
NEORS D Cleveland, OH	\$152	673	\$119,451	\$155,286	\$191,121	\$206,530
Median Data	\$95	449	\$119,451	\$152,069	\$182,483	\$152,069

Most Comparable Data Based on Organizational Budget Size						
Director Executive Affairs						
Utility	Budget in M	FTE's	Range Min	Range Mid	Range Max	Geographic Adjustment to Midpoint
Metro Waste Water, Denver, CO	\$70.0	362				
MMSD Milwaukee, WI	\$87.5	225				
Metropolitan Council St. Paul, MN	\$90.0	631				
NBC Providence, RI	\$100	260	\$121,655	\$152,069	\$182,483	\$152,069
Metro District Commission Hartford, CT	\$143	536				
NEORS D Cleveland, OH	\$152	673	\$119,451	\$155,286	\$191,121	\$206,530
Median Data	\$95	449	\$120,553	\$153,678	\$186,802	\$179,300

Most Comparable Data Based on Organizational Budget Size Director Operations and Engineering						
Utility	Budget in M	FTE's	Range Min	Range Mid	Range Max	Geographic Adjustment to Midpoint
Metro Waste Water, Denver, CO	\$70.0	362	\$110,000	\$140,343	\$170,685	\$129,115
MMSD Milwaukee, WI	\$87.5	225	\$120,455	\$149,382	\$178,309	\$179,258
Metropolitan Council St. Paul, MN	\$90.0	631	\$103,289	\$126,791	\$150,293	\$131,863
NBC Providence, RI	\$100	260	\$133,821	\$167,276	\$200,731	\$167,276
Metro District Commission Hartford, CT	\$143	536	\$117,000	\$141,000	\$165,000	\$138,180
NEORS D Cleveland, OH	\$152	673	\$119,451	\$155,286	\$191,121	\$206,530
Median Data	\$95	449	\$118,226	\$145,191	\$174,497	\$ 152,728

Most Comparable Data Based on Organizational Budget Size Deputy Director						
Utility	Budget in M	FTE's	Range Min	Range Mid	Range Max	Geographic Adjustment to Midpoint
Metro Waste Water, Denver, CO	\$70.0	362	\$118,934	\$140,132	\$161,330	\$128,921
MMSD Milwaukee, WI	\$87.5	225				
Metropolitan Council St. Paul, MN	\$90.0	631	\$103,289	\$126,791	\$150,293	\$131,863
NBC Providence, RI	\$100	260	\$161,923	\$202,404	\$242,885	\$202,404
Metro District Commission Hartford, CT	\$143	536	\$239,391	\$258,041	\$276,691	\$252,880
NEORS D Cleveland, OH	\$152	673	\$119,451	\$155,286	\$191,121	\$206,530
Median Data	\$95	449	\$119,451	\$155,286	\$191,121	\$202,404

EXHIBIT 4

Narragansett Bay Commission Market Analysis and Range Review 2014 Senior Positions

Grade	Position Title	NBC 2012 Rate Ranges Established by EANE			PAS Construction Services Comp Rev \$100-250	Bluewater Non-Profit Times 2014 Operating Budget \$MOM >	ERI Providence \$100M Rev Utilities SIC 4900	EANE / EA Executive Compensation Survey 2014 Non Mfg Rev \$100-249M	EANE / EA Executive Compensation Survey 2014 Non Mfg Rev \$50-99.9M	Utility Data	Market Median	NBC 2014 -2015 Suggested Ranges 50% Spread		
		Minimum	Mid Point	Maximum								Minimum	Mid Point at Market	Maximum
17	Director Construction Services	\$ 100,542	\$ 125,677	\$ 150,812	\$ 139,944		\$ 132,711			\$ 125,605	\$ 132,711	\$ 106,169	\$ 132,711	\$ 159,253
18	No positions in grade	\$ 110,596	\$ 138,245	\$ 165,894								\$ 115,724	\$ 144,655	\$ 173,586
19	Director Administration and Finance Director Policy, Planning & Regulation Director Executive Affairs	\$ 121,655	\$ 152,069	\$ 182,483	\$ 166,586	\$ 140,055	\$ 167,094	\$ 175,000	\$ 150,513	\$ 129,168 \$ 152,069 Median	\$ 158,549 \$ 152,069 \$ 155,309	\$ 126,139	\$ 157,674	\$ 189,209
20	Director Operations & Engineering	\$ 133,821	\$ 167,276	\$ 200,731	\$ 172,920		\$ 167,291	\$ 160,772	\$ 150,000	\$ 152,728	\$ 160,772	\$ 137,492	\$ 171,865	\$ 206,238
21	No position in grade	\$ 147,203	\$ 184,004	\$ 220,804								\$ 149,866	\$ 187,332	\$ 224,799
22	Deputy Director	\$ 161,923	\$ 202,404	\$ 242,885	\$ 218,663	\$ 220,000	\$ 217,212	\$ 223,000		\$ 171,752	\$ 218,663	\$ 163,354	\$ 204,192	\$ 245,031
23	Executive Director	\$ 178,116	\$ 222,644	\$ 267,173								\$ 178,056	\$ 222,570	\$ 267,084
9% progression 50% Spread														

EX 4