

Narragansett Bay Commission Executive Director Compensation Report

Narragansett Bay Commission Compensation Program

The scope and quality of the services that the Narragansett Bay Commission (NBC) provides to its customers and its ability to protect the water quality of Narragansett Bay are highly dependent on the skills, dedication, and performance of its employees. The NBC is committed to developing and motivating employees through integrated human resources plans and programs that provide performance recognition, professional fulfillment, and financial security.

To attract and retain high quality employees NBC has developed and implemented a Compensation Program that is:

- Market competitive,
- Internally equitable from relative job values and employee pay perspectives,
- Reflective of job roles and responsibilities; and
- Aligned with NBC's organizational strategies and priorities

Compensation Philosophy

NBC's Compensation Program focuses on developing and maintaining market competitive salary structures to attract, retain and motivate a high-quality workforce to successfully fulfill its mission.

Consistent with NBC's stated commitments, the NBC's Compensation Program is designed and administered to comply with applicable laws and to provide fair and equitable treatment to all employees regardless of race, color, creed, national origin, disability, religious affiliation, gender, age, physical status, veteran status, sexual orientation or preference, or any other basis of prohibited discrimination.

Market Pricing Methodology

NBC's process for developing market competitive employee salary structures is as follows:

Step 1: Evaluate the Quality and Appropriateness of Salary Data Sources

- Legitimacy of the salary survey report
- Relevancy of the type of salary survey report (general vs. industry-specific/boutique)
- Jobs contained within the salary survey report
- Peer organizations who participated in the salary survey
- Scope of jobs reported

- Data presentation (breakdown of each element of pay)

Step 2: Determine Appropriate Data Cut(s)

- Select the data cuts that best fit NBC's characteristics and labor market:
 - Industry
 - Revenue
 - Geographic location

Step 3: Match Internal Jobs with External Benchmark Jobs

- Identify the most appropriate job match or matches based on job responsibilities
- Characteristics of benchmark jobs:
 - Common across all industries and/or within a specific industry
 - Can be found in similar form (70% or greater match) in multiple salary survey resources
 - Represents core functions within the organization
 - Represents a large number of employees

Step 4: Add Adjustments (Premiums or Discounts)

- Premiums or discounts may be applied to market data to adjust for differences between the organization's job and the salary survey job match to account for differences in scope and/or required qualifications
- Adjustments generally range between 5 to 15 percent of the salary survey job match:
 - +/- Five percent: Noticeable difference between the salary survey job and the organization's job
 - +/- Ten percent: Obvious difference between the salary survey job and the organization's job; Difference between non-supervisory and first-level supervisor jobs
 - +/- Fifteen percent: Significant difference between the salary survey job and the organization's job; Difference in level within the function (i.e., supervisor vs. manager)

Step 5: Age Data to a Common Point in Time

- Update market data to a current or future point in time to improve the accuracy of how well the data represents pay for the current labor market
- Use pay increase trend data from various published sources to determine the appropriate aging percentage(s)

Step 6: Slot Remaining Non-Benchmark Jobs and/or Jobs without Market Data

- Due to the existence of unique or heavily blended roles, not every job at NBC will have a salary survey job match
- Jobs without market matches are considered to be non-benchmark jobs
- These jobs should be leveled and slotted into the salary structure based on an internal valuation process by comparing these jobs to benchmark jobs based on comparable job attributes such as scope of duties, breadth/depth of the role, impact to operations, and required qualifications

NBC Executive Director Salary Assessment

Utilizing the above market Based Pricing Methodology and a review of 2023 compensation packages of RI Quasi State Agency Executive Directors it was determined that the NBC Executive Director's market-based salary should fall within the range \$180,000 - \$460,000. The NBC Executive Director's salary is appropriately positioned within this range.