

Compensation Comparability Studies of the Executive Director

Objectives of Compensation Program

Rhode Island Infrastructure Bank's compensation program is designed to attract, engage and retain qualified management and staff and to reward actions and results that the Board of Directors (the "Board") believe meets the short- and long-range business objectives of the Bank. Special attention is given to ensuring that compensation plans maximize the effectiveness of the Bank in meeting its core mission: to actively support and finance investments in the State's infrastructure.

In the fall of 2017, the Board reviewed the compensation for the Executive Director & CEO role (the "Executive Director"). The Board is desirous of providing the Executive Director with compensation commensurate with incumbents in similar roles at peer institutions. In determining the Executive Director's compensation, the Board considered the qualifications and experience of the Executive Director, as well as the Bank's size and complexity of operations.

The Board used external data as input for analysis and to obtain a general understanding of current market compensation practices, to use as benchmark comparisons for purposes of establishing compensation. In carrying out its responsibilities, the Board engaged First Beacon Group LLC ("First Beacon"), an independent compensation consultant, to offer market perspectives on annual pay, current executive compensation trends and compensation currently in place at the Bank. At the direction of the Board, First Beacon reviewed the compensation for the Executive Director and made recommendations. The Board considered First Beacon's perspective as part of its decision-making process including utilizing market context and recommendations from First Beacon when determining the amount of compensation paid to the Executive Director.

Compensation Peer Group

The Board utilized a variety of information for the peer group to review the compensation of the Executive Director relative to comparable positions. This review is supplemented by available market survey data. The compensation market study was conducted in June 2017 with the broad intent to understand the "market" and included the following steps:

1. Determine compensation sources;
2. Match jobs to benchmark jobs;
3. Analyze market data; and,
4. Compare current salaries versus market.

Market data was culled from the following data sources:

1. Economics Research Institute (ERI) – Salary Assessor

ERI's Salary Assessor provides detailed salary ranges for a variety of management positions and in comparable metro areas to Providence. Salaries are benchmarked by level, years of experience, and organization size. Each salary report includes a complete job description derived from ERI's database.

2. Compensation Survey of and for Nonprofits:

Conducted by Third Sector New England, this report summarizes the compensation and benefits practices of nonprofits in Massachusetts, Rhode Island and adjoining communities. It was published in June 2014 using survey information gathered from 250 nonprofit organizations across the region and was rolled forward to June 2017.

3. Industry Specific Compensation Surveys:

Data from the Virginia Resources Authority 2016 Salary Survey and the Ohio Water Development Authority 2016 Executive Salary Survey were also analyzed. As above, the results were rolled forward to June 2017.

The market analysis consisted of selecting benchmark jobs that best represented the Executive Director at the Bank. A benchmark job is considered a "match" if the job description represents at least 80% of the job responsibilities of Executive Director. Market data was collected at the 25th, 50th, and 75th percentile.

Results

Overall, the Executive Director's compensation is in the broad competitive range with the market generally and with other comparable State of Rhode Island agencies and other quasi-public entities specifically.

Role	Percentile		
	25 th	50 th	75 th
Executive Director	\$178,712	\$235,461	\$242,987