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## Compensation Comparability Studies of the Executive Director For Fiscal Years 2019 – 2020

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### Objectives of Compensation Program

Rhode Island Infrastructure Bank's (the Bank) 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 spring of 2019, the Board reviewed the compensation for the Executive Director & Chief Executive Officer 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 the spring of 2019 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 compensation surveys focusing on specific segments of the market. The Bank’s market segment is defined as small organizations (less than \$50 million budget/revenue), government support agencies, water resource entities, non-profit organizations of similar budget size, and community banks with \$400 million – \$600 million assets, all in the greater Providence labor market. This data was then compiled to do a market analysis of current pay versus market and update the fiscal year 2019 salary range for the Executive Director role to keep pace with current market movement.

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.

## **Results**

Overall, the Executive Director’s compensation is in the broad competitive range with the market generally and with comparable Rhode Island-based agencies and other quasi-public entities specifically. The Bank has developed salary ranges for each position, using both the available market data and comparable agency data. The following represents the Executive Director salary range for fiscal year.

	Minimum	1st Quartile	Midpoint	3rd Quartile	Maximum
<b>Executive Director</b>	\$196,300	\$230,650	\$265,000	\$299,350	\$333,700