

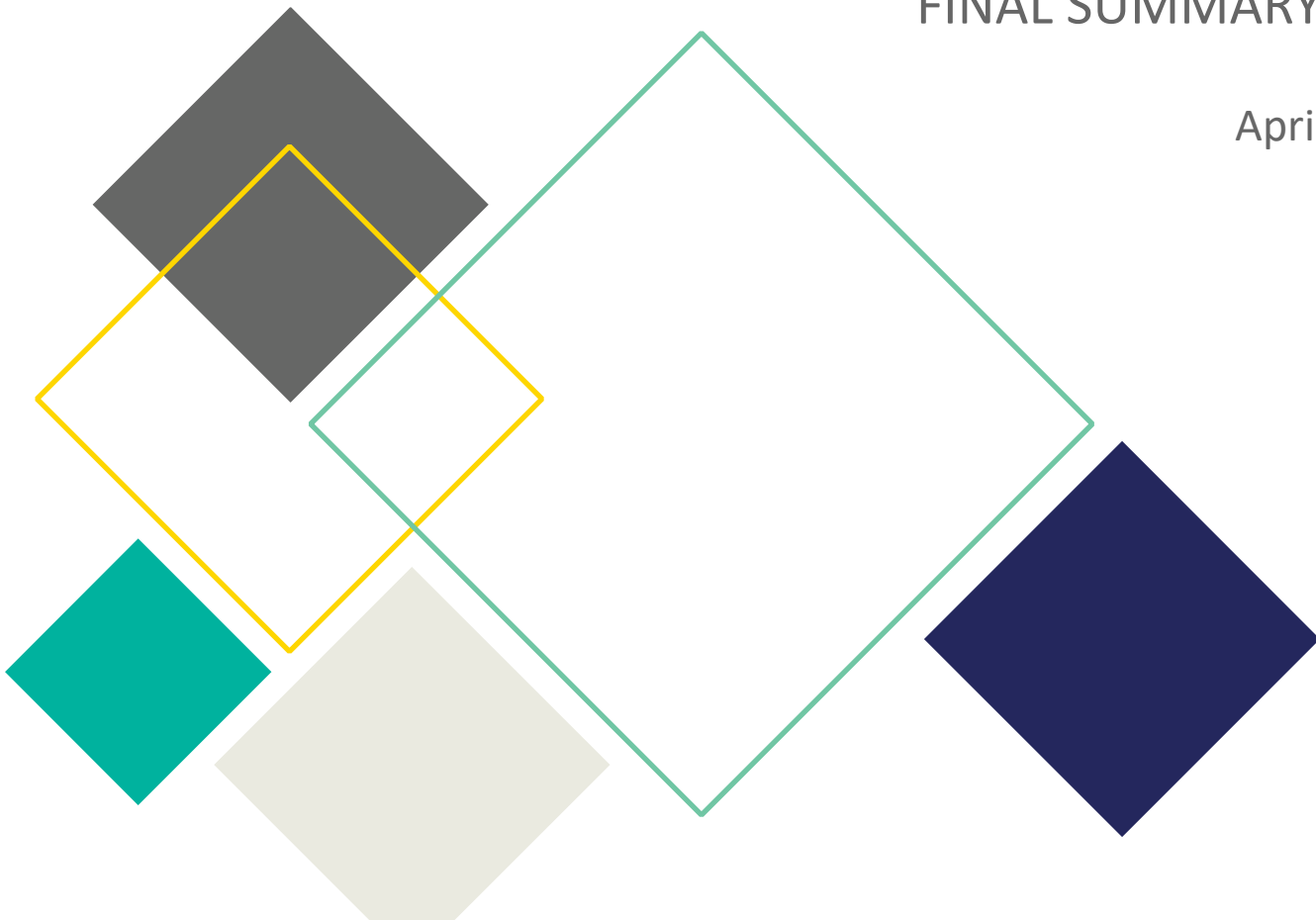


# EXECUTIVE COMPENSATION REVIEW

RHODE ISLAND HOUSING

FINAL SUMMARY REPORT

April 6th, 2023



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## SECTION 1. BACKGROUND & APPROACH

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Rhode Island Housing (RIHousing) contracted with MGT Consulting (MGT) in March 2023 to conduct an Executive Compensation Review. The purpose of the Executive Compensation Review was to assist RIHousing with compliance of Section I of the following Rhode Island statute regarding executive compensation at quasi-public organizations:

***§42-155-5. Executive compensation.***

*(a) Each quasi-public corporation shall establish a committee on executive compensation, comprised solely of board members, that shall:*

*(1) Recommend to the full board the compensation packages of the executive and senior management of the corporation. The compensation package of the executive officer shall be based on a comprehensive and objective analysis of comparable compensation of similar officers of state government, other authorities, quasi-public corporations, and private-sector employees with similar functions and responsibilities. The committee may retain a consultant to assist in the comparability study. When calculating compensation, the committee shall consider the value of the retirement plan in the overall compensation package.*

The Executive Compensation Review included a market assessment of executive compensation (base salary) for RIHousing's Executive Director position and Executives at other RI quasi-public organizations. This study did not include benefits comparisons as part of compensation.

The following approach was used to fulfill RIHousing's objectives for this study:

### **Task 1: GATHER AND REVIEW ORGANIZATION DATA AND IDENTIFY MARKET DATA SOURCES**

- Gather available data for the Executive Director position to be reviewed, including job description and current pay data.
- Identify the appropriate parameters for selecting organizations for comparison and market research. This may include organization type, size, location, among others.
- Identify appropriate market data sources to be used in making market comparisons.

### **Task 2: GATHER AND PREPARE MARKET DATA FOR ANALYSIS**

- Gather comparison salary data through market research and outreach, as needed.
- Clean and organize gathered comparison data into matrices for comparisons.

### Task 3: CONDUCT BENCHMARK COMPARISONS AND RECOMMEND ADJUSTMENT (IF ANY)

- Conduct market comparisons and analyze findings against current pay and pay range for the Executive Director position.
- Develop recommendation(s) for pay adjustment from completed analyses for the Executive Director, as needed.

### Task 4: DEVELOP AND PROVIDE SUMMARY REPORT

- Develop and submit a draft and final summary report detailing the methodology used in the review, comparisons, and recommendations.
- Includes a 30-minute meeting of the study results, if desired.

The following RI quasi-public organizations were included in this compensation review:

1. I-195 Redevelopment District Commission
2. Narragansett Bay Commission
3. Quonset Development Corporation
4. Rhode Island Convention Center Authority
5. Rhode Island Health and Educational Building Corporation
6. Rhode Island Infrastructure Bank
7. Rhode Island Public Transit Authority
8. Rhode Island Resource Recovery Corporation
9. Rhode Island Student Loan Authority
10. Rhode Island Turnpike and Bridge Authority

Data collection and analyses were primarily conducted through online research, including outreach to other quasi-public organizations by email and phone as necessary to ensure successful project outcomes. A summary of the data findings and recommendations are provided in **Section 2** of this summary report.

MGT maintained frequent contact with RIHousing's Project Officer during the review to provide status updates and to ensure that the Executive Compensation Review met RIHousing's goals and expectations for the project.

## SECTION 2. FINDINGS & RECOMMENDATION

This report section focuses on a comparative assessment of RIHousing’s Executive Director base compensation in comparison to RI quasi-public agencies, including supplemental comparison data of RIHousing to other Housing Finance Agencies (HFAs) in other states. Compensation data for the RI quasi-public agencies were gathered from the selected organizations through MGT’s outreach and online research. HFA data were provided by RIHousing for review. This report section includes an overview and comparison of base compensation for RIHousing to these agencies followed by MGT’s recommendations.

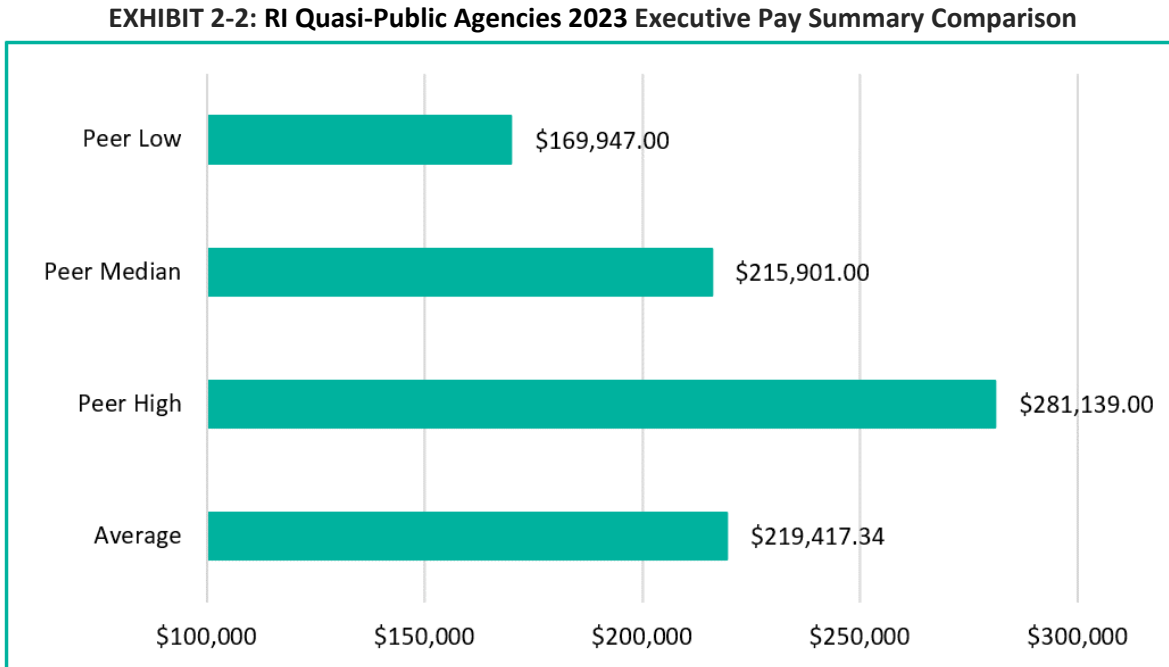
**Exhibit 2-1** shows the RI quasi-public agencies’ base compensation and the effective year. The below chart reflects the agency, the executive’s name, title, and base compensation. The current range of reported base compensation for the RI quasi-public agencies is \$169,947.00 to \$281,139.00. All figures below are current as of April 2023.

**EXHIBIT 2-1: RI Quasi-Public Agencies 2023 Executive Pay Overview**

Agency	Executive Name	Title	Base Compensation
Rhode Island Infrastructure Bank	Jeffrey Diehl	Chief Executive Officer	\$ 281,139.00
Rhode Island Resource Recovery Corporation	Joseph Reposa	Executive Director	\$ 253,239.48
Rhode Island Health and Educational Building Corporation	Kimberly Mooers	Executive Director	\$ 240,945.00
Rhode Island Student Loan Authority	Charles P. Kelley	Executive Director	\$ 230,217.00
Quonset Development Corporation	Steven J. King	Managing Director	\$ 220,802.00
<b>RI Housing</b>	<b>Carol Ventura</b>	<b>Executive Director</b>	<b>\$ 212,925.00</b>
I-195 Redevelopment District Commission	Caroline Skuncik	Executive Director	\$ 211,000.00
Rhode Island Convention Center Authority	Daniel McConaghy	Executive Director	\$ 205,000.00
Narragansett Bay Commission	Laurie Horridge	Executive Director	\$ 204,139.00
Rhode Island Public Transit Authority	Scott Avedisian	Chief Executive Officer	\$ 177,744.94
Rhode Island Turnpike and Bridge Authority	Lori Caron Silveira	Executive Director	\$ 169,947.00

Sources: MGT Consulting data collection, 2023.

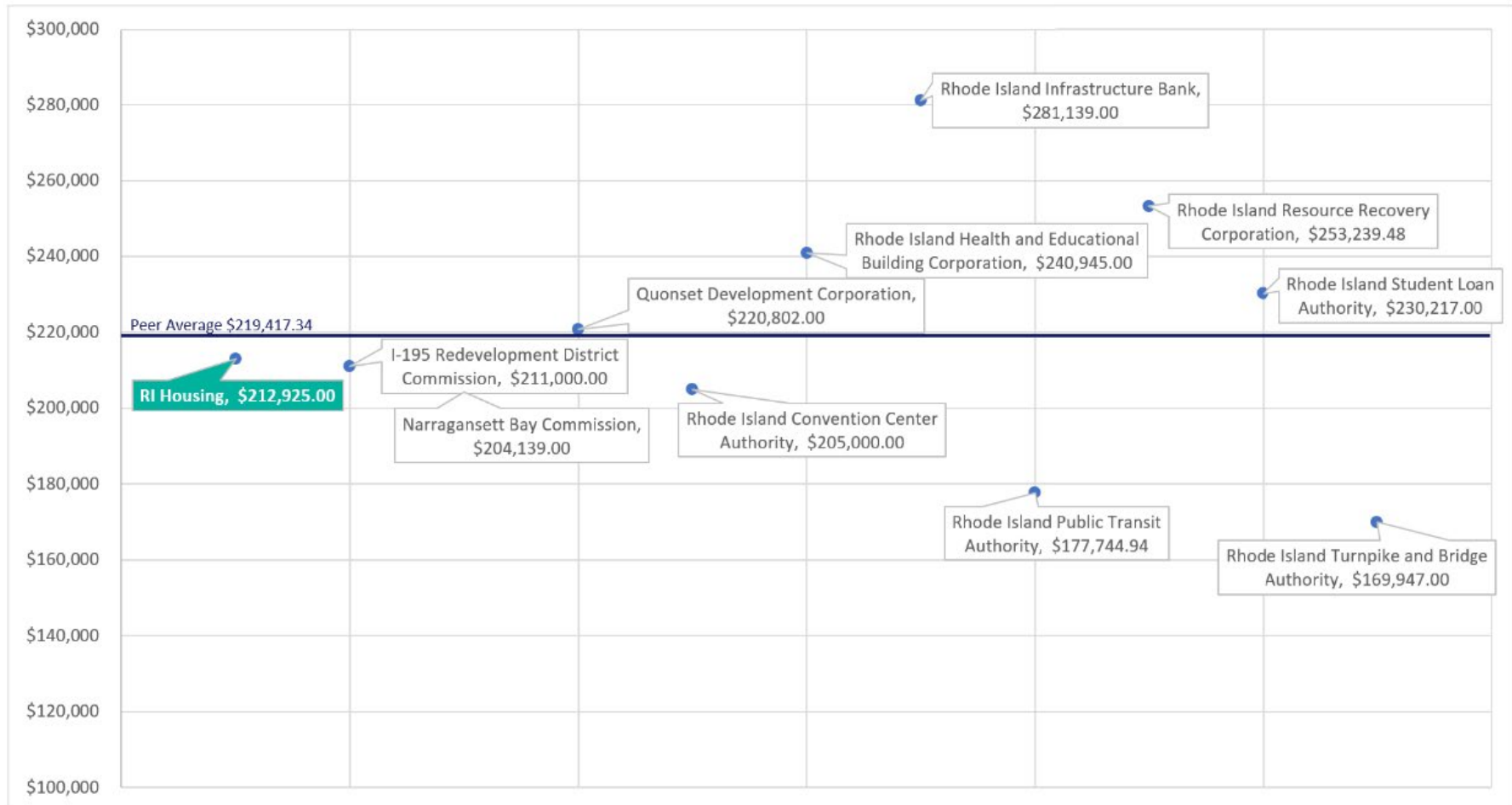
As shown in **Exhibit 2-2**, the RI quasi-public agencies' base compensation ranges from \$169,947.00 to \$281,139.00, with most of the agencies (8) ranging from \$204,139.00 to \$281,139.00. The peer low is \$169,947.00, the peer median is \$215,901.00, and the peer high is \$281,139.00. The peer average for all base compensation is \$219,417.34 compared to RIHousing at \$212,925.00, a difference of \$6,492.34 (or 3% below the peer group).



Sources: MGT Consulting data collection, 2023.

As shown in **Exhibit 2-3**, the RI quasi-public agencies' base compensation is reflected in a comparison graph. The average base compensation is reflected in a horizontal blue line within the graph. As stated above and reflected in the graph below, the peer average is \$219,417.34 compared to RI Housing at \$212,925.00, slightly below the peer average.

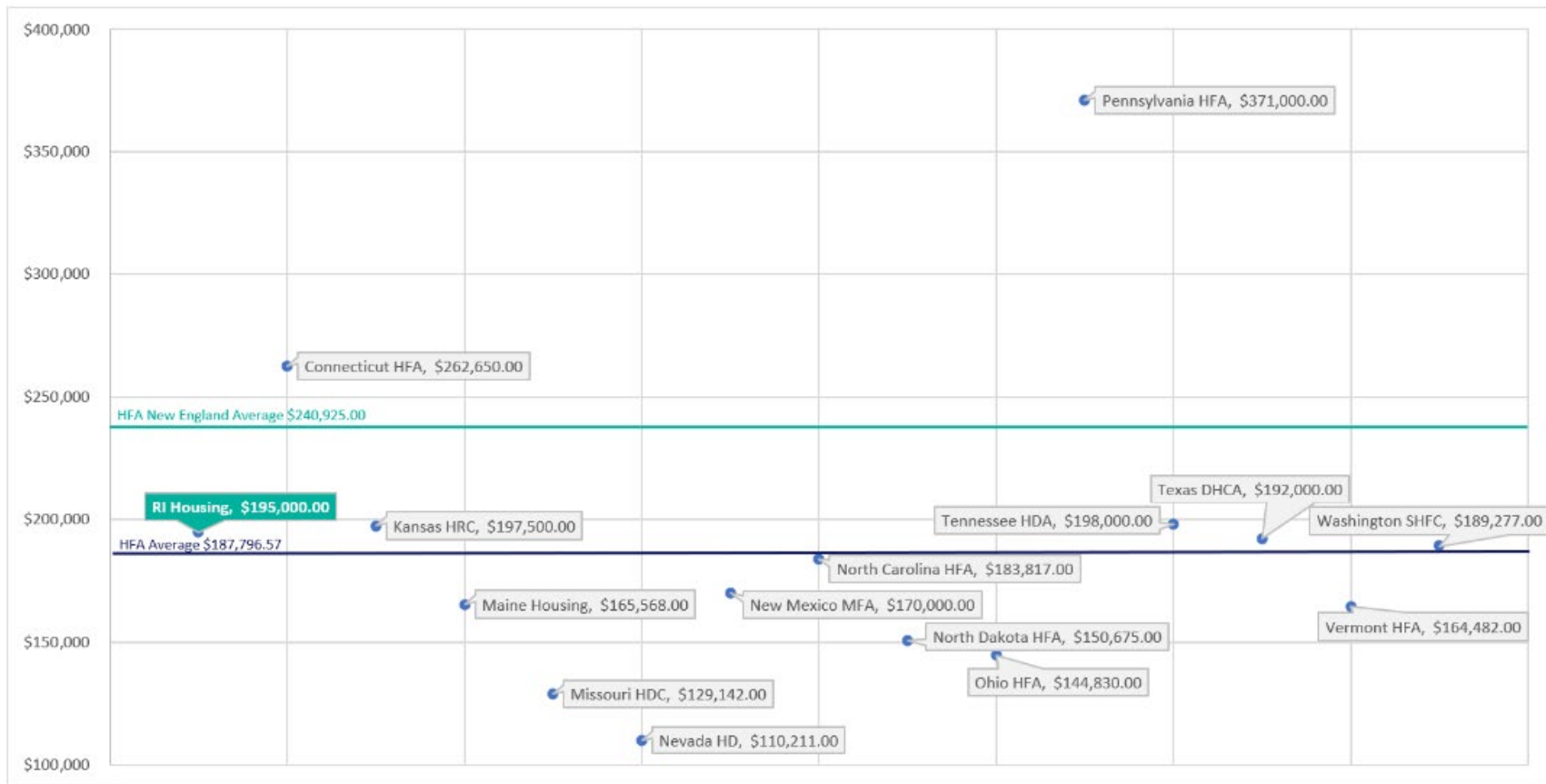
**EXHIBIT 2-3: RI Quasi-Public Agencies 2023 Executive Pay Comparison Graph**



Sources: MGT Consulting data collection, 2023.

In addition to the 2023 compensation data for Executive Directors gathered from the quasi-public agencies, RIHousing provided MGT with 2021 Housing Finance Agencies (HFA) Executive Director Compensation Data for review. MGT reviewed this data as supplemental, noting the age of the data (December 31, 2021). As shown in **Exhibit 2-4**, the 2021 HFA average is reflected in a horizontal blue line and the 2021 HFA New England Average is reflected in a horizontal teal line. MGT found that the 2021 HFA average was \$187,796.57 and the 2021 HFA Average for agencies located in the New England area in closer proximity to RIHousing was \$240,925.00. RIHousing (\$195,000.00) was ahead of the HFA peer group average but behind the HFA New England peer group for executive pay, indicating a more competitive market for HFAs located closer to RIHousing. It should be noted that Pennsylvania’s HFA is an outlier at \$371,000.00 per its larger area of authority compared to Rhode Island, Connecticut, and Maine’s HFAs.

**EXHIBIT 2-4: HFA 2021 Executive Pay Comparison Graph**



Sources: 2021 HFA Executive Director Compensation Survey.



**Recommendation:**

Overall, the RIHousing Executive Director's current base compensation compared to other RI quasi-public agencies falls below the peer median (\$215,901.00) and below the peer average (\$219,417.34). While the Executive Director's compensation is below the peer median and peer average, the Executive Director does outperform five (5) of the RI quasi-public agencies in executive base compensation.

Taking into consideration all the data gathered, **market competitive base compensation for RIHousing's Executive Director would be between \$215,901 to \$219,417.**

Additionally, RIHousing and all the other RI quasi-public agencies offer executives the opportunity to participate in a retirement plan, either a defined pension benefit or defined contribution plan, such as 401(k), 401(a), 403(b) or 457(b) plan. RIHousing contributes 10 percent of an employee's salary to a 401(a) retirement account.