

School District No. 68 (Nanaimo-Ladysmith)

Public Sector Executive Compensation Reporting Guidelines

For the Fiscal Year Ended June 30, 2009

The Board of Education of School District No. 68 (Nanaimo-Ladysmith) encourages and adopts practices that enable the district to attract, retain, incent, and reward qualified, high-performing employees, who are critical to the delivery of quality public education programs to students in School District No. 68 (Nanaimo-Ladysmith).

A key component of this approach is the development and maintenance of a framework for executive and exempt staff compensation that is rational, defensible, competitive and able to be effectively administered.

Compensation Philosophy

The Board's compensation philosophy is based upon a set of principles that guide development, maintenance, and decision-making. At its core is an integrated view of compensation and rewards — not only traditional, quantifiable elements such as salary and benefits (compensation), but also more intangible elements such as career opportunities, learning and career development, work challenge, and supportive culture (rewards). This total rewards model further integrates with plans that establish the Board's overall education, business, and human resources strategies and objectives.

Inherent in the Board's compensation philosophy are the following objectives:

- To attract and retain qualified, experienced, motivated, and high-potential employees who are committed to the Board's overarching goal of delivering a high-quality public education experience to our students.
- To support employees through the provision of meaningful career growth and development opportunities, and a performance-based organizational culture.

Labour Market Comparators

Key to the compensation philosophy is the need to maintain a meaningful level of competitiveness with the external labour market. Consistent with industry standards, "labour market" is defined in the British Columbia Public School Employers' Association (BCPSEA) sectoral exempt compensation management plan (Policy 95-06, *Compensation and Employment Standards for School District Employees Not Subject to a Collective Agreement*) as:

- The recruitment pool for these employees
- The destination sector for these employees.

The following considerations guide articulation of the relevant labour market:

- Degree of recruitment from these jurisdictions
- Transferability of skills
- Comparability of qualifications and experience
- Comparability of authority and consequence of error.

For executive and exempt staff positions in the BC K-12 public education sector, the relevant labour market is:

1. Other BC school districts (primary labour market)
2. Other Canadian school districts (To the extent that BC school boards recruit from and lose employees to these jurisdictions, this segment of the labour market is weighted to Alberta and Ontario (and to a lesser extent, Saskatchewan) consistent with the industry-standard definition of labour market.)
3. Other public sector organizations
4. Selected private sector organizations.

The Board's approach includes:

- Consideration of all components of the total rewards model.
- Consideration of the relevant labour market for compensation comparison purposes.
- Linking pay ranges to neutral, relevant factors (e.g., required skill level, required competencies, job content, required qualifications).
- Ensuring appropriate relationships exist between positions in the district's compensation hierarchy.
- Considering the ways in which appropriate organizational and individual performance measures may be linked to the administration of the compensation system.

Applicability

The Public Sector Executive Compensation Reporting Guidelines require the Board of Education to disclose all compensation provided to the Chief Executive Officer and the next four highest ranking/paid executives for the services they have provided to the organization. For the purpose of these disclosure requirements the executives to be included are those whose base salary compensation was \$125,000 or greater for the year reported on. Regardless of the level of base salary compensation, Superintendents of Schools must be reported. For the fiscal year ended June 30, 2009 School District No. 68 (Nanaimo-Ladysmith) had two employees with a base salary compensation of \$125,000: the Superintendent of Schools and the Secretary-Treasurer.

The Board's total compensation packages for the Superintendent of Schools and the Secretary-Treasurer for the fiscal year ended June 30, 2009 were comprised of the following cash compensation and non-cash compensation elements.

Cash compensation

Total cash compensation for the Superintendent and the Secretary-Treasurer for the fiscal year ended June 30, 2009 included annual base salary and a payout of unused vacation time.

- **Annual base salary**

For the fiscal year ended June 30, 2009 the Superintendent's annual base salary was the maximum of the revised range for school districts with between 10,000 and 20,000 students under PSEC Policy 95-06. This salary was \$139,294.

At the end of the fiscal year ended June 30, 2009 the Secretary-Treasurer's annual base salary was \$126,053. The Secretary-Treasurer's annual base salary was greater than \$125,000 only from June 1, 2009 when a BCPSEA approved lift of \$4,000 took effect to address compression issues relating to other senior management positions in the district. For the eleven months prior to June 2009 the Secretary-Treasurer's annual base salary was \$122,053, the maximum of the revised range for school districts with between 10,000 and 20,000 students under PSEC Policy 95-06.

- **Payout Of Unused Vacation Time**

In accordance with legislation, vacation time earned and not taken by the Superintendent or the Secretary-Treasurer can be carried over into the following year and must be either taken or paid out in that year. In the fiscal year ended June 30, 2009 the Superintendent was paid out for fifteen vacation days, amounting to a gross payout of \$8,036.25. The Secretary-Treasurer was paid out for 10 vacation days, amounting to a gross payout of \$4,694.40. (See comments below under Non-cash Compensation – Paid Time Off).

Non-cash compensation

The non-cash elements of the total compensation package include:

- **Health and welfare benefits**, such as basic medical, extended medical, dental, group life, employee and family assistance program are provided for both the Superintendent and the Secretary-Treasurer consistent with such benefits as offered in the K-12 sector generally. Optional voluntary group life coverage and long term disability insurance coverage is available, but the employee pays 100% of the premiums.
- **Pension benefits** — the Superintendent of Schools is enrolled in the Teachers Pension Plan. The Secretary-Treasurer is enrolled in the Municipal Pension Plan.
- **Paid time off** - Sick leave to a maximum of 120 days for each occurrence of illness or injury has been provided to the Superintendent of Schools. The Secretary-Treasurer is entitled to use up to 250 days of earned sick leave with a provision that an additional 250 days could be provided at the discretion of the Board of Education. An annual vacation entitlement of 45 days is provided to both the Superintendent of Schools and the Secretary-Treasurer. The annual vacation entitlement is comprised of a base entitlement of 35 days and 10 days in recognition of attendance at Board and Board Committee meetings. Pursuant to the *Public Sector Employers Act*, carry forward of unused accumulated vacation is not permitted. If, however, the individual employment contract does allow for carry forward of unused accumulated vacation, then such vacation may be carried forward for one year only and at the end of that year, the unused accumulated vacation must be used in full, paid out, or a combination of the two. With respect to the 10 days of annual vacation provided in recognition of attendance at Board and Board Committee meetings, they have to be either

taken or paid out in the fiscal year provided and cannot be carried forward, as per the employment contracts for both the Superintendent and the Secretary-Treasurer.

- **Other non-cash compensation** - The Board pays the Superintendent's College of Teachers' dues, membership in the British Columbia School Superintendents Association and all reasonable expenses incurred for professional development. The Board pays the Secretary-Treasurer's memberships in the Institute of Chartered Accountants of British Columbia and the British Columbia Association of School Business Officials and all reasonable expenses incurred for professional development. The Board also provides the Superintendent and the Secretary-Treasurer with free parking. The Secretary-Treasurer has also been provided with a computer in order to be able to work remotely.

Compensation Administration

The Board engages in consistent and ongoing administration of the compensation structure to ensure that reality matches philosophy and that equity is maintained. An ongoing system of compensation review ensures that total compensation levels are benchmarked externally against the appropriate labour market and internally against appropriate job evaluation criteria.

The Board works with BCPSEA to obtain information and advice relating to the executive and exempt compensation structures. In addition, the Board utilizes the BCPSEA *Report on Total Compensation Paid to Exempt Employees* — the results of BCPSEA's triennial survey of total compensation paid to exempt benchmark positions in BC public school districts as well as school districts in Alberta, Saskatchewan, and Ontario, and other relevant public sector employers.

- **Annual base salary administration**

The salary structure for the position of Superintendent of Schools and the Secretary-Treasurer is a single rate structure, based on the premise that, at the outset of the employment relationship, the individual must be fully competent in all aspects of the position in order to effectively fulfill the duties and responsibilities of Superintendent of Schools and Secretary-Treasurer.

The decision whether to grant a salary increase to the Superintendent of Schools is at the sole discretion of the Board. In determining whether a salary increase is warranted, the Board considers such factors as performance, competence, external competitiveness, and internal equity including the maintenance of appropriate salary differentials through the organization. Increases are considered within the Board's overall compensation budget.

The decision whether to grant a salary increase to the Secretary-Treasurer is subject to BCPSEA approval and would be based on retention and compression issues.

Accountability

Underlying the Board's compensation philosophy and approach is the understanding that legal and regulatory mandates are considered a baseline for implementing any compensation plan or practice. Compensation administration in the K-12 public education sector operates within the following context:

- the *Public Sector Employers Act*, which establishes the legislative policy framework for exempt staff compensation administration in the public sector
- the BCPSEA exempt staff compensation management plan (Policy 95-06, *Compensation and Employment Standards for School District Employees Not Subject to a Collective Agreement*), which is an approved compensation plan under the legislation, and
- the *Public Education Negotiating Framework Compensation Plan – Exempt Staff (2006-2010)*.

Under the current compensation administration system in the K-12 sector:

- the Board of Education is solely responsible for the establishment and maintenance of compensation levels for the position of Superintendent of Schools. As elected school trustees, we are accountable to our public and therefore ensure that we adhere to proper human resources practices with respect to executive and exempt staff compensation.
- the Board must submit proposed compensation adjustments for all other executive and exempt positions in the district to BCPSEA for review and approval prior to implementation.

Summary Compensation Table: Fiscal 2008-2009 (year ending June 30, 2009)

Name and Principal Position (a)	Salary (\$) (b)	Bonus (\$) (c)	Incentive Plan Compensation Paid (\$) (d)	Pension (\$) (e)	All Other Compensation (\$) (f)*	Total (\$) (g)	Previous 2 Years Totals (h)**
Michael J. Munro – Superintendent of Schools	\$139,294	\$0	\$0	\$18,534	\$17,793	\$175,621	\$175,098
J. David Green Secretary-Treasurer	\$126,053	\$0	\$0	\$10,032	\$13,729	\$149,814	\$145,697
B	n/a	n/a	n/a	n/a	n/a	n/a	n/a
C	n/a	n/a	n/a	n/a	n/a	n/a	n/a
D	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

*These amounts include payouts of unused accumulated vacation of \$8,036 for the Superintendent of Schools and \$4,694 for the Secretary-Treasurer, employer-paid parking, employer-paid CPP and EI benefits premiums, employer-paid health and welfare benefits premiums and memberships in professional associations.

**This column contains the 2007/08 total. Beginning with the 2009/10 fiscal year the previous two years' totals will be included in this column. Please note the 2007-2008 total for the Superintendent of Schools has been revised from the \$181,690 that was reported last year.