



COMMUNITY LIVING
BRITISH COLUMBIA

June 7, 2010

David Morel
Assistant Deputy Minister, Labour Relations
Public Sector Employers' Council
PO Box 9400 Stn. Prov. Govt.
Victoria, BC V8W 9V1

Dear Mr. Morel,

Re: CLBC Executive Compensation Disclosure 2009-10

I am writing to confirm that the CLBC board is aware of the executive compensation paid in the 2009-10 fiscal year and on behalf of the board, I verify that the compensation provided was within approved compensation plans.

Yours sincerely,

M.R. Mourton
Chair, HR Committee

Cc: Rick Mowles, CEO
Lois Holstedt, Chair

COMMUNITY LIVING BRITISH COLUMBIA
EXECUTIVE COMPENSATION REPORTING

For the fiscal year ending March 31, 2010

Summary Compensation Table

Name Position Title	Salary	Incentive Plan	Pension	All Other Compensation	Total 2009/10	Previous Years
Rick Mowles <i>Chief Executive Officer</i>	\$195,151	\$0	\$20,023	\$15,630	\$230,804	2008/09 = \$231,811 2007/08 = \$225,194
Richard Hunter <i>VP Corporate Services</i>	\$137,977	\$13,798	\$13,476	\$10,716	\$175,967	2008/09 = \$170,474 2007/08 = \$166,318
Doug Woollard <i>VP Organisational Development</i>	\$137,842	\$13,784	\$13,462	\$10,648	\$175,736	2008/09 = \$169,283 2007/08 = \$166,602
Carol Goozh <i>VP Policy & Program Development</i>	\$137,842	\$13,784	\$13,444	\$10,778	\$175,848	2008/09 = \$160,822 2007/08 = \$154,564
Elaine Murray ¹ <i>VP Quality Services</i>	\$23,415	\$0	\$0	\$1,489	\$24,904	2008/09 = \$150,710 2007/08 = \$145,797

¹Elaine Murray ceased employment with CLBC June 2, 2009 and the position was eliminated

CLBC's Compensation Philosophy

CLBC has a performance-based rewards program. At CLBC's inception in July 2005, compensation was based on a structure proposed by the Ministry of Children and Family Development (MCFD) and approved by PSEC. *Appendix A* outlines the basis for MCFD's recommended structure.

There are three components to the current PSEC approved CLBC excluded compensation model: base salary, at-risk incentive payments and the Government benefits package.

- **Base Pay** – is established at hire based on a candidate's entry level competency and market conditions; and can vary from 80 to 90 per cent of the position range. The incumbent progresses through salary adjustments (merit pay) to the 100 per cent level of the range based on in-year demonstrated on-the-job performance related to CLBC's core and leadership competencies, subject to budget availability.
- **Benefits** – parallel the benefits package offered to senior level public service positions. The CEO package is equivalent to that of a deputy minister and includes a vehicle allowance.
- **At-risk Incentive** – is tied to position level as outlined in *Appendix A*. Vice-Presidents earn up to 10% of base salary as a performance incentive in any given fiscal year. Incentive payments are awarded following an annual review process conducted in May/June and are based on the achievement of goals set at the beginning of the business cycle. Historically, the CEO had the potential to earn up to 15% in variable pay; in 2009-10, the CEO's re-earnable incentive pay was discontinued and a 13.5% increase in salary

was implemented. (See Confirmation Letter from David Morel, ADM, Labour Relations at PSEC).

Currently, both salary increases and incentive payments are tied to performance as measured by the achievement of goals set out in an executive's annual performance plan. The annual performance plan is established at the beginning of the fiscal year and is directly linked to the CLBC Operational Plan formulated jointly by the Board and senior management team. Weights are assigned to goals to differentiate goals by organizational priority and thereby obtain an adjusted performance rating.

Incentive Plan Performance Measurement

CLBC's incentive plan performance targets and measures are captured in the organization's Operational Plan which is derived from the Strategic and Service Plan key directions. All three documents are accessible to the public on CLBC's web site.

The main categories within the Operational Plan are as follows:

1. Connect individuals and families with supports, services and community opportunities to advance their vision of a good life.
2. Support the development of welcoming communities to enable citizenship and contribution.
3. Improve services through strengthened relationships and partnerships.
4. Develop a culture of service excellence provided by exceptional staff.
5. Demonstrate effective governance, leadership and fiscal responsibility.
6. Develop data and information management systems that support the work of CLBC and its partners.

Operational goals within each category are assigned to CLBC executives and performance measures are assigned to each operational goal. The executive's progress towards the achievement of stated goals is regularly monitored throughout the year and assessed at fiscal year-end. The annual review provides the basis for the performance-related variable pay calculation.

Vacation Entitlements

Vacation leaves for executive positions at CLBC vary and were negotiated at hire based on the amount of leave the incumbent had in his/her former position prior to joining CLBC.

There is no relationship between vacation leave and the organization's compensation philosophy except insofar as a hiring incentive is concerned.

Position	Vacation Entitlement
CEO	210 hours (30 days)
VP, Organizational Development	210 hours (30 days)
VP, Quality Services ¹	140 hours (20 days)
VP, Corporate Services	210 hours (30 days)
VP, Policy & Program Development	245 hours (35 days)

¹ Position discontinued in June 2009

CLBC BASE SALARY AND INCENTIVE COMPENSATION

In April 2004, PSEC approved a Compensation Plan developed by MCFD respecting base salary and variable/at-risk compensation (incentive) for differing levels of the organization outlined in Table 1 below:

Table 1—PSEC Recommendations for Base Salary and Incentive Compensation

Position	Cash Compensation (not including benefits)¹	Variable or At Risk Compensation
CEO	\$150,000 to \$195,151	Discontinued in 2009/10
VP/CFO/COO	\$115,900 to \$137,977	Up to 10% of Base Salary

In making the above recommendations regarding executive compensation, MCFD selected key characteristics of CLBC and from those characteristics, selected examples against which to benchmark the corresponding CLBC position as follows:

Characteristic	CLBC Benchmark
Scope of financial responsibility, i.e. size of operating budget	\$600 million/year
Complexity of services/business lines	<i>Moderately Complex as a result of service contracts, volume of vendors, pressures on both the supply and demand side of service delivery</i>
Operational responsibility	<i>Operational including policy and program</i>
Relative Stability of Operating Environment	Significant change anticipated

MCFD then adapted the levels to account for sectoral and government comparators as follows:

- A report prepared for MCFD in March 2003 by Western Compensation and Benefits Consultants
- Blue book comparators for ministries with similar budgets to CLBC and the corresponding public sector compensation for deputies in those ministries
- Regional Health Authorities with budgets comparable to CLBC and compensation packages for their senior-most staff
- Other inter-provincial data where available specifically for Community Living

¹ As at March 31, 2010