



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

<sup>1</sup>Elaine 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.

| <b>Position</b>                   | <b>Vacation Entitlement</b> |
|-----------------------------------|-----------------------------|
| CEO                               | 210 hours (30 days)         |
| VP, Organizational Development    | 210 hours (30 days)         |
| VP, Quality Services <sup>1</sup> | 140 hours (20 days)         |
| VP, Corporate Services            | 210 hours (30 days)         |
| VP, Policy & Program Development  | 245 hours (35 days)         |

<sup>1</sup> 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**

| <b>Position</b> | <b>Cash Compensation (not including benefits)<sup>1</sup></b> | <b>Variable or At Risk Compensation</b> |
|-----------------|---|---|
| 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:

| <b>Characteristic</b>  | <b>CLBC Benchmark</b>   |
|--|---|
| 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

<sup>1</sup> As at March 31, 2010