

Saanich Schools

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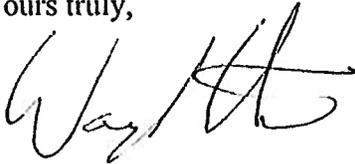
September 5, 2012

Paul Straszak
President and CEO
Public Sector Employers' Council Secretariat
PO Box 9400 Stn Prov Govt
Victoria, BC
V8V 9V1

Dear Mr. Straszak:

This will confirm that the Board of Education of School District No. 63 (Saanich) is aware of the total compensation paid to executive staff during the 2011-2012 fiscal year and further, that we verify the amount of compensation paid was within the compensation plan as approved by the Board and as reported in the Summary Compensation Table .

Yours truly,



Wayne Hunter
Chair, Board of Education

WH:rd

Saanich Schools



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School District No. 63 (Saanich)

2125 Keating Cross Road

Saanichton, B.C. V8M 2A5

Phone: 250-652-7300 Website: www.sd63.bc.ca

Public Sector Executive Compensation Reporting Guidelines

The Board of Education encourages and adopts practices that enable the district to attract, retain, provide incentive to, and reward qualified, high-performing employees who are critical to the delivery of quality public education programs to students in School District No. 63 (Saanich).

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. School District No. 63 (Saanich) expects employees to accept accountability and to continually develop the skills need to meet the organizational objectives.

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.

In balancing external competitiveness with internal equity, the Board typically has determined that the reference point for executive and exempt total compensation is the median of the relevant comparator labour market.

The Board's total compensation package for executive staff is comprised of the following elements:

Cash compensation

Total cash compensation includes annual base salary and monthly vehicle allowance only for specific staff who require their vehicle to carry out their duties.

- Annual base salary

Annual base salary is considered in the context of the total compensation package. Generally, base salary is targeted at the median of the comparator labour market. The base salary structure is a single rate structure. The salary of the Superintendent of Schools will be the greater of at least \$10,000 greater than the highest paid principal in the district OR at a salary which is at least the average of that which is paid to comparable districts in British Columbia School Districts of similar enrolment size. The source of this data will be the British Columbia Public School Employers' Association. The compensation of other executive positions is set relative to the Superintendent of Schools.

- Vehicle allowance

Due to the need to visit schools and other district worksites, the Board provides a monthly vehicle allowance to the Superintendent and other senior management positions. The monthly vehicle allowance is set at a level comparable with the vehicle allowances provided to Superintendents and other senior managers in districts of similar size and geography.

Non-cash compensation

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

- Health and welfare benefits

The Board of Education provides a standard package of employee health and welfare benefits to its exempt employees consistent with that offered in the K-12 sector generally. Benefits include Medical Services Plan premiums, Long Term Disability, short term illness, Sick Leave, Life Insurance, Accidental Death and Dismemberment (AD&D), Extended Health, Dental Plan, and Family Assistance Program. Eighty percent of the Medical, Extended Health, Dental, Life Insurance premiums are paid by the Board with 20 percent paid by employees. One hundred percent of Long Term Disability and AD&D premiums are paid by the employee. One hundred percent of the cost of short term illness and sick leave is paid by the Board.

- Life Insurance benefit of three times annual salary with a maximum benefit of \$400,000 – 80% of premiums paid by the Board;
- Long Term Disability benefit of 60% of monthly earnings to a maximum benefit of \$6,100 per month – 100% of premiums paid by employee.

- Pension benefits — executive staff are enrolled in either the Teachers' Pension Plan or the Municipal Pension Plan.

In addition, upon retirement, executive staff are eligible to receive a long-service recognition award (or retirement allowance) based on the following criteria:

After completion of 10 consecutive years of service with the Board as an Executive Officer or Principal, Vice Principal or District administrator, the Executive Officer is entitled to a retiring allowance paid upon retirement in the amount of ten (10) days' salary for each year of service to a maximum of 200 days' worth of salary.

- Paid time off, including an annual vacation entitlement of 30 days. 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.

In addition, executive staff receive 10 days of paid time off annually, in addition to annual vacation entitlement, in recognition of attendance at meetings during evenings and weekends.

- Other vehicle-related payments, including insurance and maintenance. The executive are provided with a monthly car allowance and vehicle expenses including fuel, insurance and maintenance.
- Professional Dues - The Board encourages its executive to join professional organizations and to attend and participate in professionally related conferences, seminars and similar activities and agrees to establish a budget annually for this.

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 other management positions) 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(s) in order to effectively fulfill the duties and responsibilities of the position(s).

The decision whether to grant a salary increase is at the sole discretion of the Board. Economic increases are consistent with the public sector and approvals from BCPSEA. 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.

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;
- 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 2011-12 (year ending June 30, 2012)

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)**
Keven Elder, Superintendent	\$147,928	\$0	\$0	\$20,291	\$19,992	\$188,211	2009/10: \$178,388 2010/11: \$181,528
Nancy MacDonald, Assistant Superintendent	\$133,738	\$0	\$0	\$18,187	\$20,602	\$175,527	2009/10: \$164,819 2010/11: \$165,810
Marlene Dergousoff, Assistant Superintendent	\$133,738	\$0	\$0	\$26,203	\$17,887	\$177,738	2009/10: \$163,209 2010/11: \$164,219

Notes:

* This amount includes vehicle allowance/lease and expenses of \$11,254 for the Superintendent, \$11,900 and \$9,965 for the Assistant Superintendents and expenses for employer-paid CPP and EI benefits premiums, and employer-paid health and welfare benefits premiums of \$8,738 for the Superintendent, and \$8,702 and \$7,922 for the Assistant Superintendents.

** The reporting in fiscal 2009/10 includes retro payout for the Superintendent of \$1,788 and Assistant Superintendents of \$2,880 each after approved Labour Market Adjustments to update salary to the average of comparable school districts.