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**School District No. 6
(Rocky Mountain)**
Quest for Quality

Golden Zone Office

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Tuesday, August 6, 2013

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

Dear Mr. Doney:

This will confirm that the Board of Education of School District No. 6 (Rocky Mountain) is aware of the total compensation paid to executive staff during the 2012-2013 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.

Sincerely,

Jim Jenkinson, Board Chairperson

cc: C. Dow, Secretary Treasurer
Trustees



School District No. 6 (Rocky Mountain) Statement of Executive Compensation August 6, 2013

The Board of Education 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. 6 (Rocky Mountain).

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. 6 Compensation Philosophy

The material principles underlying policies and decisions for compensation provided to the CEO and NEOs of the District are as follows:

- The Board of Education has a responsibility to attract and retain the finest leadership talent available - high potential individuals who are committed to supporting an educational program of the highest quality
- Compensation for senior executive positions must be competitive relative to other jurisdictions in the sector
- Compensation levels for senior executive positions must be set in accordance with Government guidelines and applicable law
- The Board must have defensible criteria for setting compensation levels

The responsibility for determining executive compensation lies with the whole Board of Education, with Human Resources staff providing the supporting information to enable the Board to make informed decisions in this regard.

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.
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

- Annual base salary

The objective of the compensation program is to set a fair and reasonable level of compensation for the duties performed by executives on behalf of the Board. Specifically, the rationale for setting the base salary of the CEO was chosen from a number of available options. In years past, the Western Compensation & Benefits Consultants Report on Total Compensation Paid to Exempt Employees had been used to determine the base salary; the Board determined that, taking into account the relative size of the District, the salary would be set at the 60th percentile of the range of salaries for CEOs in Districts with an enrolment between 2001 and 6000 students.

Considering the increasing salary compression coming about as a result of the 2006 Teacher Collective Agreement, the Labour Market Adjustment process impacting salaries of Principals and Vice Principals, and the lack of an up-to-date Western Compensation Report to use as a guide, the Board determined at its December, 2007 meeting that the salary of the Superintendent would be set, effective January 1, 2008, at the 65th percentile of the minimum-maximum base salary range for CEOs of Districts with a student population of between 2001-6000 students as outlined in Appendix 1 of Policy 95-06, [Compensation and Employment Standards for School District Employees Not Subject to a Collective

Agreement (July 1, 2007)]. The salaries of the NEOs of the District were then set by maintaining the ratio between the previously existing salaries and the new, adjusted salary of the CEO.

In September, 2009, the Board again revised CEO/NEO compensation in light of the significant impact of continued teacher salary adjustments connected to the 2006 Teacher Collective Agreement (including the provision of a recruitment/retention allowance paid to all District teachers commencing in September of 2008), as well as the ongoing effect of the Labour Market Adjustment process on Principal and Vice Principal compensation. Specifically, the Board revised CEO/NEO salaries retroactive to July 1, 2009, such that the ratio of the salary of the highest paid teacher to the various executive compensation levels that existed in June of 2006 was re-established.

There have been no further adjustments made since 2009.

- Vehicle allowance

Due to the diverse geography of the district and the need to visit schools and other district worksites, the Board provides a monthly vehicle allowance to the Superintendent and other senior management positions. Senior executives are paid, in addition to base salary, a monthly vehicle allowance (taxable benefit). The amount of this allowance was increased by the Board in 2006 to \$425.00/month, and is intended to be part of the reimbursement to executives for vehicle expenses incurred while on Board business (senior executives also receive a per kilometer rate for using a vehicle in the performance of their duties of \$.27 per kilometer for travel outside the zone). The vehicle allowance was adjusted after completing a review of allowances paid to other senior executives in the sector.

- Executive annual re-earnable performance-based incentive compensation plan

The Board does not currently pay incentive compensation or bonuses to the CEO or NEOs of the District.

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, short-term and long-term disability, employee and family assistance program, etc. consistent with such benefits as offered in the K-12 sector generally.
- **Pension benefits** — executive staff are enrolled in either the Teachers Pension Plan (Superintendent, Assistant Superintendent) or the Municipal Pension Plan (Secretary Treasurer, Director of Operations.)
- **Paid time off**, including an annual vacation entitlement of six weeks paid leave and Christmas vacation as scheduled in the school calendar. 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.

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 in order to effectively fulfill the duties and responsibilities of Superintendent.

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.

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 2012-2013 (year ending June 30, 2013)

Summary Compensation Table - June 30, 2013								
Name and Position (a)	Salary (b)	Bonus and / or Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2012/13 Total	Previous Two Years Totals	
							2011 / 12	2010 / 11
Paul Carriere, Superintendent	\$ 127,771	\$ -	\$ 8,349	\$18,182	\$5,100	\$159,402	\$159,031	\$158,567

Summary Other Compensation Table - June 30, 2013

Name and Position (a)	All Other Compensation	Severance (f)	Vacation payout (g)	Leave payout (h)	Vehicle / Transportation Allowance (i)	Perquisites / other Allowances (j)	Other (k)
Paul Carriere, Superintendent	\$ 5,100	\$ -	\$ -	\$ -	\$ 5,100	\$ -	\$ -