



University
of Victoria

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MEMO

Date: May 31, 2013

To: Lee Doney, President and Chief Executive Officer, Public Sector Employers' Council

From: Susan Mehinagic, Chair, Board of Governors

Re: **Executive Compensation Disclosure**

Attached please find the University of Victoria's 2012-13 Executive Compensation Disclosure report. This memo will confirm that the Board of Governors of the University of Victoria is aware of the compensation paid to its executives in the past fiscal year and that the compensation was within approved compensation plans.

Susan Mehinagic



May 2013

UNIVERSITY OF VICTORIA
EXECUTIVE COMPENSATION REPORT

COMPENSATION PHILOSOPHY

The University of Victoria's executive compensation philosophy is to develop compensation packages that allow the University to attract, develop and retain the best possible candidates from a global market. Once hired, members of the executive participate in a rigorous performance development and review system.

While salary is an integral part of the compensation package, all components of compensation are considered in developing a compensation plan for each member of the executive that is relevant to the individual. By maximizing the relevance of each element of the package to the individual we achieve overall cost-effectiveness of the total package.

SALARY

The President's base salary is established at the outset of the contract and from the average salary paid at other comparable Canadian universities. These universities are intended to represent the market in which we are competing for university presidents. For Vice-Presidents, our salary philosophy is to develop a pay band with a mid-point that reflects an average salary. To establish an average salary the University conducts a national survey of the comparable Canadian Universities used for assessing the President's salary.

Surveys are conducted on an "as required" basis, as determined by the Compensation and Review Committee of the Board for the President and as determined by the President for the Vice-Presidents. For cost-effectiveness these surveys are often done at the same time. For Vice-Presidents, salary ranges are adjusted as a result of market surveys and/or the amount of any economic increases. Economic increases typically reflect the increases applied to other employees at the University of Victoria. The current salary ranges were last adjusted by an economic increase on July 1, 2009. The Public Sector Management and Executive Compensation Freeze Policy, introduced by the provincial government in October 2012, continues to be in effect at the time of this report.

MERIT PAY

Vice-Presidents progress through the salary range based on merit. The amount of merit pay is determined through the annual performance review process and includes the setting of annual objectives.

Annual objectives are put in place for all members of the Executive. In the case of the President, the setting of objectives and how they will be measured is determined by the Board in discussions with the President. Vice-Presidents' objectives, and how they will be measured, are established by the President in discussions with each Vice-President. Measures may be qualitative or quantitative.

Merit Pay for the Vice-Presidents is based on four merit increments. A Vice President may earn up to four merit increments in a year depending on performance.

Merit Pay for the President takes the form of a re-earnable incentive plan. The re-earnable amount can range from 0% to 15% of base salary. The re-earnable amount is based on a review of the President's performance by the Board using the degree of success the President has had in meeting both general performance criteria and annual performance objectives.

The setting of objectives and how they will be measured is determined by the Board in discussions with the President. The detailed procedure for the annual review of the President is found at Schedule 1 of the 2009-2015 contract of employment. While the specific objectives and results are between the Board and the President, the type of goals the Board approves for the President are consistent with best practice in annual evaluation of university presidents as described in publications of the Association of Governing Boards. UVic's Board typically approves a set of substantive, high-level, timely goals for the President each spring. In a given year, the goals and associated measures might include, for example:

- Achieve a balanced year-end budget and prepare the next budget that embodies the priorities identified in the strategic plan. In this regard, the Board would want to see a balanced budget consistent with strategic plan submitted to the Board and implemented.
- Increase external relations activities and fund raising activity. In assessing whether this goal had been met, the Board would consider, for example, whether fundraising goals for the year had been met and the President's contributions to these goals.

Some goals are specific to a particular time period. For example, one recent objective was effective management of the federal/provincial Knowledge Infrastructure Program activity. The outcome, which was achieved, was completion of the infrastructure renewal on time and on budget. Other goals, such as that with respect to a balanced budget, recur annually.

MARKET ADJUSTMENTS

Market adjustments may be included in addition to base salary. Market adjustments are determined at the time of hire or on re-negotiation of contract. Adjustments are made based on all or some of the following factors:

- the candidates' existing salary
- salary survey data
- other issues which affect the financial viability of the offer such as housing prices, loss of spousal income, loss of consulting opportunities
- concrete evidence of competing offers.

Market adjustments must meet the requirements of the University's approved compensation plan.

HEALTH AND WELFARE BENEFITS, PENSION

The Executive receive the same benefits as those received by other employee groups at the University of Victoria. Supplementary Pension Plan contributions are made when Revenue Canada maximums are reached. In May 2011, Combination Pension Plan contributions were adjusted following an actuarial valuation.

LEAVES

Vacation entitlements are consistent with those provided other employees at the University of Victoria.

For Academic executive appointments a research leave is typically provided at the end of the contract in order to facilitate a return of the executive to academic rank. For the purposes of this report, research leaves are costed as they are earned.

PERQUISITES

A determination as to whether a particular perquisite is required is based on: whether it is consistent with the overall compensation package, required to assist in the effective carrying out of the position's role, and whether the perquisite is offered by comparable and/or competing universities. Perquisites must be cost effective for recruiting and retention purposes.

For the President, perquisites are negotiated by the Board as part of contract negotiations. For Vice-Presidents perquisites are negotiated with the President at the commencement of the Vice-President's contract. The President provides details of the Vice-Presidents' contracts to the Compensation and Review Committee of the Board for information purposes

Summary Compensation Table at FISCAL, 2013

Name and Position (a)	Salary (b)	Bonus and / or Incentive Plan Compensation (c)	Benefits (d)	Pension ¹ (e)	All Other Compensation (expanded below)	2012/13 Total	Previous Two Years Totals	
							2011 / 12	2010 / 11
David Turpin, President & Vice Chancellor ²	\$ 373,700	\$ 56,055	\$ 8,093	\$ 46,639	\$ 20,617	\$ 505,104	\$ 504,114	\$ 494,809
Reeta Tremblay, VP Academic & Provost	\$ 264,490	\$ 6,734	\$ 7,268	\$ 33,625	\$ 37,512	\$ 349,629	\$ 340,286	\$ 80,821
Gayle Gorrill, VP Finance & Operations ³	\$ 252,332	\$ -	\$ 7,687	\$ 31,226	\$ 194	\$ 291,824	\$ 306,102	\$ 297,200
Valerie Kuehne, VP External Relations ⁴	\$ 59,034	\$ -	\$ 1,125	\$ 7,293	\$ -	\$ 67,453	\$ 333,649	\$ 255,132
Carmen Charette, VP External Relations ⁵	\$ 160,000	\$ -	\$ 8,316	\$ 19,772	\$ 248	\$ 188,336	\$ -	\$ -
J. Howard Brunt, VP Research	\$ 229,568	\$ 7,452	\$ 7,173	\$ 29,281	\$ 2,324	\$ 275,909	\$ 267,751	\$ 249,557

Summary Other Compensation Table at FISCAL, 2013

Name and Position (a)	All Other Compensation	Severance (f)	Vacation payout (g)	Admin Leave Accrual (h)	Vehicle/ Transportation Allowance (i)	Perquisites / other Allowances (j)	Other (k)
David Turpin, President & Vice Chancellor	\$ 20,617	\$ -	\$ -	\$ 20,617	\$ -	\$ -	\$ -
Reeta Tremblay, VP Academic & Provost ⁶	\$ 37,512	\$ -	\$ -	\$ 16,924	\$ -	\$ -	\$ 20,587
Gayle Gorrill, VP Finance & Operations ⁷	\$ 194	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 194
Valerie Kuehne, VP External Relations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Carmen Charette, VP External Relations ⁸	\$ 248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 248
J. Howard Brunt, VP Research	\$ 2,324	\$ -	\$ -	\$ 2,324	\$ -	\$ -	\$ -

Notes:

- Both employer and employee contributions to the Combination Pension Plan increased in May 2011 in accordance with actuarial recommendations.
- The potential liability to the University resulting from the interaction of recognition of past service and the approved 2009-2015 compensation framework was actuarially estimated. The potential impact of this is approximately \$71,700 in each year of the contract (prorated in year 1) and the University has accommodated this accordingly.
- Salary ceiling reached in 2011.
- Term ended June 30, 2012. Partial admin leave payout reported in 2011/12.
- Term started August 1, 2012.
- Column "k" includes taxable benefit for interest free home relocation loan and forgivable portion of home purchase loan.
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Other:

The President is the only member of executive who is a member of the board.
The President receives no additional compensation for these duties.