



634 – 6th Avenue East
Prince Rupert, B.C.
V8J 1X1
Tel: (250) 624 - 6717
Fax: (250) 624 -6517
<http://sd52.bc.ca>

September 24, 2014

Lee Doney
Interim President and CEO
Public Sector Employers' Council Secretariat
Suite 210, 880 Douglas Street
Victoria, British Columbia
V8W 2B7

Dear Mr. Doney:

This will confirm that the Board of Education of School District No. 52 (Prince Rupert) is aware of the total compensation paid to executive staff during the 2013-2014 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,

Tina Last
Board Chair

SCHOOL DISTRICT NO. 52 (PRINCE RUPERT)

EXECUTIVE COMPENSATION DISCLOSURE 2013 – 2014

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. 52 (Prince Rupert).

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.

Compensation Philosophy

School District 52 (Prince Rupert) is a small, rural district on the North Coast of British Columbia and serves the public education needs of the communities of Prince Rupert, Port Edward, Metlakatla and Hartley Bay. While living in our communities presents an attractive lifestyle choice for some, there is no question that recruitment and retention of qualified staff, especially at the executive level, is an ongoing concern. The Board of Education is committed to the goal of delivering high-quality public education to district students. To do that effectively, we must recruit and retain management who are qualified, committed and experienced.

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 a 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.
- To provide a compensation package that is competitive and which will ensure the best possible candidates will be attracted to, and retained in, Prince Rupert.

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 districts 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; and
- 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 and the remote location of the district, the Board typically has determined that the reference point for executive and exempt total compensation is the 75th percentile of the relevant comparator labour market.

Compensation

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

Cash compensation

Cash compensation is limited to annual salary, payout of unused vacation entitlement and automobile allowance. Allowable expenses are reimbursed at cost or standard government rates. The district has a service recognition incentive plan in place for the Superintendent and Secretary-Treasurer positions.

Non-cash compensation

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

- **Group health and welfare benefits**, such as basic medical, extended medical, medical travel, dental, group life, disability insurance, employee and family assistance program, etc. consistent with such benefits as are offered in the K-12 sector generally;

- **Pension benefits** — executive staff are enrolled in either the Teachers' Pension Plan or the Municipal Pension Plan; and
- **Paid time off**, including an annual vacation entitlement of 35 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.

Compensation Administration

Executive contracts are reviewed and renewed regularly. The salary structure for executive 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.

New hires are generally not placed at the highest rate on commencement of employment, although due to the key leadership roles and responsibilities, such individuals are generally recruited at a highly competent level and are often placed near the maximum salary, reflective of the required competence, qualifications, and experience.

The decision whether to grant a salary increase is at the sole discretion of the Board. 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; and
- 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, the Board of Education is accountable to the public and therefore ensures that it adheres to proper human resources practices with respect to executive and exempt staff compensation; and
- 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 2013-2014 (year ending June 30, 2014)

| Summary Compensation Table at FISCAL 2013-2014 | | | | | | | | | |
|------------------------------------------------|---------------|---------------------------------------------------------|-----------------|----------------|--------------------------------------------------|------------------|------------------------------|------------------|--|
| Name and Position (a) | Salary (b) | Bonus and / or Incentive Plan Compensation (c) | Benefits (d) | Pension (e) | All Other Compensation (expanded below) | 2013/14 Total | Previous Two Years Totals | | |
| | | | | | | | 2012 / 13 (s) | 2011 / 12 (t) | |
| Lynn Hauptman, Superintendent | \$ 11,832 | \$ - | \$ 488 | \$ 1,924 | \$ 9,096 | \$ 23,340 | \$ 175,797 | \$ 170,149 | |
| Sandra Jones, Superintendent | \$ 130,130 | \$ - | \$ 8,782 | \$ 20,337 | \$ 20,874 | \$ 180,123 | \$ - | \$ - | |
| | | | | | | | | | |
| | | | | | | | | | |

| Summary Other Compensation Table at FISCAL 2013-2014 | | | | | | | | | |
|------------------------------------------------------|---------------------------|------------------|---------------------------|------------------------|-------------------------------------------------|---------------------------------------------|--------------|----------------------------------|----------|
| 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) | | |
| | | | | | | | | Lynn Hauptman, Superintendent | \$ 9,096 |
| Sandra Jones, Superintendent | \$ 20,874 | \$ - | \$ 15,774 | \$ - | \$ 5,100 | \$ - | \$ - | | |
| | | | | | | | | | |
| | | | | | | | | | |

Notes: