



Hay ch qa' sil'em slye'yu mukw mustimuxw.

Vancouver Island University students, staff, faculty and administration acknowledge and thank the Snuneymuxw First Nation, Tla'amin First Nation and Cowichan Tribes for welcoming students, staff, faculty and administration to teach, learn, live and share educational experiences on the traditional territories of these nations.

Vancouver Island University

Executive Compensation Discussion and Analysis

On behalf of the Vancouver Island University Board of Governors, I am pleased to present the full disclosure of all compensation paid to our top five senior officers.

We are reporting the full compensation of our "Senior Management Group". The "Senior Management Group" is the core group of five leaders that guides our University in the achievement of the goals outlined in Vancouver Island University's Academic Plan: <https://www.viu.ca/integratedplanning/documents/VIUAcademicPlanFINALMARCH2011.pdf>

Compensation Decisions

The compensation for the President and Vice-Chancellor is determined by the Board of Governors. The compensation for the remaining members of the Senior Management Group, as with all excluded positions, is set by provincial government policy and approved at the discretion of the President and Vice-Chancellor.

Compensation Philosophy

Vancouver Island University's compensation philosophy is compliant with the core principles of the common public sector compensation philosophy, and provides detail as to how our compensation supports performance, differentiation, accountability and transparency. The full text of our approved Compensation Philosophy is attached.

As a result of restrictions placed on the University, the University has been unable to implement a compensation plan for our executive and excluded staff based on the November 2015 Compensation

philosophy. We can report that the elements of the approved compensation plans for executives does support Vancouver Island University achieving the goals of our Academic Plan. We have constructed our compensation plans to reflect our core values of Learning, Discovery, Engagement, Achievement, Diversity, Celebration and Sustainability.

While our executive compensation plans are comparable to other similar sized and purposed post-secondary institutions in British Columbia, we believe that our current executive compensation plan does lag our comparator group from the rest of Canada (similar sized/mandated Universities that we have recruited staff from and lost staff to within the last five years, and institutions from which we have attracted qualified candidates, but our employment offers have been declined due to low compensation). We anxiously await the ability to adjust our compensation plan to reflect the commitments contained in our approved compensation philosophy.

When recruiting both our Vice-Presidents, it was determined that our internally developed compensation system was lagging our external market, preventing us from attracting and retaining the caliber of candidates required to lead the institution into full university status. Therefore, modest labour market adjustments were added to the compensation of the Provost and Vice-President Academic and the Chief Financial Officer and Vice-President Administration, bringing their compensation closer to the compensation paid to comparable roles in comparable British Columbia public sector post-secondary institutions. The market adjustments were within the guidelines and approved by the Government of British Columbia. These market adjustments are paid annually. The labour market adjustments are fully disclosed in the summary table. Even with the modest labour market adjustment, the salaries for the Vice-Presidents lag market comparators.

Vancouver Island University has modeled our compensation to reflect compensation models in the post-secondary sector, including five-year renewable term contracts for the President and Vice-Presidents. Vancouver Island University has adapted the post-secondary compensation practices by granting a one-year administrative leave to the President for each five-year term, and a one-year administrative leave for the Vice-Presidents, regardless of the number of terms served. Term contracts allow the Board of Governors and/or the President to continually assess and celebrate the successes of these senior leaders. Administrative leaves support the University's commitment to learning, discovery and engagement.

The compensation statement discloses the compensation associated with the administrative leaves granted to the President and Vice-Chancellor, the Provost and Vice-President Academic, and the Chief Financial Officer and Vice-President Administration. We have also fully disclosed any payments made to a former NEO as a result of an administrative leave. The University has adapted the Public Sector Accounting Board of Canada (PSAB) accounting standards and principles to fully disclose the compensation associated with the administrative leaves.

Our senior executives participate in the College Pension Plan, a legislative based, defined benefit plan that serves the public sector colleges and institutes in British Columbia. The full cost of the pension contributions is included in the summary compensation table.

Senior executives participate in the same benefit plan as all other administrative staff. For those senior executives over the age of 65, who are no longer eligible for insured benefits, VIU has created a health spending account with the premiums that would have been paid for insured benefits. Senior executives (with exception of the President and Vice-Chancellor) are eligible for six weeks' vacation, as are all other administrative staff. The President and Vice Chancellor is granted eight weeks of vacation. Again, the benefit, pension and vacation periods mirror post-secondary standards, thus supporting our approved Compensation Philosophy.

Performance Plan

Annually, the President and Vice-Chancellor presents a performance plan (rooted in the Academic Plan) to the Board. Once approved, the Board of Governors receives periodic progress reports, and performs a full review of outcomes relative to the performance plan. Results of this annual planning and review process shape the direction for the upcoming year.

Conclusions

As part of the British Columbia public sector, the University is guided by, and complies with direction provided by the Government of British Columbia.

Vancouver Island University has worked hard to live the values and achieve the goals identified in our Academic Plan. We are a maturing university, intent on implementing best practices with regards to accountability. A key element of accountability is transparency.

Board Chair Attestation

On behalf of the Board of the Vancouver Island University, I can attest that:

The compensation provided is within approved compensation plans, and complies with all disclosure guidelines.

The board has been fully apprised of the executive compensation paid in the prior fiscal year.

The compensation information being disclosed is accurate and includes all compensation paid by the employer, foundations, subsidiaries, or any other organization related to or associated with the employer, to the employees, for duties and responsibilities assigned by the University. It also includes the value of any pre or post-employment payments made during the 12 month period before or after the term of employment.

Within these required parameters, Vancouver Island University believes it has constructed the appropriate compensation to attract and retain the leadership required to reflect our core values and achieve the outcomes identified in our Academic Plan.



Allan Wiekenkamp, CA, TEP, CFP
Chair of the Board of Governors
Vancouver Island University

April 29, 2016

Vancouver Island University

Compensation Philosophy:

Overall Objectives

Our total compensation program is a tool to help us attract and retain highly qualified staff to support Vancouver Island University to be a leader in providing high-quality learning, and to help the University support the well-being of the people of Vancouver Island University and coastal British Columbia by our commitment to student success, community engagement and associated scholarship. Our total compensation program will support the following core values of the University:

Learning: we support student success, access to education, appropriate use of technology, development of literacies, communication and exchange of ideas across disciplines and locations, exploration and application of new thought and pursuit of lifelong learning

Discovery: through the pursuit of free enquiry we promote an enduring learning community

Engagement: we value ongoing cooperation with our partners in education, with communities in our region and with colleagues throughout the world

Achievement: we believe in the potential of our learners and are committed to promoting the excellence and success of our students, faculty, staff and alumni

Diversity: we value human diversity in all its dimensions and are committed to maintaining learning and working environments which are equitable, diverse and inclusive

Celebration: we celebrate the achievements of our students, faculty, staff, alumni and the communities we serve

Sustainability: we support a healthy sustainable environment through progressive operational practices and promotion of environmental awareness

Guiding Principles:

Achievement of Goals of the University: Our total compensation program supports and rewards staff who are engaged in supporting the University achieve its mission, visionary purpose and broad goals and objectives set at the department/business unit level and supporting our objectives of continuous improvement. All excluded staff must effectively contribute to their department/business unit meeting required expectations to receive an increment.

Respect, transparency, and accountability: Our total compensation program respects the contribution of all staff, is fully transparent, and supports differentiation of the roles, responsibilities and accountabilities of our staff. Information about the compensation program is fully disclosed and appropriate accountabilities are in place to ensure the best use of scarce financial resources.

Role of Total Compensation Elements:

Learning, Discovery and Achievement: Core to our values is support for life-long learning, support for skill development, support for career development, and supporting the excellence and success of our staff.

Benefits: Constructed sustainably to support a healthy and well University community. Keeping our community healthy, well and engaged is our priority. We encourage sustainable work practices, and connectivity to our families and our communities. We will provide reasonable insurance for most contingencies of life should our proactive health and wellness initiatives fail.

Base Salary: Constructed to attract and retain staff who will deliver on accessible, high quality learning.

Total compensation is also constructed to support internal equity, crucial to support working collaboratively across the institution. Therefore, core to our success will be recognition of the collaborative contributions of individuals and groups to achieving the goals set annually by the University.

Comparator Groups:

For academic leadership positions and select senior administrative positions (senior leadership roles that require previous experience in a post-secondary environment), our comparator group includes similar post-secondary organizations in British Columbia and similar size/mandate universities across Canada. The comparator group includes institutions that have we recruited staff from and lost staff to within the last five years, as well as institutions from which we have attracted qualified candidates, but our employment offers have been declined due to low compensation.

For leadership positions and excluded positions that are not unique to the post-secondary environment and do not require sector-specific experience, the primary comparator group will be the BC Public Sector, with emphasis on the BC Public Service.

A listing of the organizations in our current comparator groups is contained in Appendix A.

Target Pay Positioning:

The mid-point of our total compensation program is targeted at the 50th percentile of our comparator group. We note that our locations are small markets (Nanaimo, Duncan and Powell River) which creates recruiting issues related to the availability of employment for co-locating spouses. This is only somewhat mitigated by the positives of the island location and our reputation.

Internal Equity:

Once external market comparative information is assessed, this information will be a factor in determining an appropriate compensation plan that is both market appropriate and supports internal equity. We have a well maintained point factor job evaluation system that also supports internal equity. It is transparent

and meets best practices. Internal equity should be benchmarked against the senior academic and select senior administrative leadership positions, as these positions are unique and fundamental to our success as a university.

Sustainability and Accountability:

Our compensation philosophy is based upon the principles of sustainability and accountability. Sustainability includes supporting the University both through the annual planning/budgeting and financial reporting processes, and through long term institutional wellbeing. The compensation plan is also compliant with legislative and policy directives from third parties, including our funding agencies.

Governance and Administration

The Board of Governors is responsible for approving our overall compensation philosophy. Senior administrators are responsible for the day-to-day oversight and administration of the program through dedicated program staff.

Appendix A

Comparator groups:

Academic and Senior Administrative Comparator Group

- British Columbia Institute of Technology
- University of the Fraser Valley
- Kwantlen Polytechnic University
- Thompson River University
- University of Northern British Columbia
- University of Lethbridge
- University of Winnipeg
- University of Ontario Institute of Technology
- Ontario Institute of Education (University of Toronto)
- Athabasca University
- Mount Royal University
- Nipissing University
- Lakehead University
- University of Waterloo
- University of Regina

Excluded Positions Not Unique to the Post-Secondary Environment

BC Public Sector, with emphasis on the BC Public Service

Summary Compensation Table at FISCAL, 2016

Name and Position (a)	Salary (b)	Holdback / Bonus / Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2015/16 Total	Previous Two Years Totals	
							2014/15	2013/14
Ralph Nilson, President & Vice-Chancellor	\$ 179,512	\$ -	\$ 12,878	\$ 19,995	\$ 30,184	\$ 242,569	\$ 249,723	\$ 244,575
David Witty, Provost & VP Academic	\$ 154,864	\$ -	\$ 4,744	\$ 11,594	\$ 12,305	\$ 183,507	\$ 196,201	\$ 193,128
Patricia Eagar, Special Advisor to the President	\$ -	\$ -	\$ -	\$ -	\$ 171,152	\$ 171,152	\$ 197,289	\$ 196,258
Marie Armstrong, University Secretary	\$ 133,495	\$ -	\$ 10,134	\$ 13,667	\$ 4,364	\$ 161,661	\$ 157,973	\$ 111,422
Dan Hurley, Executive Director, University Relations	\$ 117,282	\$ -	\$ 12,682	\$ 11,981	\$ -	\$ 141,945	\$ 160,069	\$ 159,296
Shelley Legin, Chief Financial Officer and VP Administration	\$ 154,864	\$ -	\$ 11,595	\$ 16,974	\$ 13,680	\$ 197,113	\$ 131,802	\$ -

Summary Other Compensation Table at FISCAL, 2016

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)
Ralph Nilson, President & Vice-Chancellor	\$ 30,184	\$ -	\$ 8,285	\$ -	\$ 2,738	\$ -	\$ 19,161
David Witty, Provost & VP Academic	\$ 12,305	\$ -	\$ -	\$ -	\$ 2,295	\$ -	\$ 10,010
Patricia Eagar, Special Advisor to the President	\$ 171,152	\$ -	\$ 19,658	\$ 151,494	\$ -	\$ -	\$ -
Marie Armstrong, University Secretary	\$ 4,364	\$ -	\$ 4,364	\$ -	\$ -	\$ -	\$ -
Dan Hurley, Executive Director, University Relations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Shelley Legin, Chief Financial Officer and VP Administration	\$ 13,680	\$ -	\$ -	\$ -	\$ 3,670	\$ -	\$ 10,010

Notes:	
Ralph Nilson, President & Vice-Chancellor	Other (k) - Annual contractual benefits ceiling pay adjustment \$14,029; mortgage interest \$5,132
David Witty, Provost & VP Academic	Other (k) - Labour Market Adjustment \$10,010
Patricia Eagar, Special Advisor to the President	Leave Payout (h) \$151,494 as per Terms and Conditions of Employment, the approved term of the Administrative Leave as Special Advisor, to the President ended December 31, 2015
Marie Armstrong, University Secretary	
Dan Hurley, Executive Director, University Relations	Parental Leave September 9, 2015 to January 15, 2016
Shelley Legin, Chief Financial Officer and VP Administration	Employment Commenced August 11, 2014. Other (k) Labour Market Adjustment \$10,010

Administrative Leaves

Administrative leaves at VIU are not automatic. All leaves require the completion of full five year terms before individuals are eligible for the leaves. Even upon completion of the five year term, leave will only occur upon approval. Using PSAB accounting practices, we have elected to accrue the potential liability for leaves based upon probability estimates, but not attribute to the individuals until the individual has completed their full terms and the leaves have been approved. To support full transparent disclosure principles, the following individuals will be eligible to apply for/ or have already accrued (but not paid) administrative leaves as follows:

Ralph Nilson

2013 - Annual salary & benefits (estimated \$234,534.00) accrued but not paid. The administrative leave is a one year employment contract commencing January 1, 2017. Duties and responsibilities for this one year term contract will be assigned by the Board Chair. 2016 - Board Chair will entertain application for second one year assignment, should the President successfully complete a second five year term. Assignment would commence January 1, 2018.

David Witty

2015 - Eligible for one year administrative leave upon approval by the President and upon concluding the five year term contract. Dr. Witty has completed his first five year contract, but has not applied, nor has his administrative leave been approved. Thus the administrative leave has not fully accrued.

Shelley Legin

2019 - Eligible for one year administrative leave upon approval by the President and upon concluding the five year term contract.

Patricia Eagar

As a result of the "Transition and Leave Plan" agreement, the former VP Administration and Finance, agreed to extend her relationship as a "special advisor" to support the transition to the new CFO and VP Finance, and then carry out her commitments under the approved one year administrative leave. We reported all earnings under the title of "Special Advisor to the President", which resulted in earnings associated with this role being in excess of the one year administrative leave to accommodate a transition period to the new CFO and VP Administration. All earnings (including vacation payout) related to both the transition and leave plan were reported under the "All Other Compensation" category, as the compensation paid to the NEO was not paid to the NEO in her role as Vice-President.