

SCHOOL DISTRICT No. 73 (KAMLOOPS/THOMPSON)

1383-9th Avenue, Kamloops, B.C. V2C 3X7 • Telephone: (250) 374-0679 • Fax: (250) 372-1183

August 29, 2017

Ms. Christina Zacharuk
President and CEO
Public Sector Employers' Council Secretariat
Suite 201, 880 Douglas Street
Victoria, BC V8W 2B7

Dear Ms. Zacharuk:

Re: Executive Staff Compensation

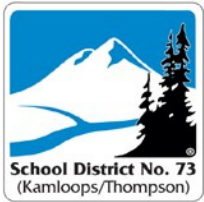
This will confirm that the Board of Education of School District No. 73 (Kamloops/Thompson) is aware of the total compensation paid to executive staff during the 2016-2017 fiscal year and further, that we verify the amount of compensation paid was within the compensation plan as approved by the Board and as reported in the Summary Compensation Table.

Yours truly,

A handwritten signature in black ink, appearing to read "Meghan Wade". The signature is fluid and cursive, written over a light blue circular stamp or watermark.

Meghan Wade, Chair
Board of Education

*csh



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Tel: (250) 374-0679 Fax: (250) 372-1183 www.sd73.bc.ca

Executive Compensation

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. 73 (Kamloops/Thompson).

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

The Board's compensation philosophy aligns with the statutory system of exempt staff compensation administration in the K-12 public education sector and the British Columbia Public School Employers' Association (BCPSEA) exempt staff compensation management plan (BCPSEA 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 *Public Sector Employers Act*. Compensation mandates adopted by the Public Sector Employers' Council from time to time are the official policy of BCPSEA and any adjustments to exempt staff compensation levels are considered within the context of the applicable compensation mandate.

The Board's compensation philosophy is based upon a set of principles that guide development, maintenance and decision-making with respect to salary structures and total compensation packages and programs.

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). The total rewards compensation program further integrates with plans that establish the board of education's overall education, business, and human resources strategies and objectives to facilitate the attraction and retention of 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 BC students.

Inherent in the compensation philosophy are the following core principles:

- **Performance:** The compensation structure and administration of the structure supports and promotes meaningful career growth and development opportunities, and a performance-based (merit) organizational culture.
 - **Differentiation:** Differentiation of compensation is supported where there are differences in the scope of the position within an organization, and/or due to superior individual/team contributions.
 - **Accountability:** Compensation decisions are objective and based upon a clear and well documented rationale that demonstrates the appropriate expenditure of public funds.
 - **Transparency:** The compensation program is designed, managed, administered, and
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communicated in a manner that ensures the program is clearly understood by employees and the public while protecting individual personal information.

Labour Market Comparators

Key to the compensation philosophy is the need to maintain a meaningful level of competitiveness with the relevant external labour market. Consistent with industry standards, “labour market” is defined in the 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/organizations
- Size of the organization, as size drives the span of control and scope of accountability
- Geographic location
- 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 includes:

1. Other BC school districts (primary labour market)
2. Other BC public sector organizations
3. Other Canadian school districts where relevant (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)
4. Selected private sector organizations where relevant.

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., job content (specific duties/responsibilities), required skill level, required competencies, required qualifications).
- Ensuring appropriate relationships exist between positions in the district’s organizational 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 (or annual) vehicle allowance (or an equivalent valued leased vehicle or employer-provided vehicle, etc.).

- **Annual base salary**

Annual base salary is considered in the context of the total compensation package.

- **Vehicle provisions**

Due to the diverse geography of the district and the need to visit schools and other district worksites, administrative positions that qualify for provision of a district owned vehicle shall have the option of using the vehicle or accepting a monthly travel allowance instead of the vehicle. Vehicle allowances shall not exceed the cost of supply and operation of a district owned vehicle. The Board provides a monthly vehicle allowance to the Superintendent and other senior management positions. The monthly vehicle allowance is set at a level competitive with the vehicle allowances provided to Superintendents and other senior managers in districts of similar size and geography.

Other vehicle-related payments like maintenance and insurance are not applicable as the vehicle allowance is paid to cover all related vehicle expenses.

Non-cash Compensation

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

- **Health and welfare benefits** – include basic medical, extended health, dental, group life, and an employee and family assistance program. Short-term disability is limited to accumulated sick leave earned at 20 days per year and long-term disability commences after 160 days of illness and long term disability is employee paid.
- **Pension benefits** — executive employees are enrolled in either the Teachers' Pension Plan or the Municipal Pension Plan.
- **Retirement Payout** – All Excluded staff with ten (10) or more complete years of service with the School District commencing in the contract year 2000-2001, shall be provided with a payout of \$1,000 per complete year after August 1, 2000, to a maximum of \$10,000 upon retirement.

Excluded Support Staff Management (non-educators) employed prior to December 31, 2002, earned entitlement to payout of unused sick leave after five years of service to the Board. (Provincial Legislation, "grand-fathered" sick leave payout entitlement) Balances remaining at termination of service are paid to the applicable Executive Staff Person based on their sick leave balance at December 31, 2002.

- **Vacation benefits** – executive staff are entitled to paid time off equal to 35 days of annual entitlement for the Superintendent and 30 days of annual entitlement for the balance of the executive staff. 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.

- Board Bank Days – In addition to vacation leave as outlined above, Senior Administration will be entitled to an additional 10 days annually for Superintendent and Secretary-Treasurer and 5 days annually for the Assistant Superintendents, Associate Superintendent, Directors of Instruction and Student Support Services as well as the Communications Manager in recognition of their required attendance during evenings and weekends at meetings of the Board of Education and its standing committees. These additional days shall be taken at times as agreed between the Superintendent and the Secretary-Treasurer subject to operation requirements of the district. The use of this entitlement shall be in ½ and single full day increments only and if the time is not taken off during the school year, the time will not accrue and will not be eligible for either carry-forward or pay-out.

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 conducted and managed through BCPSEA and the PSEC Secretariat ensures that total compensation levels are benchmarked externally against the appropriate labour market and internally against appropriate job criteria.

The Board works with BCPSEA to obtain information and advice relating to the executive and exempt compensation structures and to ensure alignment with the compensation mandates established by PSEC.

▪ Annual base salary administration

The salary structure for the position of Superintendent of Schools is based on placement at the appropriate salary range in the structure reflective of labour market competitiveness and internal equity. Placement and progression through the salary range is dependent upon competency growth and performance. The maximum of the salary range typically represents the job rate for the position, defined as the salary that should be paid to an incumbent who has established him/herself as meeting all the goals and expectations of the position in a fully satisfactory manner. New hires are generally not placed at the maximum of the salary range 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 at the mid to maximum point in the salary range reflective of the required competence, qualifications, and experience.

The decision whether to grant a salary increase to the position of Superintendent 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. The Board typically utilizes market compensation data and salary/compensation structures developed by BCPSEA for this position as well as all other positions in the exempt staff structure. Potential 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 currently 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 *Public Sector Employers Act*.
- Compensation mandates adopted by the Public Sector Employers' Council from time to time. Any adjustments to exempt staff compensation levels are considered within the context of the applicable compensation mandate.

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.
- proposed compensation adjustments for all other executive and exempt positions in the district must be reviewed and approved by BCPSEA prior to implementation.

School District No. 73 (Kamloops/Thompson)
Summary Compensation Table
Fiscal 2016-2017 year ending June 30, 2017

Compensation Table - Notes:

- Karl deBruijn retired from the Superintendent position on July 31, 2016. Ms. Alison Sidow was promoted from Assistant Superintendent to Superintendent on August 1, 2016. The Board of Education will have completed Ms. Sidow's year one performance evaluation on September 20th 2017.
- John Churchley retired from the Assistant Superintendent position on August 31, 2016. Mr. Robert Schoen was promoted from Associate Superintendent of Human Resources to Assistant Superintendent on August 1, 2016.
- Benefits: Includes employer paid statutory benefits such as CPP, EI and Workers' Compensation. Also includes non-statutory benefits like Extended Health, Dental, Group Life, AD&D, Long-term Disability and Medical Services Plan premiums plus an annual vehicle allowance of \$8,400.00.
- Pension: The Superintendent and Assistant Superintendents' participate in the Teacher Pension Plan and the Secretary-Treasurer and the Director of Facilities & Transportation participate in the Municipal Pension Plan.
- Perquisites/Other Allowances: Excluded staff with ten or more years of service commencing in contract year 2000-2001 shall be provided with a retiring allowance of \$1,000 per year to a maximum amount of \$10,000 upon retirement. The Secretary-Treasurer and the Director of Facilities & Transportation are entitled to a sick leave payout, as set aside on implementation of Bill 66 (as per 4.2) and they shall be paid the greater of the sick leave payout or the retirement allowance.
- Other Compensation: The Retired Superintendent received a payout for unused vacation pay at July 31, 2016 totaling \$45,447.55 . There was no payout of unused vacation pay at June 30, 2015 or June 30, 2014.

Additional Notes:

- This report represents the tenth year SD73 had Named Executive Officers (NEO's) with base salaries in excess of \$125,000.
- School District No. 73 (Kamloops/Thompson) employs 1,677 full and part-time employees and 255 relief employees for a total of 1,932 employees plus 9 trustees on payroll.

School District 73 (Kamloops/Thompson)

Summary Compensation Table at 2017

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2016/2017 Total Compensation	Previous Two Years Totals Total Compensation	
							2015/2016	2014/2015
Karl deBruijn, Superintendent - Retired	\$ 15,173	-	\$ 376	\$ 2,447	\$ 56,148	\$ 74,144	\$ 224,587	\$ 199,747
Alison Sidow, Superintendent - New	\$ 181,494	-	\$ 8,003	\$ 25,142	\$ 8,400	\$ 223,039	\$ 166,671	\$ 166,236
John Churchley, Assistant Superintendent - Retired	\$ 20,035	-	\$ 392	\$ 3,088	\$ 10,700	\$ 34,215	\$ 166,199	\$ 166,931
William Hamblett, Assistant Superintendent-Secondary Schools	\$ 145,924	-	\$ 8,650	\$ 20,052	\$ 8,400	\$ 183,026	\$ 165,873	\$ 166,405
Arthur McDonald, Director of Facilities and Transportation	\$ 127,772	-	\$ 9,158	\$ 13,242	-	\$ 150,172		
Robert Schoen, Assistant Superintendent - Elementary Schools	\$ 145,251	-	\$ 9,216	\$ 19,956	\$ 8,400	\$ 182,823		
Kelvin Stretch, Secretary Treasurer	\$ 148,823	-	\$ 8,165	\$ 15,421	\$ 8,400	\$ 180,809	\$ 165,867	\$ 165,800

Summary Other Compensation Table at 2017

Name And Position	All Other Compensation	Severance	Vacation payout	Leave payout	Vehicle / Transportation Allowance	Perquisites / other Allowances	Other
Karl deBruijn, Superintendent - Retired	\$ 56,148	-	\$ 45,448	-	\$ 700	\$ 10,000	-
Alison Sidow, Superintendent - New	\$ 8,400	-	-	-	\$ 8,400	-	-
John Churchley, Assistant Superintendent - Retired	\$ 10,700	-	-	-	\$ 700	\$ 10,000	-
William Hamblett, Assistant Superintendent-Secondary Schools	\$ 8,400	-	-	-	\$ 8,400	-	-
Arthur McDonald, Director of Facilities and Transportation	-	-	-	-	-	-	-
Robert Schoen, Assistant Superintendent - Elementary Schools	\$ 8,400	-	-	-	\$ 8,400	-	-
Kelvin Stretch, Secretary Treasurer	\$ 8,400	-	-	-	\$ 8,400	-	-

Notes

Karl deBruijn, Superintendent - Retired	General Note: Karl retired from the position of Superintendent on July 31, 2016. Perquisite/Other Allowance Note: Karl qualified for a retiring allowance of \$1,000/year of service to a maximum of \$10,000.
Alison Sidow, Superintendent - New	General Note: Alison Sidow was promoted from Assistant Superintendent of Secondary Schools to Superintendent August 1, 2016.
John Churchley, Assistant Superintendent - Retired	Perquisite/Other Allowance Note: John qualified for a retiring allowance of \$1,000/year of service to a maximum of \$10,000.
William Hamblett, Assistant Superintendent-Secondary Schools	
Arthur McDonald, Director of Facilities and Transportation	
Robert Schoen, Assistant Superintendent - Elementary Schools	
Kelvin Stretch, Secretary Treasurer	