

September 20, 2017

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

Dear Ms. Zacharuk:

This letter serves as confirmation that the Board of Education of School District No. 36 (Surrey) 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 of Education and as reported to the Public Sector Employers' Council Secretariat.

At the 2017-09-20 Board meeting the report was presented to the Board of Education and the following motion was approved:

THAT The Board of Education receive the Public Sector Executive Compensation Disclosure Report for the year ended June 30, 2017 for information; and

THAT the Board of Education direct staff to submit the report and attestation letter to BCPSEA by October 13, 2017.

Sincerely,



Shawn Wilson
Chairperson
Board of Education
School District No. 36 (Surrey)

SW/kb

Public Sector Executive Compensation Report School District No. (36) 2016-2017

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. 36 (Surrey).

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 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 vehicle allowance *or leased vehicle*.

- **Annual base salary**

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

- **Vehicle provisions**

 - Leased vehicle (Superintendent, Secretary-Treasurer, Deputy Superintendent)**

Due to the size of the district, the need to visit schools and other district worksites, the requirement to transport out of district individuals, and the need to be available at any time, the Board provides a leased vehicle to the Superintendent, Secretary-Treasurer and Deputy Superintendent. Recognizing the personal use that may be realized, these three individuals reimburse the district one-third of the vehicle leased costs.

 - Vehicle allowance (All remaining Executive with employment contracts)**

Other senior management positions have the option to take a monthly allowance or the kilometrage reimbursement which is available to all employees who use their vehicle for business purposes. The monthly vehicle allowance is set at a level competitive with the vehicle allowances provided to senior managers in districts of similar size and geography.

Other vehicle-related payments, including insurance and maintenance.

The Superintendent, Secretary-Treasurer and Deputy Superintendent are offered a vehicle leased by the district. The district is responsible for insurance, maintenance and operating costs consistent with Revenue Canada guidelines. All other executives receive a monthly allowance.

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. The employee pays 20% of the costs associated with the plans. Short and long term disability programs are paid 100% by the employees.
- **Pension benefits** — executive employees are enrolled in either the Teachers' Pension Plan or the Municipal Pension Plan.
- **Paid time off**, including an annual vacation entitlement of 45 days for the Superintendent and 40 days for the Secretary-Treasurer and Deputy Superintendent and 35 days for the remaining senior management positions. 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 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 job 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 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 36 (Surrey)

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
Jordan Tinney, Superintendent	\$ 246,705	-	\$ 9,081	\$ 34,474	\$ 44,573	\$ 334,833	\$ 298,468	\$ 264,106
Greg Frank, Secretary Treasurer	\$ 166,959	-	\$ 12,970	\$ 16,602	\$ 14,846	\$ 211,377		
Wayne D Noye, Secretary-Treasurer	\$ 17,351	-	\$ 289	\$ 1,728	\$ 412,292	\$ 431,660	\$ 239,682	\$ 243,001
Rick Ryan, Deputy Superintendent	\$ 184,003	-	\$ 6,833	\$ 25,501	\$ 24,484	\$ 240,821	\$ 234,514	\$ 229,259
Catherine Sereda, Assistant Superintendent	\$ 151,700	-	\$ 4,715	\$ 20,878	\$ 18,377	\$ 195,670		

Summary Other Compensation Table at 2017

Name And Position	All Other Compensation	Severance	Vacation payout	Leave payout	Vehicle / Transportation Allowance	Perquisites / other Allowances	Other
Jordan Tinney, Superintendent	\$ 44,573	-	\$ 24,870	-	\$ 19,703	-	-
Greg Frank, Secretary Treasurer	\$ 14,846	-	-	-	\$ 14,846	-	-
Wayne D Noye, Secretary-Treasurer	\$ 412,292	\$ 329,873	\$ 79,572	-	\$ 2,847	-	-
Rick Ryan, Deputy Superintendent	\$ 24,484	-	\$ 10,410	-	\$ 14,074	-	-
Catherine Sereda, Assistant Superintendent	\$ 18,377	-	\$ 12,377	-	\$ 6,000	-	-

Notes

Jordan Tinney, Superintendent	
Greg Frank, Secretary Treasurer	
Wayne D Noye, Secretary-Treasurer	General Note: Mr. Noye left the organisation on July 31, 2016 and was paid a severance equivalent to 18 months' salary and benefits in a lump sum, in accordance with the terms of his contract.
Rick Ryan, Deputy Superintendent	
Catherine Sereda, Assistant Superintendent	