



New
Westminster
Schools

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BOARD OF EDUCATION

September 25, 2018

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

Dear Ms. Zacharuk:

This will confirm that the Board of Education of School District No. 40 (New Westminster) is aware of the total compensation paid to executive staff during the 2017-18 fiscal year was within the compensation plan as approved by the Board and as reported in the Summary Compensation Table submitted to the Public Sector Employers' Council Secretariat.

Yours truly,

A handwritten signature in black ink, appearing to read 'Mark Gifford', is written over a faint, illegible printed name.

Mark Gifford, Chair
Board of Education

/enclosure

Public Sector Executive Compensation Report 2017-18 School District No. 40 New Westminster

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. 40 (New Westminster).

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 BC 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*). 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 Board's compensation philosophy are the following objectives:

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 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
- 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 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.
- 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

Annual base salary is considered in the context of the total compensation package. Generally, base salary is targeted at the median of the comparator labour market. Historically the Board has strived to be competitive with other districts in the Metro Vancouver area in terms of remuneration for its exempt staff. The base salary is a single rate structure.

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.
- **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 42 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

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 evaluation 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 Sectors 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.
- 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.

School District 40 (New Westminster)

Summary Compensation Table at 2018

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2017/2018 Total Compensation	Previous Two Years Totals Total Compensation	
							2016/2017	2015/2016
School District 40 (New Westminster)								
Beverley Rundell, Interim Superintendent	\$ 67,812	-	-	-	-	\$ 67,812		
Janet Grant, Associate Superintendent	\$ 12,240	-	\$ 274	\$ 1,751	\$ 26,010	\$ 40,275	\$ 168,913	\$ 159,295
Karim Hachlaf, President/CEO	\$ 141,668	-	\$ 14,066	\$ 18,580	-	\$ 174,314		
Kevin Lorenz, Secretary Treasurer	\$ 143,328	-	\$ 7,848	\$ 15,765	\$ 57,652	\$ 224,593	\$ 165,006	\$ 152,506
Maryam Naser, Associate Superintendent	\$ 130,933	-	\$ 10,475	\$ 18,020	-	\$ 159,428		
Teri Stoneman, Secretary-Treasurer	\$ 36,028	-	-	-	-	\$ 36,028		
Seconded to MOE								
Patrick Duncan, Secondment	\$ 195,000	-	\$ 7,350	\$ 26,851	\$ 54,234	\$ 283,435	\$ 209,883	\$ 191,057

Summary Other Compensation Table at 2018

Name And Position	All Other Compensation	Severance	Vacation payout	Leave payout	Vehicle / Transportation Allowance	Perquisites / other Allowances	Other
School District 40 (New Westminster)							
Beverley Rundell, Interim Superintendent	-	-	-	-	-	-	-
Janet Grant, Associate Superintendent	\$ 26,010	-	\$ 26,010	-	-	-	-
Karim Hachlaf, President/CEO	-	-	-	-	-	-	-
Kevin Lorenz, Secretary Treasurer	\$ 57,652	-	\$ 57,652	-	-	-	-
Maryam Naser, Associate Superintendent	-	-	-	-	-	-	-
Teri Stoneman, Secretary-Treasurer	-	-	-	-	-	-	-
Seconded to MOE							
Patrick Duncan, Secondment	\$ 54,234	-	\$ 54,234	-	-	-	-

Notes

Beverley Rundell, Interim Superintendent	General Note: Hired on a month to month contract basis, as interim superintendent following Superintendent Pat Duncan's secondment to Min. of Education, during recruiting process for replacement and transition into position for new superintendent Karim Hachlaf.
Janet Grant, Associate Superintendent	General Note: Retired from SD40 July 31, 2017.
Karim Hachlaf, President/CEO	General Note: Hired as Associated Superintendent effective August 1, 2017. Promoted from Associate Superintendent to Superintendent effective April 3, 2018. The compensation reporting is representative of a mix of compensation between the two positions held over the reporting period July 1, 2017 to June 30, 2018.
Kevin Lorenz, Secretary Treasurer	General Note: Resigned from SD40, moved to SD67, last day of employment with SD40, June 14, 2018. Compensation reported is representative of the period July 1, 2017 to June 14, 2018.
Maryam Naser, Associate Superintendent	General Note: Promoted from Director of Instruction to Associate Superintendent effective June 1, 2018. The compensation reporting is representative of the mix of compensation for the two positions held over the disclosure period July 1, 2017 to June 30, 2018.
Teri Stoneman, Secretary-Treasurer	General Note: Temporary contract (per diem) serving interim transition between outgoing and incoming Secretary Treasurers. Amount in salary showing amounts invoiced and paid for the period May 7, 2018 to June 30, 2018.
Patrick Duncan, Secondment	General Note: Ministry of Education secondment January 8, 2018 to March 31, 2019. Retirement effective April 1, 2019.