

May 28, 2020

Christina Zacharuk
CEO & President
Public Sector Employer's Council Secretariat
2nd Floor, 880 Douglas Street
Victoria, BC V8W 2B7

Dear Ms. Zacharuk,

Further to the 2019-20 B.C. Public Sector Executive Compensation Reporting Guidelines, on behalf of the Board of Governors of Vancouver Island University (VIU), I am pleased to confirm the following:

- The VIU Board is aware of the executive compensation paid by VIU during the 2019/20 fiscal year;
- The compensation information being disclosed is accurate and includes all compensation paid by the University;
- The disclosed information also includes the value of any pre- or post-employment payments made during the 12-month period before or after the term of the employment; and
- As Chair of the University's Board of Governors, I verify such compensation was within approved compensation plans, and complies with these guidelines.

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 and People Plan.

Please feel free to contact me should you have any questions with respect to the 2019/20 Executive Compensation Disclosure Report.

Sincerely,



Manley McLachlan
VIU Board of Governors Chair



Hay ch qa' sii'em siye'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.

The top five senior officers are the core group that guides our University in the achievement of the goals outlined in Vancouver Island University's Academic Plan and People Plan.

Compensation Decisions

The compensation for the President and Vice-Chancellor is set by provincial government policy and approved 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.

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

While our executive compensation plans are comparable to other similar sized and purposed post-secondary institutions in British Columbia, our current executive compensation plan does lag behind 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). This is evidenced by the PSEA-CoSEC project that benchmarked positions to the market. The Western Compensation and Benefits Consultants (WCBC) report

demonstrates that Vancouver Island University's executive compensation plan significantly lags behind comparable institutions nationally. This work resulted in valid data that should be considered the current market comparison. VIU awaits the completion of the next market scan, expected sometime in 2020, by WCBC that will update the original report.

In 2019 the Ministry of Finance issued its *Accountable Compensation Policy Direction*. This policy direction provided some flexibility for employers to manage salary decisions within their approved compensation/implementation plans. This flexibility provides VIU with some ability to adjust our compensation plan to reflect the commitments contained in our approved compensation philosophy and make directionally correct steps to rectify some inequities.

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. Term contracts allow the Board of Governors and/or the President to continually assess and celebrate the successes of these senior leaders.

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 former Chief Financial Officer and Vice-President Administration. 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.

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 development and use of technologies, collaboration and engagement with communities, development of literacies, communication and exchange of ideas across disciplines and locations, exploration and application of new thought and pursuit of lifelong learning.

Respect: we promote respectful engagement and support for internal and external relationships, and are committed to promoting respectful, informed discourse about reciprocity and reconciliation as identified by the Truth and Reconciliation Commission of Canada Calls to Action.

Discovery: we promote respectful, ethical, transformative learning and research, scholarship and creative activity by fostering open inquiry that engages learners and supports contributions to knowledge.

Engagement: we value respectful on-going cooperation and collaboration that builds relationships with our partners in education, with communities in our region and with colleagues throughout the world.

Achievement: we believe in the potential of our community of 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 achieving and ensuring learning and working environments that are equitable, diverse and inclusive.

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

Sustainability and Well-being: we foster sustainability in our institution through progressive sustainable operational practices, promotion of environmental awareness, delivery of supporting pedagogy, and provision for wellness in our employees and students.

Guiding Principles:

Achievement of Goals of the University: Our total compensation program supports and rewards staff who are engaged in supporting the University to 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 we have 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 comparator groups is contained in Appendix A. The comparator group includes institutions surveyed by Western Compensation and Benefits Consultants as part of the 2016 PSEA- CoSEC project.

Target Pay Positioning:

The mid-point of our total compensation program is targeted at the 55th percentile of our comparator group. We note that our locations are small markets (Nanaimo, Duncan, Parksville, 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

Athabasca University
Kwantlen Polytechnic University
Lakehead University
MacEwan University
Mount Royal University
Ryerson University
St. Mary's University
Thompson River University
Trent University
University of Lethbridge
University of Northern British Columbia
University of Ontario Institute of Technology
University of Regina
University of Waterloo
University of Winnipeg
University of the Fraser Valley

Excluded Positions Not Unique to the Post-Secondary Environment

BC Public Sector, with emphasis on the BC Public Service

Vancouver Island University

Summary Compensation Table at 2020

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2019/2020 Total Compensation	Previous Two Years Totals Total Compensation	
							2018/2019	2017/2018
Deborah Saucier, President and Vice-Chancellor	\$ 167,425	-	\$ 11,848	\$ 17,312	-	\$ 196,585		
Marie Armstrong, University Secretary	\$ 162,262	-	\$ 9,865	\$ 16,778	\$ 854	\$ 189,759	\$ 183,902	\$ 179,416
Marlene Kowalski, Interim Chief Financial Officer and Vice-President, Administration	\$ 43,744	-	\$ 1,889	-	-	\$ 45,633		
Shelley Legin, Chief Financial Officer and VP Administration	\$ 162,574	-	\$ 8,801	\$ 16,810	\$ 333,371	\$ 521,556	\$ 231,995	\$ 206,494
William Litchfield, Associate Vice-President, University Relations	\$ 160,627	-	\$ 10,394	\$ 16,609	\$ 2,429	\$ 190,059	\$ 172,373	\$ 166,091
Ralph Nilson, Past President	\$ 102,287	-	\$ 7,229	\$ 23,551	\$ 135,428	\$ 268,495	\$ 257,665	\$ 252,485
Carol Stuart, Provost and Vice-President, Academic	\$ 200,695	-	\$ 10,643	\$ 20,752	\$ 2,245	\$ 234,335	\$ 213,330	

Summary Other Compensation Table at 2020

Name and Position	All Other Compensation	Severance	Vacation Payout	Paid Leave	Vehicle / Transportation Allowance	Perquisites / Other Allowances	Other
Deborah Saucier, President and Vice-Chancellor	-	-	-	-	-	-	-
Marie Armstrong, University Secretary	\$ 854	-	\$ 854	-	-	-	-
Marlene Kowalski, Interim Chief Financial Officer and Vice-President, Administration	-	-	-	-	-	-	-
Shelley Legin, Chief Financial Officer and VP Administration	\$ 333,371	\$ 318,372	\$ 11,548	-	\$ 3,451	-	-
William Litchfield, Associate Vice-President, University Relations	\$ 2,429	-	-	-	\$ 2,429	-	-
Ralph Nilson, Past President	\$ 135,428	-	\$ 899	\$ 104,534	\$ 1,727	-	\$ 28,268
Carol Stuart, Provost and Vice-President, Academic	\$ 2,245	-	-	-	\$ 2,245	-	-

Notes

Deborah Saucier, President and Vice-Chancellor	General Note: Administrative leaves at VIU are not automatic. Eligible for eight (8) month administrative leave upon successfully concluding the five-year contract (2024). 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.
Marie Armstrong, University Secretary	General Note: Approved 10% increase to base salary effective July 1, 2019
Marlene Kowalski, Interim Chief Financial Officer and Vice-President, Administration	General Note: Temporary position commenced February 5, 2020.
Shelley Legin, Chief Financial Officer and VP Administration	General Note: Administrative leaves at VIU are not automatic. Ms. Legin was eligible for one (1) year administrative leave upon approval by the President and upon concluding the five year term contract (2019). 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. The accrued value of the administrative leave as of December 2019 was \$264,435. On January 3, 2020, the employment relationship was terminated. Severance included 18 months' salary (\$304,408.50) and benefits (\$13,963.40) in lieu of notice. Given the severance provided, the accrued liability of \$264,435 was extinguished.
William Litchfield, Associate Vice-President, University Relations	General Note: Approved 10% increase to base salary effective July 1, 2019
Ralph Nilson, Past President	General Note: Dr. Nilson is on approved paid administrative leave for the period October 1, 2019 to September 30, 2021; included under Paid Leave is \$104,534 earnings for this leave for the period October 1, 2019 to March 31, 2020. Other Note: Annual contractual benefits ceiling pay adjustment of \$21,909.16 and mortgage interest of \$6,359.01
Carol Stuart, Provost and Vice-President, Academic	