

May 31, 2022

John Davison
President and CEO of the PSEC Secretariat
Suite 210 - 880 Douglas Street
Victoria, BC V8W 2B7

Dear Mr. Davison,

Re: University of Victoria Executive Compensation Disclosure Report

Please find attached the University of Victoria's 2021/22 Executive Compensation Disclosure Report.

This memo will confirm that the Board of Governors of the University of Victoria is aware of the compensation paid to its executives in the prior fiscal year and that 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 University.

Further, this report includes the value of any pre or post-employment payments made during the 12 month period before or after the term of employment and that the compensation provided was within approved compensation plans and complies with the April 2022 *B.C. Public Sector Executive Compensation Reporting Guidelines*.

Yours sincerely,



David Zussman
Chair, Board of Governors
University of Victoria

Copy: K. Kilbey, Associate Vice President Human Resources



University
of Victoria

May 2022

UNIVERSITY OF VICTORIA

EXECUTIVE COMPENSATION REPORT

COMPENSATION PHILOSOPHY

British Columbia's research universities are world-class institutions, with international reputations for excellence in advanced research, teaching and learning, offering innovative undergraduate, graduate and professional programs. British Columbia's research universities operate and compete on an international stage, vying with other top-ranked universities for the world's best and brightest academic and administrative leaders.

While salary is an integral part of the compensation package, all components of compensation are considered in developing a compensation plan for each member of the executive that is relevant to the individual. By maximizing the relevance of each element of the package to the individual we achieve overall cost-effectiveness of the total package.

COMPENSATION PRINCIPLES

The following compensation principles were integrated into the university's updated and approved Executive Compensation Plan in October 2020 to ensure that the Province's research universities can attract and retain the best possible candidates for executive positions while recognizing the fiscal values of the public we serve.

- Performance:** Compensation programs support and promote a performance-based (merit) organizational culture.
- Sustainability:** Compensation plans balance affordability with the ability to remain competitive in the relevant labour market (i.e., those organizations from which each university recruits and to which it loses people).
- Differentiation:** Differentiation of salary is supported where there are differences in the scope of the position within the organization and/or due to superior individual/team performance.
- Accountability:** Compensation decisions are objective and based upon a clear and well documented business rationale that demonstrates the appropriate expenditure of public funds. UVic is committed to a robust Board governance model for executive compensation and to work through UPSEA and PSEC during the development, costing, and renewal of executive contracts.

Transparency: Compensation Plans are designed, managed and communicated in a manner that ensures the program is clearly understood by employees and the public while protecting personal information. The *Public Sector Employers' Act* requires public sector employers to disclose publicly the terms and conditions of employment – including compensation – for public sector employees who have a base salary over \$125K. The *Act* also requires that employers make contracts of employment for these employees available for inspection during regular office hours. Senior Executive compensation actually earned is publicly disclosed annually.

LEGISLATIVE AUTHORITY AND CURRENT PUBLIC POLICY AMENDMENTS

The Public Sector Employers' Act provides the Minister of Finance with the authority to direct public sector employers to prepare compensation plans consistent with the Minister's direction and requires that employee compensation plans be approved by the Minister prior to implementation.

Effective August 31, 2020, the Minister of Finance directed that public sector employers, currently subject to compensation plans, amend their plans to indicate there will be no compensation increases or adjustments for executives for the 2020/21 performance year.

In conformity with the above policy direction and effective August 31, 2020, the university suspended all forms of compensation increases or adjustments, including salary, benefit improvements, pension adjustments, and other forms of compensation for the 2020/21 performance year for the President and Vice Presidents.

SALARY

The President's base salary is established at the outset of the contract and takes into consideration salaries paid at other comparable Canadian universities and any legislated total compensation maximums for Presidents established by the provincial government. These universities are intended to represent the market in which we are competing for university presidents. For Vice-Presidents and Associate Vice-Presidents, our salary philosophy is to develop a pay band that is also reflective of the market in which we are competing, particularly salaries paid at other comparable Canadian universities. To establish these salary ranges, the University conducts a national survey of the comparable Canadian Universities. Depending on the position, other comparators or benchmarks may include B.C. Public Sector organizations and other Provincial jurisdictions.

Surveys are conducted on an "as required" basis, as determined by the Compensation and Review Committee of the Board for the President and as determined by the President for the Vice-Presidents and Associate Vice-Presidents. For cost-effectiveness these surveys are often done at the same time.

For Vice-Presidents and Associate Vice-Presidents, salary ranges are adjusted as a result of market surveys and/or the amount of certain economic increases. Economic increases typically reflect the increases applied to other professional/academic employees at the University of Victoria. The current salary ranges are effective July 1, 2021.

MERIT PAY

Annual objectives are put in place for all members of the Executive. In the case of the President, the setting of objectives and how they will be measured is determined by the Board of Governors in discussions with the President. The Board may award a performance-based upward adjustment to the President's salary, to be effective on July 1 of the year in which the salary review was conducted. Any such adjustment must align with the government's executive compensation framework.

While the specific objectives and results are between the Board and the President, the type of goals the Board approves for the President are consistent with best practice in annual evaluation of university presidents as described in publications of the Association of Governing Boards. UVic's Board typically approves a set of substantive, high-level, timely goals for the President each spring. In a given year, the goals and associated measures might include, for example:

- Achieve a balanced year-end budget and prepare the next budget that embodies the priorities identified in the strategic framework. In this regard, the Board would want to see a balanced budget that is effectively allocated towards priorities articulated in the strategic plan and associated institutional plans, and those brought forward annually in the integrated planning process.
- Increase external relations activities and community engagement. In assessing whether this goal had been met, the Board would consider, for example, if the annual goals for fundraising and community engagement had been met and the President's contributions to these goals across all engagement types.

Some goals are specific to a particular time period. For example, one current goal for the President is renewal of the university's strategic plan. Current year objectives include building connections with local community; advancing research excellence and impact; ongoing COVID-19 response; and pursuing institution-wide equity, diversity and inclusion initiatives. Other goals, such as that with respect to a balanced budget, recur annually.

Subject to any government mandated restrictions with respect to public sector compensation, Vice-Presidents normally progress through the salary range based on merit. Vice-Presidents' objectives, and how they will be measured, are established by the President in discussions with each Vice-President. Measures may be qualitative or quantitative. Merit Pay for the Vice-Presidents and Associate Vice-Presidents is based on four merit increments. A Vice President may earn up to four merit increments in a year depending on performance. Each merit is worth $\frac{1}{4}$ of 3% of the midpoint of the approved salary range.

As noted earlier and in conformity with the ministerial direction effective August 31, 2020, the university suspended the merit-informed compensation process for the 2020/21 performance year for the President and Vice Presidents.

MARKET ADJUSTMENTS

Market adjustments may be included in addition to base salary. Market adjustments are normally determined at the time of hire or on re-negotiation of contract. Adjustments are made based on all or some of the following factors:

- the candidates' existing salary
- salary survey data
- other issues which affect the financial viability of the offer such as housing prices, loss of spousal income, loss of consulting opportunities
- concrete evidence of competing offers.

Market adjustments must meet the requirements of the University's approved compensation plan and are administered consistent with the market adjustment policy approved for UVic's Management Excluded staff.

HEALTH AND WELFARE BENEFITS, PENSION

The Executive receive the same benefits as those received by other professional/academic employee groups at the University of Victoria. Supplementary Pension Plan contributions are made when Revenue Canada maximums are reached.

LEAVES

Vacation, special leave and other general leave entitlements are administered consistent with the terms and conditions of employment for Management Excluded staff at the University of Victoria.

The University acknowledges that research leaves for academic administrators are the competitive standard in Canada and are typically provided at the end of the contract to facilitate a return of the executive to academic rank. They are reasonably adjudicated and fully costed as they are earned as part of overall compensation.

The accumulation of research leaves is limited to eighteen (18) months irrespective of the number of contract renewals and limited to no more than (12) months for the first (5) year appointment.

PERQUISITES/REIMBURSEMENTS

A determination as to whether a particular perquisite is required is based on: whether it is consistent with the overall compensation package, required to assist in the effective carrying out of the position's role, and whether the perquisite is offered by comparable and/or competing universities and/or to professional/academic employees at UVic, and consistent with the institution's role as a public institution. Perquisites must be cost effective for recruiting and retention purposes.

For the President, perquisites are negotiated by the Board as part of contract negotiations. For Vice-Presidents perquisites are negotiated with the President at the commencement of the Vice-President's contract. For Vice-Presidents, the President consults with, and receives a mandate to conclude an employment agreement with prospective Vice-Presidents, from the Compensation and Review Committee of the Board.

Reimbursement for out-of-pocket expenses will be consistent with university policy for other professional/academic employee groups.

Summary Compensation Table at 2022

| Name and Position | Salary | Holdback/Bonus/ Incentive Plan Compensation | Benefits | Pension | All Other Compensation (expanded below) | 2021/2022 Total Compensation | Previous Two Years Totals Total Compensation | |
|---|------------|---|----------|-----------|--|------------------------------------|---|------------|
| | | | | | | | 2020/2021 | 2019/2020 |
| Kevin Hall, President and Vice Chancellor | \$ 425,000 | - | \$ 6,890 | \$ 49,982 | \$ 1,017 | \$ 482,889 | \$ 207,694 | |
| Gayle Gorrill, Vice President Finance & Operations | - | - | \$ 8,475 | \$ 46,087 | \$ 123,739 | \$ 178,301 | \$ 325,811 | \$ 319,863 |
| Christopher Horbachewski, Vice President External Relations | \$ 263,125 | - | \$ 8,186 | \$ 30,558 | \$ 28,517 | \$ 330,386 | \$ 305,249 | \$ 52,310 |
| Lisa Kalynchuk, Vice-President, Research and Innovation | \$ 262,627 | - | \$ 8,420 | \$ 30,498 | \$ 20,358 | \$ 321,903 | \$ 310,113 | \$ 308,935 |
| Valerie Kuehne, Vice President Academic and Provost | \$ 321,285 | - | \$ 8,559 | \$ 37,537 | \$ 14,772 | \$ 382,153 | \$ 364,389 | \$ 357,177 |
| Kristi Simpson, Acting Vice President, Finance & Operations | \$ 254,486 | - | \$ 8,096 | \$ 27,069 | - | \$ 289,651 | | |

Summary Other Compensation Table at 2022

| Name and Position | All Other Compensation | Severance | Vacation Payout | Paid Leave | Vehicle / Transportation Allowance | Perquisites / Other Allowances | Other |
|---|-------------------------------|------------------|------------------------|-------------------|---|---------------------------------------|--------------|
| Kevin Hall, President and Vice Chancellor | \$ 1,017 | - | - | - | - | \$ 917 | \$ 100 |
| Gayle Gorrill, Vice President Finance & Operations | \$ 123,739 | - | \$ 63,916 | \$ 59,823 | - | - | - |
| Christopher Horbachewski, Vice President External Relations | \$ 28,517 | - | \$ 17,167 | - | - | \$ 11,350 | - |
| Lisa Kalynchuk, Vice-President, Research and Innovation | \$ 20,358 | - | \$ 12,075 | - | - | \$ 8,283 | - |
| Valerie Kuehne, Vice President Academic and Provost | \$ 14,772 | - | \$ 14,772 | - | - | - | - |
| Kristi Simpson, Acting Vice President, Finance & Operations | - | - | - | - | - | - | - |

Notes

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|---|---|
| Kevin Hall, President and Vice Chancellor | <p>General Note: Term as president started November 1, 2020. This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year.</p> <p>Perquisite/Other Allowance Note: Other allowance represents taxable benefit on interest free home loan.</p> <p>Other Note: Other amount represents two honourariums awarded by Indigenous event organizers for the president's participation.</p> |
| Gayle Gorrill, Vice President Finance & Operations | <p>General Note: Employment started September 1, 2006. Commenced paid leave Dec. 15, 2020. LTD claim started June 15, 2021. Was reappointed, by order of the Minister of Finance, as a Director to the British Columbia Investment Management Corporation effective June 18, 2020. Remuneration is provided to directors of which Ms. Gorrill received \$6750 and the University of Victoria received \$1461 between April and June 2021.</p> |
| Christopher Horbachewski, Vice President External Relations | <p>General Note: Employment as Vice President External Relations started February 1, 2020. This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year.</p> <p>Perquisite/Other Allowance Note: Other allowance represents taxable benefit on interest free home loan and 2nd installment of the forgivable home loan.</p> |
| Lisa Kalynchuk, Vice-President, Research and Innovation | <p>General Note: Term as VP Research and Innovation started on July 1, 2019. Previously employed in the position as Associate Vice President Research until June 30, 2019. This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year.</p> <p>Perquisite/Other Allowance Note: Other allowance includes taxable benefit for interest free home relocation loan and 5th installment of the forgivable portion of the home purchase loan.</p> |
| Valerie Kuehne, Vice President Academic and Provost | <p>General Note: Term as Vice President Academic and Provost started July 1, 2015. This position met criteria for inclusion in the 2020/21 executive compensation freeze, which came into effect on August 31, 2020. As a result, this individual was ineligible to receive a performance-based increase for the 2020/21 performance year. Received \$400 from the university for a commissioned piece of art from Ms. Kuehne's private business. Income not associated with VP role.</p> |
| Kristi Simpson, Acting Vice President, Finance & Operations | <p>General Note: Appointed Acting Vice President, Finance and Operations December 14, 2021. Serves as a director on the board of Infrastructure BC. Remuneration is provided to directors of which Ms. Simpson received \$9375 and the University of Victoria received \$2363 during the reporting year.</p> |