

## **School District No. 68 (Nanaimo-Ladysmith) Public Sector Executive Compensation Reporting Guidelines For the Fiscal Year Ended June 30, 2008**

The Board of Education of School District No. 68 (Nanaimo-Ladysmith) 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. 68 (Nanaimo-Ladysmith).

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 is based upon a set of principles that guide development, maintenance, and decision-making. 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). This total rewards model further integrates with plans that establish the Board's overall education, business, and human resources strategies and objectives.

Inherent in the Board's compensation philosophy are the following objectives:

- To attract and retain 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 our students.
- To support employees through the provision of meaningful career growth and development opportunities, and a performance-based organizational culture.

### **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
- 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 boards 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.

## **Applicability**

The Public Sector Executive Compensation Reporting Guidelines require the Board of Education to disclose all compensation provided to the Chief Executive Officer and the next four highest ranking/paid executives for the services they have provided to the organization. For the purpose of these disclosure requirements the executives to be included are those whose base salary compensation was \$125,000 or greater for the year reported on. Regardless of the level of base salary compensation, Superintendents of Schools must be reported. For the fiscal year ended June 30, 2008 the only executive in School District No. 68 (Nanaimo-Ladysmith) with a base salary compensation of \$125,000 or greater was the Superintendent of Schools.

The Board's total compensation package for the Superintendent of Schools for the fiscal year ended June 30, 2008 was comprised of the following cash compensation and non-cash compensation elements.

### **Cash compensation**

Total cash compensation for the Superintendent for the fiscal year ended June 30, 2008 included annual base salary, a payout of unused vacation time and retroactive pay resulting from the approval by BCPSEA of a Board-approved submission reflecting revisions to PSEC Policy 95-06 for salary levels for Superintendents.

- **Annual base salary**

Annual base salary is considered in the context of the total compensation package. For the fiscal year ended June 30, 2008 the Superintendent's annual base salary was the maximum of the revised range for school districts with between 10,000 and 20,000 students under PSEC Policy 95-06. This salary was \$136,562.92.

- **Payout Of Unused Vacation Time**

In accordance with legislation vacation time earned and not taken by the Superintendent can be carried over into the following year and must be either taken or paid out in that year. In the fiscal year ended June 30, 2008 the Superintendent was paid out for nine vacation days, amounting to a gross payout of \$4,390.92. This payout was based on the annual base salary of the Superintendent prior to the BCPSEA approved revised salaries referred to below.

- **Retroactive Pay**

In September 2007, the PSEC issued a revision to its Policy 95-06 (*Compensation and Employment Standards for School District Employees Not Subject to a Collective Agreement*) which addressed the salary ranges for superintendents of schools. The revised salary ranges were made applicable as at July 1, 2006. As a result of that revision the Board of Education approved revised salaries for the superintendent effective July 1, 2006 and July 1, 2007 both subject to the approval of BCPSEA, which was given. This resulted in the Superintendent being paid gross retroactive pay amounting to \$12,942.36

## **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, employee and family assistance program are provided consistent with such benefits as offered in the K-12 sector generally. Optional voluntary group life coverage and long term disability insurance coverage is available, but the employee pays 100% of the premiums.
- **Pension benefits** — the Superintendent is enrolled in the Teachers Pension Plan.
- **Paid time off**, including sick leave to a maximum of 120 days for each occurrence of illness or injury, as well as an annual vacation entitlement of 35 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.
- **Other non-cash compensation** - The Board pays the Superintendent's College of Teachers' dues and all reasonable expenses incurred for professional development. The Board also provides the Superintendent with free parking.

## 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 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. In addition, the Board utilizes the BCPSEA *Report on Total Compensation Paid to Exempt Employees* — the results of BCPSEA's triennial survey of total compensation paid to exempt benchmark positions in BC public school districts as well as school districts in Alberta, Saskatchewan, and Ontario, and other relevant public sector employers.

### ▪ Annual base salary administration

The salary structure for the position of Superintendent of Schools is a single rate structure, based on the premise that, at the outset of the employment relationship, the individual must be fully competent in all aspects of the position in order to effectively fulfill the duties and responsibilities of Superintendent.

The decision whether to grant a salary increase 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. 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 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 legislation, and
- the *Public Education Negotiating Framework Compensation Plan – Exempt Staff (2006-2010)*.

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.

**Summary Compensation Table: Fiscal 2007-2008 (year ending June 30, 2008)**

<b>Name and Principal Position (a)</b>	<b>Salary (\$) (b)</b>	<b>Bonus (\$) (c)</b>	<b>Incentive Plan Compensation Paid (\$) (d)</b>	<b>Pension (\$) (e)</b>	<b>All Other Compensation (\$) (f)*</b>	<b>Total (\$) (g)</b>	<b>Previous 2 Years Totals (h)**</b>
<b>Michael Munro, Superintendent</b>	<b>\$136,563</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,710</b>	<b>\$25,417</b>	<b>\$181,690</b>	<b>n/a</b>

Notes:

\*This amount includes retroactive pay of \$12,942, payout of unused accumulated vacation of \$4,370, employer-paid parking, employer-paid CPP and EI benefits premiums, and employer-paid health and welfare benefits premiums.

\*\*The first reporting year is fiscal 2007-2008.