

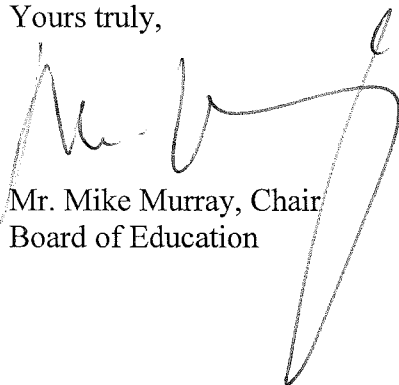
August 14, 2012

Paul Straszak
President and CEO
Public Sector Employers' Council
PO Box 9400 Stn Prov Govt
Victoria, BC V8V 9V1

Dear Mr. Straszak:

This will confirm that the Board of Education of School District No. 42 (Maple Ridge – Pitt Meadows) is aware of the total compensation paid to executive staff during the 2011 – 2012 fiscal year and further, that we verify the amount of compensation paid was within the compensation plan as approved by the Board and as reported in the Summary Compensation Table.

Yours truly,



Mr. Mike Murray, Chair
Board of Education

Statement of Executive Compensation
The Board of Education of School District No. 42
(Maple Ridge – Pitt Meadows)

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. 42 (Maple Ridge – Pitt Meadows).

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 as it relates to salary and total compensation. 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.
- To maximize within the overall compensation mandate both total compensation and non-monetary benefits to retain, reward and motivate high quality staff.

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.

In balancing external competitiveness with internal equity, the Board typically has determined that the reference point for executive and exempt total compensation is at a minimum the 75th percentile 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 annual vehicle allowance.

- Annual base salary

Annual base salary is considered in the context of the total compensation package. Generally, base salary is targeted at a minimum of the 75th *percentile* of the comparator labour market. The base salary structure is a three-step pay band with a range spread of 6.1% from the minimum to the maximum of the range and 3% between steps in the structure.

- Vehicle allowance

Due to the diverse geography of the district and the need to visit schools and other district worksites, the Board provides a monthly vehicle allowance to the Superintendent and other senior management positions. The annual vehicle allowance is set at a level competitive with the vehicle allowances provided to Superintendents and other senior managers in districts of similar size and geography.

Non-cash compensation

The non-cash elements of the total compensation package include:

- **Health and welfare benefits**, The District offers executive staff a Flexible Benefit Plan in which exempt staff are given credits to purchase benefits such as basic medical, extended medical (including pay direct drug card, dental, group life, and long-term disability, employee and family assistance program, etc. consistent with such benefits as offered in the K-12 sector generally. Excess credits may be taken as taxable income, deposited into a Group RSP, or a Health Spending Account. In addition the elimination period of the long-term disability plan (40 days) is paid to executive staff at a rate of 66.666% of their regular salary. This payment is not taxed.
- **Pension benefits** — executive staff are enrolled in either the Teachers Pension Plan or the Municipal Pension Plan.
- **Paid time off**, including an annual vacation entitlement of 40 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.

In addition, the Board at its discretion may grant executive staff five days of paid time off annually, in addition to annual vacation entitlement, for extraordinary circumstances, i.e., strike, involvement with prolonged salary negotiations, lengthy periods of unusual overtime for special projects/circumstances.

Compassionate leave may be granted to executive staff at the discretion of the Board.

The Board provides the Superintendent with such paid professional or other leaves as deemed appropriate by the Superintendent and the Board. These leaves are either with or without pay and benefits.

The Board agrees to provide the Superintendent leaves of absence for educational purposes and to attend conferences both within and outside the Province provided that such leaves or absence have prior approval of the Board.

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 including an annual review to move staff along the specified pay grids to an in depth review every 3 years to ensure alignment and equity with the sectoral review conducted by BCPSEA. These activities ensure 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 (and other management positions) is based on placement at the appropriate pay band in the structure reflective of labour market competitiveness and internal equity. Placement and progression through the steps on the pay band is dependent upon competency growth and performance. The maximum point on the pay band 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 pay band reflective of the required competence, qualifications, and experience.

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 2011 - 2012 (year ending June 30, 2012)

Name and Principal Position (a)	Salary (\$) (b)	Bonus (\$) (c)	Incentive Plan Compensation Paid (\$) (d)	Pension (\$) (e)	All Other Compensation (\$) (f)*	Total (\$) (g)	Previous 2 Years Totals (h)**
1. Jan Unwin Superintendent	\$158,100.02	\$0	\$0	\$22,694.79	\$28,723.79	\$209,518.60	2010/11 \$212,051.60 2009/10 \$196,083.33
2. Laurie Meston Deputy Superintendent	\$129,341.84	\$0	\$0	\$18,429.85	\$24,329.48	\$172,101.17	2010/11 \$0

Notes:

1. Jan Unwin reported salary is for the period of July 1, 2011 – June 30, 2012

Other Compensation includes:

- a) Vehicle Allowance in the amount of \$10,317.06
- b) ProD funds in the amount of \$5,000
- c) Short term disability premiums (accrued as a taxable benefit) in the amount of \$790.40
- d) Flex Benefit Spending credits (for health and welfare benefits) in the amount of \$8,820.67
- e) Employer paid CPP and EI benefit premiums in the amount of \$3,303.77
- f) Employer paid WCB premiums in the amount of \$420.09
- g) EI Rebate in the amount of \$71.94

2. Laurie Meston reported salary is for the period of July 1, 2011 – June 30, 2012

Other Compensation includes:

- h) Vehicle Allowance in the amount of \$4,959.64
- i) Vacation payout in the amount of \$4,738.30
- j) ProD funds in the amount of \$3,000
- k) Short term disability premiums (accrued as a taxable benefit) in the amount of \$666.30
- l) Flex Benefit Spending credits (for health and welfare benefits) in the amount of \$7,137.42
- m) Employer paid CPP and EI benefit premiums in the amount of \$3,303.77
- n) Employer paid WCB premiums in the amount of \$452.30
- o) EI Rebate in the amount of \$71.94