



## STATEMENT OF EXECUTIVE COMPENSATION ROYAL BC MUSEUM CORPORATION

### **Royal BC Museum Corporation - Compensation Philosophy**

The RBCM's Management Compensation Program is based on a process which recognizes these fundamental determinants of salary:

- a. the duties to be performed;
- b. the employee's performance/potential; and
- c. the salaries paid for comparable positions in the external job market.

Subject to the legislative and fiscal constraints placed upon it, it is the objective of the Board of Directors of the RBCM to pay its Chief Executive Officer a salary that is sufficiently competitive in the job market.

### **Responsibility for Determining Compensation**

The responsibility for determining base salary compensation for the Chief Executive Officer rests with the Board of Directors pursuant to the *Museum Act*. The base salary is set within the maximum total compensation guidelines as established by Cabinet and Treasury Board and as approved by the Minister of Tourism, Culture and the Arts. During fiscal year 2009/10, the total compensation for the Chief Executive Officer may not exceed \$200,000.00.

### **Compensation Principles**

The Royal BC Museum Corporation's Compensation Program introduces contemporary compensation practices to support the following principles:

- Financial expenditures for management salaries will be controlled and managed through an approved financial control model, as approved by the RBCM Board of Directors;
- The overall salaries are controlled through the annual budget process;
- Funding for management salaries will be found from within the overall annual salary budget;
- Compensation decisions should have the flexibility to address market competitiveness;
- Base pay should not exceed the maximum required to build a compensation package to recruit and retain employees as established through market comparison research;
- Compensation program must support the long-term strategy to link pay and performance;
- Market competitiveness should balance with internal relativity; and
- Executive Team has the flexibility to respond to evolving business needs.

### **2009/10 Compensation Discussion**

The CEO's current contract was renewed on April 1, 2009 and the base salary remained the same as the previous year at \$165,000.00 per annum, which is in keeping with the direction received by the Minister responsible for the RBCM. The re-earnable bonus and car allowance was removed in FY 2007/08. The total compensation for the CEO remains within the total compensation allowable of a maximum of \$200,000.00 per annum.

The base salary for the CEO position of the Royal BC Museum Corporation is currently \$165,000.00 plus 21.08% in additional benefits (including pension), and does not exceed \$200,000.00 total compensation as established within the total compensation salary cap.

## STATEMENT OF EXECUTIVE COMPENSATION - RBCM

This base salary as established for this CEO position is currently below market for similar positions across Canada. The Royal BC Museum Corporation participated in detailed national salary surveys and received copies of the results. The salary surveys are available for review and have been prepared by external third parties (e.g., Deloitte Touche) but were not commissioned by the RBCM. The average base salary for CEO positions in similar organizations across Canada is \$198,000 per annum (not including a re-earnable bonus or benefits).

No other positions in the Royal BC Museum Corporation have a minimum base salary of \$125,000.

The following table outlines the current salary for the CEO (Fiscal Year 2009/10) and the total compensation for the previous two fiscal years as outlined in the previous contract. Benefits (pension and all other compensation) for 2007/08 and 2008/09 are calculated at 21.14948% of annual salary. Benefits for 2009/10 are calculated at 21.07818%

Name and Principal Position	Salary 2009/10 (\$)	Bonus (\$)	Car allowance available under contract (\$)	Pension (\$) (8.51% of salary)	All Other Compensation (\$) <sup>1</sup>	Total Compensation payable (\$)	Previous 2 Years Totals
<b>Pauline Rafferty, CEO</b>	<b>\$165,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,041.50</b>	<b>\$20,737.50</b>	<b>\$199,779.00</b>	<b>n/a</b>
	\$165,000	\$0	\$0	\$14,041.50	\$20,737.50	\$199,779.00	2008/09
	\$149,710	\$14,971	\$0	\$12,740.32	\$18,922.57	\$196,343.89	2007/08

This Statement of Executive Compensation has been prepared in accordance with the guidelines as established by the Public Sector Employers Council and the *Public Sector Employers Act* and the reporting requirements contained in the *Financial Information Act*.

Contact:

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<sup>1</sup> "all other compensation" includes: CPP (3.42%), Death and retirement benefit (0.32%), extended health and dental (3.31%), group life insurance (0.25%), medical services plan (0.69818%), long term disability benefit (2.35%), employment insurance (1.49%) worker's compensation (0.66%), and employee and family assistance (0.07%).

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**From:** Donald P. Hayes  
**Sent:** Monday, June 28, 2010 2:12 PM  
**To:** Williams, Angela RBCM:EX  
**Subject:** CEO Compensation Royal BC Museum

On behalf of the Board of Directors of the Royal BC Museum Corporation, I confirm that the salary for the Chief Executive Officer (currently Pauline Rafferty) was last reviewed in 2009; has not changed and continues to be approved within the compensation framework for this position as established by Cabinet.

Donald



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