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ATTESTATION LETTER FROM SCHOOL DISTRICT NO. 43 (COQUITLAM)

September 20, 2010

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.43 (Coquitlam) is aware of the total compensation paid to executive staff during the 2009-2010 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 .

Sincerely,

Melissa Hyndes
Board Chair
School District No. 43 (Coquitlam)

School District No. 43 (Coquitlam)

Public Sector Executive Compensation Report 2009-2010

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. 43 (Coquitlam).

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.

In our recent efforts to compare our salaries to other districts our relevant labour market was school districts in the metro region. In balancing external competitiveness with internal equity, the Board typically has determined that the reference point for executive and exempt total compensation is the median (*or, for example, the average or 60th percentile, or 75th percentile, etc.*) 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 monthly (*or annual*) vehicle allowance (*or leased vehicle or employer-provided vehicle, etc.*).

- Annual base salary

Annual base salary is considered in the context of the total compensation package. The base salary structure for senior positions, not including Superintendent and Secretary Treasurer, is a four-step pay band with a range spread of roughly 9% from the minimum to the maximum of the range and 3% between steps in the structure.

Vehicle allowance - \$540.00 per month (Employees receiving vehicle allowance do not receive mileage)

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 monthly 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**, such as basic medical, extended medical, dental, group life, short-term and long-term disability, employee and family assistance program, etc. consistent with such benefits as offered in the K-12 sector generally.
- **Pension benefits** — executive staff are enrolled in either the Teachers Pension Plan or the District Non-Teaching Pension Plan.

In addition, upon retirement executive staff are eligible to receive a long-service recognition award:

- Employees are eligible for 1 month of service recognition after accumulating ten years of service with the Board provided they were hired prior to December 2002..

Employees hired prior to January 1, 2003, are entitled to a retirement allowance and sick leave gratuity pay. The provisions are based on the criteria outlined below:

- **Retirement allowance:**
 - Employee must be 55 years of age and have served with the District for a minimum of 5 years. The employee must be at the top of his/her scale. The employee must give at least 3 months notice or a suitable time frame acceptable to the senior administrator prior to retirement.
- **Sick Leave gratuity pay:**
 - The employee must be 50 years of age and have been with the board for a minimum of 10 years. They will receive sick leave gratuity pay to a maximum of 80 days.

NOTE: New employees hired after 2002 are not eligible for the retirement allowance or sick leave gratuity pay. They are however eligible for 3 months of service recognition (upon termination) after 10 years of service with the board.

- **Paid time off** 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.

The Board also offers a supplementary vacation entitlement based on years of service as follows:

2-6 complete years 15 days

7-14 complete years 20 days

15-18 complete years 25 days

19-20 complete years 30 days

During the 21st year and for each additional year after 1 additional day to a max of 5

In addition, executive staff receive up to 10 days of paid time off annually, in addition to annual vacation entitlement, in recognition of attendance at meetings during evenings and weekends.

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 and an external consultant 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.

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, they 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 2009-2010 *

Name and Principal Position (a)	Annual Salary (\$) (b)	Pension (\$) (e) ***	All Other Compensation (\$) (f)****	Retirement allowance	Sick Leave Gratuity Pay/ Service recognition	Vacation pay-out	Total (\$) (g)	Previous Year Total (h)
Tom Grant Superintendent	\$156,236	\$20,899	\$14,268	n/a	n/a	n/a	\$191,403	2008/2009: \$183,830
Rick Humphreys Secretary Treasurer	\$132,652**	\$11,850	\$18,102	n/a	n/a	n/a	\$162,604	N/A
Dan Derpak Assistant Superintendent	\$138,720	\$18,477	\$15,252	n/a	n/a	n/a	\$172,448	2008/2009: \$169,618
Sylvia Russell Assistant Superintendent	\$138,720	\$18,477	\$12,426	n/a	n/a	n/a	\$169,622	2008/2009: \$161,771
Julie Pearce Assistant Superintendent	\$138,720	\$18,477	\$15,252	n/a	n/a	n/a	\$172,448	2008/2009: \$164,585
Maureen Dockendorf Assistant Superintendent	\$134,680	\$18,477	\$14,268	n/a	n/a	n/a	\$167,425	2008/2009: \$159,231

Notes:

- * Figures represent salary and employer benefit costs for 26 pays/260 days of work/12 month pay period July 5 2009-July 3 2010. Basic Salary based on July 1, 2009 grids
- ** Rick Humphreys started July 13, 2009 worked 1785 hours out of a possible 1820 (full year base salary would have been \$135,253 - new hire paid ei, cpp, wcb last half 2009 and first half 2010)
- *** Rick Humphreys enrolled in Coquiltam Pension Plan – all others enrolled in Teachers Pension Plan
- ****This amount includes vehicle allowance/lease of \$540.00 per month, employer-paid CPP and EI benefits premiums, and employer-paid health and welfare benefits premiums.