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September 13, 2011

Paul Straszak
President and CEO
Public Sector Employers' Council Secretariat
PO Box 9400 Stn Prov Govt
Victoria, British Columbia
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Dear Mr. Straszak:

This will confirm that the Board of Education of School District No. 52 (Prince Rupert) is aware of the total compensation paid to executive staff during the 2010-2011 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 for the fiscal year ending June 30, 2011.

Yours truly,
School District No. 52 (Prince Rupert)

Tina Last
Board Chair

CM/hdg

SCHOOL DISTRICT NO. 52 (PRINCE RUPERT)

EXECUTIVE COMPENSATION DISCLOSURE 2010 – 2011

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. 52 (Prince Rupert).

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

School District 52 (Prince Rupert) is a small, rural district on the North Coast of British Columbia and serves the public education needs of the communities of Prince Rupert, Port Edward, Metlakatla and Hartley Bay. While living in our communities presents an attractive lifestyle choice for some, there is no question that recruitment and retention of qualified staff, especially at the executive level, is an ongoing concern. The Board of Education is committed to the goal of delivering high-quality public education to district students. To do that effectively, we must recruit and retain management who are qualified, committed and experienced.

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 a 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; and
- To provide a compensation package that is competitive and which will ensure the best possible candidates will be attracted to, and retained in, Prince Rupert.

Labour Market Comparators

The Board's compensation philosophy is guided by the market analysis and policy provided by the British Columbia Public School Employers' Association (BCPSEA). Specifically, its Policy 95-06, *Compensation and Employment Standards for School District Employees Not Subject to a Collective Agreement* articulates the following components of its labour market analysis.

1. Other BC School Districts
2. Other Canadian school districts
3. Other public sector organizations
4. Selected private sector organizations

Components of Compensation

The Board's total compensation package for executive staff is comprised of the following elements.

Cash compensation

Cash compensation is limited to annual salary, payout of unused vacation entitlement and automobile allowances. Allowable expenses are reimbursed at cost or standard government rates. There are no performance based incentive plans in place for any exempt or executive employees.

Non-cash compensation

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

- **Group Health and Welfare Benefits**, including basic medical, extended medical, dental, group life insurance, disability insurance, and employee and family assistance program, consistent with such benefits as are offered in the K-12 sector generally.
- **Pension Benefits** — exempt and executive employees are enrolled in either the Teachers Pension Plan or the Municipal Pension Plan. Contributions are made by both the employer and the employee.
- **Service Recognition** — executive staff, after 5 years continuous service with the Board, are entitled to payment of 1 day for each month of service to a maximum of 125 days.
- **Paid time off**, including an annual vacation entitlement of up to 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.

Compensation Administration

Compensation Review

Executive contracts are reviewed and renewed regularly. The salary structure senior 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.

New hires are generally not placed at the highest 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.

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; and
- 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.

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 2010-2011 (year ending June 30, 2011)

Name and Principal Position (a)	Salary (\$) (b)	Bonus (\$) (c)	Incentive Plan (\$) (d)	Employer Pension Contributions (\$) (e)	All Other Compensation (\$) (f)	Total (\$) (g)	Previous 2 Years Totals (\$) (h)
Lynn Hauptman Superintendent	132,563			18,935	13,304 (1)	164,801	2008-09: n/a 2009-10: 136,344
Dave Stigant Acting Superintendent							2008-09: 48,370 2009-10: 12,951
Eric Mercer Superintendent							2008-09: 108,806 2009-10: n/a

Notes:

- (1) This amount includes vehicle allowance of \$4,200, employer-paid CPP and EI benefits premiums, and employer-paid health and welfare benefits premiums.