

September 10, 2013

Lee Doney, Interim President and CEO
Public Sector Employers' Council Secretariat
PO Box 9400 Stn Prov Govt
Victoria BC V8V 9V1

Re: 2012-2013 Executive Staff Compensation Report

Dear Mr. Doney:

This will confirm that the Board of Education of School District No 34 (Abbotsford) is aware of the total compensation paid to executive staff during the 2012-2013 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 sincerely,



Cindy Schafer, Chair,
Abbotsford Board of Education

C: Trustees, Board of Education

Cindy Schafer, Board Chair

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 Abbotsford School District.

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 districts 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 the median of the relevant comparator labour market.

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

Cash compensation

Abbotsford School District Compensation Approach

Salary pay rates will be based on an independent analysis of labour market condition subject to the Board's ability to pay and formal Board approval. The Abbotsford School District does not currently target a specific percentile for excluded compensation. The focus of the Board has been an emphasis on the ability to pay during times of significant budgetary concerns across the Province.

Senior management positions are effective for a period of three (3) years.

Prior to July 1st of each year of employment, the Board will review current pay rates and determine if an adjustment is warranted. If current pay rates are adjusted, increases to the Position's annual base salary will only be made if the annual performance review, as contemplated by these employment conditions, has been completed in respect of the previous year of employment.

Non-cash compensation

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

BENEFITS AND PENSION PROVISIONS

- a) Medical insurance;
- b) Extended Health insurance;
- c) Dental insurance;
- d) Group life insurance and accidental death and dismemberment insurance; and
- e) Long term disability insurance.

The overall cost of all benefits shall be paid 80% by the Board and 20% by the Position. The Position shall have the right to allocate the 80% contribution of the Board among benefits as he/she so desires in the context of the District's Flexible Benefit Plan.

Management staff and their dependents will participate in a Flexible Benefits Plan arranged by the Board of Education. Participation is mandatory in the Group Life, Accidental Death and Dismemberment, and Long Term Disability plans. Operations Management staff may waive coverage in the medical, extended health and dental benefit plans, provided they have alternate coverage through a spouse. Voluntary Accidental Death & Dismemberment and

Dependent Life are optional. The Board will contribute a monthly sum for each employee towards the Flexible Benefits Plan to pay for benefit premiums. This sum historically represents the equivalent of the Board's contribution of 80% of the cost of family level for Extended Health (Choice 3), Dental (Choice 4) and MSP, plus Group Life (Choice 3).

At the time of enrolment, Management staff will have the option to direct payment of any surplus monies remaining after benefit premiums have been paid to either:

- a) monthly credit to be paid as taxable income, or
- b) monthly credit to be deposited to Health Spending Account, or
- c) a combination of (i) and (ii) above.

The Board may at any time, without notice, discontinue the Position's coverage under the group insurance plans referred to above and provide him/her with comparable insurance coverage instead, in which case the Board will so notify the Position.

The Board's sole obligation is to pay for the required premium cost for the insurance benefits referred to above and any claim or dispute relating to a decision made by the group benefits insurer or insurers, as the case may be, will be with and directed to the insurer or insurers only and will not form the basis for any dispute or liability as between the Board and the Position.

Pension Plans

Non Educational Leaders must participate in the Municipal Pension Plan in accordance with current legislative requirements as updated from time to time by the Government of BC.

Educational Leaders participate in the Teacher's Pension Plan. An employer contribution rate (as defined by the plan) and the employee contribution rate (as defined by the plan) will apply.

Short Term Salary Continuance Plan

Executive Management Staff, as a condition of employment with the District, will participate in the Short Term Salary Continuance Plan, which entitles members to 100% of earnings from day

- 1 through day 45 of absence due to illness or injury and the commencement of the Long Term Disability benefit.
- The Secretary Treasurer Position receives 100% of earnings from day 1 through day 90 of absence due to illness or injury and the commencement of the Long Term Disability benefit

Long Term Disability Plan

Operations Management Staff, as a condition of employment with the District, will participate in the Long Term Disability Plan arranged by the Board of School Trustees through the Flexible Benefit Plan. The staff member will contribute 100% of required monthly premium.

Early Retirement Incentive Plan

The Board will pay an allowance to senior managers who resign from the School District before reaching age 65, subject to the following conditions:

The employee must:

- be age 55 or over,
- have completed eight (8) years of service in this District
- retire from employment in this District prior to his/her 65th birthday.

ANNUAL VACATIONS:

Senior leaders are entitled to an annual paid vacation of six (6) weeks in addition to any other statutory holidays normally observed by the district office.

In recognition of extraordinary hours and workloads, the Superintendent may grant up to five (5) compensatory days off with pay annually.

Professional Development

Pursuant to district policy, the Board agrees to grant the Assistant Superintendent leaves to attend professional conferences at the discretion of the Superintendent of Schools. Expenses incurred by the Assistant Superintendent on such conference leaves shall be reimbursed by the Board.

The Board shall pay the annual membership fees in the BC School Superintendents' Association for the Assistant Superintendent.

Automobile

The Board pays the Assistant Superintendent an annual car allowance of \$2,546.00 plus mileage allowance based on the district rate.

The Board pays the Secretary Treasurer an annual car allowance of \$4,800 plus mileage allowance based on the district rate.

The Board pays the Superintendent an annual car allowance of \$4,800 plus mileage allowance based on the district rate.

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 (and other management positions) 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.

Performance Management

The performance of the Superintendent is reviewed formally by the Board.

Superintendent shall review with the Assistant Superintendent the record of the latter's performance as such, and shall submit a written formal report to the Board of Education by October 31st of each year on that performance. Upon each such review, the Superintendent may make a reference to the Board and the Board may elect to terminate this agreement subject to Clause 9 of the agreement.

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.

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.

**Executive Compensation Disclosure
Fiscal Year 2012-2013**

| Name and Position (a) | Salary (b) | Bonus and/or Incentive Plan Compensation (c) | Benefits (d) | Pension (e) | All Other Compensation (expanded below) | 2012/13 Total | 2011 / 12 | 2010 / 11 |
|--|---------------|---|-----------------|----------------|--|------------------|-----------|------------|
| Kevin Godden, Superintendent | \$158,250 | | \$12,733 | \$22,702 | \$11,494 | \$205,179 | \$200,155 | \$ 177,922 |
| Raymond Velestuk, Secretary- Treasurer | \$137,547 | | \$12,350 | \$12,696 | \$ 10,345 | \$172,937 | \$174,739 | \$ 113,716 |
| Steve Carlton, Assistant Superintendent | \$129,790 | | \$10,197 | \$18,481 | \$ 9,676 | \$168,144 | \$161,859 | \$ 170,447 |
| Angus MacKay, Assistant Superintendent | \$129,790 | | \$ 9,911 | \$18,481 | \$ 2,638 | \$160,820 | \$162,176 | \$ 159,341 |
| Mary-Anne Smirle, Assistant Superintendent | \$129,790 | | \$ 9,991 | \$18,481 | \$ 2,638 | \$160,900 | \$152,177 | |
| Julie MacRae, Superintendent | | | | | | | \$ 59,694 | \$ 194,176 |
| Bruce Ivany, Ass't Superintendent | | | | | | | | \$ 46,405 |

| Name and Position (a) | All Other Compensation | Severance (f) | Vacation payout (g) | Leave payout (h) | Vehicle / Transportation Allowance (i) | Perquisites / other Allowances (j) | Other (k) |
|--|---------------------------|------------------|---------------------------|------------------------|---|---|--------------|
| Kevin Godden, Superintendent | \$ 11,494 | | \$ 6,594 | | \$ 4,900 | | |
| Raymond Velestuk, Secretary-Treasurer | \$ 10,345 | | \$ 5,445 | | \$ 4,900 | | |
| Steve Carlton, Assistant Superintendent | \$ 9,676 | | \$ 7,030 | | \$ 2,646 | | |
| Angus MacKay, Assistant Superintendent | \$ 2,638 | | | | \$ 2,638 | | |
| Mary-Anne Smirle, Assistant Superintendent | \$ 2,638 | | | | \$ 2,638 | | |
| Julie MacRae, Superintendent | | | | | | | |
| Bruce Ivany, Ass't Superintendent | | | | | | | |

NOTES:

Kevin Godden – in 10/11 served as Acting Secretary-Treasurer and Deputy Superintendent

Steve Carlton – in 10/11 served as Acting Deputy Superintendent and Assistant Superintendent