



June 12, 2014

Mr. Lee Doney  
Interim President & CEO  
Public Sector Employers' Council Secretariat  
Suite 210, 880 Douglas St  
Victoria, BC V8W 2B7

Dear Mr. Doney,

Further to the 2013-2014 Public Sector Executive Compensation Reporting Guidelines, I am writing to confirm the following:

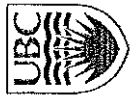
- The appropriate committee of the Board of Governors (the Management Resources & Compensation Committee) reviewed and set the executive compensation paid by The University of British Columbia in the 2013-2014 fiscal year;
- The compensation information being disclosed is accurate and includes all compensation paid by the University, foundations, subsidiaries, or any other organization related to or associated with the University. It also includes the value of any pre- or post-employment payments made during the 12-month period before or after the term of employment; and,
- As Chair of the University's Board of Governors and of the Management Resources & Compensation Committee, I verify such compensation was within approved compensation plans, and complies with guidelines.

If you have any questions or comments, please do not hesitate to forward them to me c/o Ms. Reny Kahlon, Planning & Liaison Manager for the UBC Board of Governors.

Yours truly,

John S. Montalbano  
Chair, UBC Board of Governors

JSM/rk



Public Sector Executive Compensation Reporting – Fiscal Year 2013/14

Compensation Philosophy of The University of British Columbia

The University's compensation philosophy is outlined below. However, in fiscal year 2013/14 the government-imposed "salary freeze" for public sector management, including at universities, continued. This was effective September 13, 2012, and remains in place at the date of completing this report.

**[1] Material principles and underlying policies and decisions for compensation provided to the President and senior administrators for the most recently completed fiscal year**

- As one of the highest ranked universities in Canada, and one of the top 40 universities in the world, UBC seeks to retain and attract the best senior administrators it can by remaining competitive in its compensation practices with other large research-intensive universities represented by the U15 (i.e., leading research-intensive universities in Canada), and in particular the University of Toronto and the University of Alberta, and with the global market for senior administrator talent generally.
- The compensation framework is designed to reward sustained performance.
- In recent years, UBC had to introduce an element of housing assistance into the compensation framework to attract senior administrator talent to Metro Vancouver, particularly UBC's location at the end of a peninsula surrounded by Vancouver's most expensive real estate.
- Higher compensation values are often provided to senior academic roles such as the President, Provost and VP Academic, Deputy Vice Chancellor & Principal at UBC Okanagan, and Vice President Research & International to recognize that they have augmented their core academic roles with very senior administrative responsibilities, and to provide incentives for faculty members to undertake these significant administrative roles.
- Compensation values for senior administrative roles reflect a weighting of public and private sector values, with a clear weighting in favour of the public sector, and more particularly UBC's university competitors in Canada and internationally.
- As approved by the Public Sector Employers' Council (PSEC), the President's arrangement represents the organization's maximum compensation, and all other senior administrators must not exceed 90% of that of the President.



- Pension and benefit arrangements should mirror those of the employee group that most closely approximates the nature of the role. For academic senior administrators, benefits mirror those received by faculty members. For non-academic senior administrators, benefits mirror those received by management staff.
- Annual performance reviews, as described below, are primarily driven by performance, and increases are typically provided as a recurring addition to base salary. This is intended to recognize the prior year's performance and the promise of future performance. In addition, there is a review of internal equity across senior administrator positions.

**Responsibility for Senior Administrator Compensation:**

- The responsibility for senior administrator compensation rests with the Executive Committee [which subsumed the former Management Resources Compensation Committee (MRCC)] of the UBC Board of Governors after receiving recommendations from the President for all senior administrators reporting to him. The foundation of the process is each senior administrator's development of performance objectives at the outset of the performance period. These performance objectives align with the University's objectives outlined in both Place and Promise: The UBC Plan, and operational imperatives. Actual performance is reviewed against objectives, together with the setting of the next year's objectives. The President is not reviewed for annual salary increases; rather, he is reviewed by the MRCC for the long-term incentive payment, as provided for in his employment agreement approved by PSEC and the responsible Minister.

**[2] Changes Since Fiscal Year End**

- No new policies, actions, or decisions were made after the end of the most recently completed fiscal year that would affect a fair understanding of the compensation of the President and senior administrators for the last fiscal year.

**[3] Incentive Plan Performance Targets and Objective Identifiable Measures Related to the Pursuit of Performance Targets**

Targets are not quantified, except for the President's long-term incentive (50% is based on meeting performance objectives, 25% is based on meeting annual fundraising targets, and 25% is based on meeting annual academic and research ranking goals).



The President's 2013/14 incentive payment was based, in part, on achievement of 2012/13 goals, as described below.

- The President's overall performance objective remained as it has been for all his time at UBC: to improve the academic standing of UBC in all areas of learning and research, and to build its local, national and international reputation, as driven by the vision in Place and Promise: The UBC Plan. As one of the world's leading universities, The University of British Columbia creates an exceptional learning environment that fosters global citizenship, advances a civil and sustainable society, and supports outstanding research to serve the people of British Columbia, Canada and the world.
- Within this overall framework, the priorities for the 2012/13 fiscal year were:
  - government relations at the federal and provincial levels;
  - enhancing UBC's internal and external communications; and
  - working to further enhance the international reputation and connectivity of UBC.

This required a continued commitment to transparent budgeting, and to consistent messaging regarding the contribution UBC makes to our communities.

Specific strategic goals were:

**Student Learning**

- Ensure that all faculties develop fiscally-prudent academic plans in concert with Place and Promise: The UBC Plan
- Continue to implement strategic teaching and learning initiatives in concert with Place and Promise: The UBC Plan
- Continue implementation of the Student Interactions Transformation Program including learning management system upgrade, online advising management system, Early Alert, Student Evaluation of Teaching, Broad Based Admissions, and supporting new Enrollment Management specialists
- Implement an International Pathways program for prospective students
- Create the Vancouver School of Economics, and seek philanthropic funding for a School of Governance
- Take a leadership role in promoting reform of Canadian Interuniversity Sport (CIS)
- Implement the recommendations of the Athletics Review: re-imagine and reorganize UBC Athletics
- Review and implement measures to improve graduate student completion rates

**Research Excellence**

- Continue implementation of the renewed Research Strategic Plan in concert with Place and Promise: The UBC Plan
- Work with the BC government to align priorities in the Ministries of Advanced Education, Jobs, Tourism and Innovation, and Health in support of a provincial research framework; begin with Health Research
- Work with AUCC and the U15 universities to promote stable federal government support for research and to refine a national post-secondary advocacy strategy; work to enhance the capacity of these organizations
- Remain in the top 3 Canadian universities in dollar value of tri-Council research awards

**Community Engagement**

- Finalize the Community Engagement Strategic Plan and begin to implement in concert with Place and Promise: The UBC Plan
- Prepare and implement a comprehensive B.C. "election readiness" plan



- Create and begin to implement a cohesive communications strategy for both our internal and external audiences
  - Work with the communications leadership to refine the roll-out of UBC's public face – "a place of mind"
  - Work with the City of Vancouver and with Translink regarding options for rapid transit to UBC
- Aboriginal Engagement**
- Continue implementation of the Aboriginal Strategic Plan in concert with Place and Promise: The UBC Plan and with Faculty academic plans
  - Work closely with the new external advisory council on Aboriginal affairs and ensure action in response to its advice
  - Formalize relationships with the First Nations Health Authority
- Alumni Engagement**
- Implement a renewed Alumni Affairs/Alumni Association UBC Alumni Affairs Strategic Plan in concert with Place and Promise: The UBC Plan
  - Complete the targeted fundraising campaign for the Alumni Centre
- Intercultural Understanding**
- Finalize the Intercultural Understanding Strategic Plan and begin to implement in concert with Place and Promise: The UBC Plan
- International Engagement**
- Implement the International Strategy in concert with Place and Promise: The UBC Plan by focusing engagement efforts in China, India and parts of Europe
  - Drive coordination of international efforts across V.P. portfolios; hire a new A.V.P., International
- Outstanding Work Environment**
- Create the next version of Focus on People: Workplace Practices at UBC, and ensure implementation, in concert with Place and Promise: The UBC Plan
  - Focus on faculty and staff health and wellness initiatives, especially in relation to mental health
  - Ensure careful and thoughtful integration of the two new members of the Executive Team
- Sustainability**
- Continue implementing the Sustainability Strategic Plan in concert with Place and Promise: The UBC Plan; evaluate the structure of the University Sustainability Initiative
  - Drive further implementation, through expanded partnerships, of 'the university as a living laboratory' initiative
  - Continue to ensure that the budget process is transparent, that academic priorities drive budget decisions, and that the budget is fully linked to Place and Promise: The UBC Plan
  - Continue the start an evolution fundraising and alumni engagement campaign; be the main public face of the campaign; maintain a personal prospect portfolio of roughly 30; engage actively in principal gift cultivation and solicitation

The President met and exceeded these performance objectives. He again exceeded his personal fundraising expectations, with \$213.2M. The "Start and Evolution" campaign reached the \$1.1B mark in 2012/13.

In addition, the annual academic and research ranking goal of remaining in the top 40 universities internationally was attained. UBC was ranked 30<sup>th</sup> in 2012 by the Times Higher Education rankings (UK), and 39<sup>th</sup> by Shanghai Jiao Tong University Institute of Higher Education (China). Indicators used in the surveys include number of Nobel laureates, number of highly cited researchers, number of articles published in Nature and Science, number of articles cited in the Science Citation Index, and academic performance per faculty.



[4] Leaves

- Vacation and academic leaves are provided to the President and senior administrators. These relate to UBC's compensation philosophy in that they comprise an important part of the total compensation package to attract and retain outstanding senior administrators. The maximum vacation permitted is six weeks. Academic leaves are provided as an incentive, common across universities, for faculty members to assume academic senior administrator roles. During these term positions they do not accrue service towards study or sabbatical leaves that they would normally receive as a faculty member under their collective agreement.

**Footnote to Summary Compensation Table: UBC Supplemental Arrangement**

- The total pension contributions made by the employee and the university in any one year cannot exceed the contribution limit, which is 18% of annual earnings, or \$24,270 for 2013, whichever is less. Salaries exceeding \$173,224 in 2013 would have reached this limit. Excess University contributions are directed to the non-registered supplemental arrangement (SRP).
- The SRP contribution amount is that which the employer would be required to contribute to the Faculty Pension Plan (FPP) if there wasn't a maximum limit imposed by the Income Tax Act.
- The employer is the sole legal and beneficial owner of all assets in the SRP. All assets held in the SRP will be available for general creditors of the employer.
- The employer invests the assets.
- Withdrawals from the SRP are available only at termination, retirement, or death.

Contact for media and other inquires:

Lucie McNeill  
Director, Public Affairs  
The University of British Columbia  
Phone 604 822 2064  
[lucie.mcneill@ubc.ca](mailto:lucie.mcneill@ubc.ca)

THE UNIVERSITY OF BRITISH COLUMBIA

(a) Name and Principal Position	(b) Salary (\$)	(c) Incentive Plan Compensation Paid (\$)	(d) Benefits <sup>1</sup> (\$)	(e) Pension <sup>2</sup> (\$)	(f) All Other Compensation (\$)	(g) Total (\$)	(h) Three Years' Totals
Stephen Toope, President & Vice Chancellor	\$378,000	\$50,000	\$9,118	\$85,837	Perqs: Housing <sup>3</sup> \$61,524 Other <sup>4</sup> \$2,887	\$587,366	2013/14 = 587,366 2012/13 = \$582,860 2011/12 = \$580,978
David Farrar, Provost & VP Academic	\$340,000 <sup>5</sup>	\$0	\$7,375	\$33,137	Perqs \$4,411	\$384,923	2013/14 = \$384,923 2012/13 = \$378,354 2011/12 = \$359,814
Pierre Ouillet, VP, Finance, Resources, and Operations	\$295,800	\$0	\$8,477	\$28,717	Other <sup>7</sup> \$30,000	\$362,994	2013/14 = \$362,994 2012/13 = \$335,343 2011/12 = \$347,552
Barbara Miles, VP Development & Alumni Engagement	\$280,000	\$0	\$7,516	\$27,137	Perqs \$8,771	\$323,424	2013/14 = \$323,424 2012/13 = \$322,404 2011/12 = NEW
Deborah Buszard, Deputy Vice Chancellor & Principal – UBC Okanagan	\$280,000	\$0	\$7,115	\$27,137	Perqs \$6,334	\$320,586	2013/14 = \$320,586 2012/13 = NEW <sup>6</sup>

**Footnotes:**

[1] Includes employer cost of health & welfare benefits and government benefits (i.e., CPP, WCB, EI). Small year over year changes occur in total compensation while salaries are stable due to variations such as inflationary fluctuations in the cost of health & welfare and government benefits.

[2] Includes supplemental pension.

[3] Taxable benefit related to UBC's requirement that the President and his family live in the Norman Mackenzie House on the Vancouver campus.

[4] Includes benefits such as health assessments and financial planning that are permitted annually under the executive's contract, but that are used to varying degrees from year to year. "Actual" expenditures are reported, and therefore year over year fluctuations occur.

[5] Salary increase upon contract renewal, effective July 1, 2012 (prior to the salary freeze for public sector management).

[6] Deborah Buszard replaces John Hepburn from last year's report due to higher total compensation than Dr. Hepburn in 2013/14 (it was lower than Dr. Hepburn's in 2012/13 due to her employment with UBC commencing part way through the year). For information purposes, Dr. Hepburn's total compensation was slightly lower in 2013/14 than in 2012/13.

[7] Payment for an adjunct academic appointment and associated responsibilities (separate from role of VP, Finance, Resources & Operations, but paid by UBC, so reported herein)

