



***Hay ch qa' sii'em siye'yu mukw mustimuxw.***

Vancouver Island University students, staff, faculty and administration acknowledge and thank the Snuneymuxw First Nation, Tla'amin First Nation and Cowichan Tribes for welcoming students, staff, faculty and administration to teach, learn, live and share educational experiences on the traditional territories of these nations.

**Vancouver Island University**

**Executive Compensation Discussion and Analysis**

On behalf of the Vancouver Island University Board of Governors, I am pleased to present the full disclosure of all compensation paid to our top five senior officers.

We are reporting the full compensation of our "Senior Management Group". The "Senior Management Group" is the core group of five leaders that guides our University in the achievement of the goals outlined in Vancouver Island University's Academic Plan:

<https://www.viu.ca/integratedplanning/documents/VIUAcademicPlanFINALMARCH2011.pdf>

**Compensation Decisions**

The compensation for the President and Vice-Chancellor is determined by the Board of Governors. The compensation for the remaining members of the Senior Management Group is determined by the President and Vice-Chancellor.

**Compensation Philosophy**

Vancouver Island University's executive compensation is positioned to neither lead nor lag our market of other similar sized and purposed post-secondary institutions in British Columbia. A more fulsome market analysis (including institutions outside of British Columbia) is provided by the Post Secondary Employers' Association of British Columbia and by independent experts. While our compensation does not lag nor lead our market of other similar sized and purposed post-secondary institutions in British Columbia, it does lag the compensation paid to other leaders in similar sized and purposed post-secondary institutions in the rest of Canada.

When recruiting both our Vice-Presidents, it was determined that our internally developed compensation system was lagging our external market, preventing us from attracting and retaining the caliber of candidates required to lead the institution into full university status. Therefore, modest labour market adjustments were added to the compensation of the Provost and Vice-President Academic and the Vice-President, Administration and Finance, bringing their compensation closer to the compensation paid to comparable roles in comparable British Columbia public sector post-secondary institutions. The market adjustments were within the guidelines and approved by the Government of British Columbia. These market adjustments are paid annually. The labour market adjustment for the Vice-President Administration and Finance, and was renewed. The labour market adjustments are fully disclosed in the summary table.

Vancouver Island University has modeled our compensation to reflect compensation models in the post-secondary sector, including five year renewable term contracts for the President and Vice-Presidents. Vancouver Island University has adapted the post-secondary compensation practices by granting a one year administrative leave to the President for each five year term, and a one year administrative leave for the Vice-Presidents, regardless of the number of terms served. Term contracts allow the Board of Governors and/or the President to continually assess and celebrate the successes of these senior leaders. Administrative leaves support the University's commitment to learning, discovery and engagement.

The compensation statement discloses the compensation associated with the administrative leaves granted to the President and Vice-Chancellor, the Provost and Vice-President Academic, and the Vice-President, Administration and Finance. As the University has moved to the Public Sector Accounting Board of Canada (PSAB) accounting standards, the University has adapted the PSAB principles to disclose the compensation associated with the administrative leaves.

Our senior executives participate in the College Pension Plan, a legislative based, defined benefit plan that serves the public sector colleges and institutes in British Columbia. The full cost of the pension contributions is included in the summary compensation table.

Senior executives participate in the same benefit plan as all other administrative staff. For those senior executives over the age of 65, who are no longer eligible for insured benefits, VIU has created a health spending account with the premiums that would have been paid for insured benefits. Senior executives (with exception of the President and Vice-Chancellor) are eligible for six weeks' vacation, as are all other administrative staff. The President and Vice Chancellor is granted eight weeks of vacation. Again, the benefit, pension and vacation periods mirror post-secondary standards, thus supporting our decision to neither lead nor lag the market.

This rather conservative approach to compensation has required Vancouver Island University to work extremely hard to attract and retain capable leadership to our dynamic institution that serves Vancouver Island and the Sunshine Coast. We use our location to attract individuals, and the celebration of the success of our students and employees to retain our strong executive team. To date, we have been successful in attracting senior leaders because of the success of our University and the beauty and

affordability of our region. Recent competitions have demonstrated that our choice of paying to the mid-range of similar British Columbia post-secondary institutions makes it extremely difficult to attract and retain leaders from the larger British Columbia post-secondary labour market, and very difficult to recruit people in comparable senior leadership roles from outside British Columbia. The Board is concerned that without more flexibility in setting executive compensation, the Board and the President will be unable to recruit and retain senior leaders that can effectively lead the University.

### **Performance Plan**

Annually, the President and Vice-Chancellor presents a performance plan (rooted in the Academic Plan) to the Board. Once approved, the Board of Governors receives periodic progress reports, and performs a full review of outcomes relative to the performance plan. Results of this annual planning and review process shape the direction for the upcoming year.

The University has not adopted a “Pay for Performance/Incentive/Bonus Plan”. We believe that by providing a great place to live and work, mid-market compensation, and the challenge of being part of a University that celebrates our students’ and our institution’s successes, we attract and retain leaders who reflect our core values, including achievement, celebration and sustainability.

### **Conclusions**

As part of the British Columbia public sector, the University is guided by, and complies with direction provided by the Government of British Columbia.

Vancouver Island University has worked hard to live the values and achieve the goals identified in our Academic Plan. We are a maturing university, intent on implementing best practices with regards to accountability. A key element of accountability is transparency.

### **Board Attestation**

On behalf of the Board of the Vancouver Island University, I can attest that:

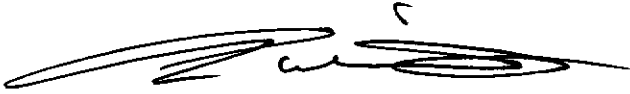
The compensation provided is within approved compensation plans, and complies with all disclosure guidelines.

The board has been fully apprised of the executive compensation paid in the prior fiscal year.

The compensation information being disclosed is accurate and includes all compensation paid by the employer, foundations, subsidiaries, or any other organization related to or associated with the employer, to the employees, for duties and responsibilities assigned by 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.

Within these required parameters, Vancouver Island University believes it has constructed the appropriate compensation to attract and retain the leadership required to reflect our core values and achieve the outcomes identified in our Academic Plan.

A handwritten signature in black ink, appearing to read 'Allan Wiekenkamp', with a small '5' written above the middle of the signature.

Allan Wiekenkamp, CA, TEP, CFP  
Chair of the Board of Governors  
Vancouver Island University

**Summary Compensation Table at FISCAL, 2015**

Name and Position (a)	Salary (b)	Bonus and / or Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2014/15 Total	Previous Two Years Totals	
							2013/14	2012/13
Ralph Nilson, President & Vice-Chancellor	\$ 179,512	\$ -	\$ 12,830	\$ 19,890	\$ 37,491	\$ 249,723	\$ 244,575	\$ 241,195
David Witty, Provost & VP Academic	\$ 154,864	\$ -	\$ 12,149	\$ 16,836	\$ 12,352	\$ 196,201	\$ 193,128	\$ 187,930
Patricia Eagar, Special Advisor to the President	\$ 56,585	\$ -	\$ 3,702	\$ 6,235	\$ 130,767	\$ 197,289	\$ 196,258	\$ 197,959
Marie Armstrong, University Secretary	\$ 133,495	\$ -	\$ 10,188	\$ 13,557	\$ 733	\$ 157,973	\$ 111,422	\$ -
Dan Hurley, Executive Director, University Relations	\$ 133,495	\$ -	\$ 13,017	\$ 13,557	\$ -	\$ 160,069	\$ 159,296	\$ 107,482
Shelley Legin, VP, Administration & Finance	\$ 98,279	\$ -	\$ 11,657	\$ 10,207	\$ 11,659	\$ 131,802	\$ -	\$ -

**Summary Other Compensation Table at FISCAL, 2015**

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)
Ralph Nilson, President & Vice-Chancellor	\$ 37,491	\$ -	\$ 15,189	\$ -	\$ 2,424	\$ -	\$ 19,878
David Witty, Provost & VP Academic	\$ 12,352	\$ -	\$ -	\$ -	\$ 2,343	\$ -	\$ 10,009
Patricia Eagar, Special Advisor to the President	\$ 130,767	\$ -	\$ -	\$ 126,452	\$ 658	\$ -	\$ 3,657
Marie Armstrong, University Secretary	\$ 733	\$ -	\$ 733	\$ -	\$ -	\$ -	\$ -
Dan Hurley, Executive Director, University Relations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Shelley Legin, VP, Administration & Finance	\$ 11,659	\$ -	\$ -	\$ -	\$ 5,307	\$ -	\$ 6,352

**Notes:**

Ralph Nilson, President & Vice-Chancellor	Other (k) - Annual contractual benefits ceiling pay adjustment \$14,591; mortgage interest \$5,287
David Witty, Provost & VP Academic	Other (k) - Labour Market Adjustment \$10,009
Patricia Eagar, Special Advisor to the President	VP Administration and Finance position ended August 10, 2014. The salary reported is from April 1, 2013 to August 10, 2014 (when Pat Eagar was Vice-President Administration and Finance). Leave Payout (h) \$126,452 As per Terms and Conditions of Employment, the approved term of the Administrative Leave as Special Advisor to the President is August 11, 2014 to December 31, 2015
Marie Armstrong, University Secretary	Employment commenced Aug 6, 2013
Dan Hurley, Executive Director, University Relations	
Shelley Legin, VP, Administration & Finance	Employment commenced August 11, 2014. Other (k) - Labour Market Adjustment \$6,352. Shelley Legin, operating as Top Line Strategy Consulting had sporadic contracts with Vancouver Island University, commencing October 28, 2011. The most recent contract term was from September 4, 2013 to June 30, 2014. Top Line Strategy Consulting was contracted and reported to the Vice-President, Administration and Finance, to deliver consulting services. Services included reviewing of the divisional departmental roles, functions and services, supporting the Director of Information Technology, providing research and drafting support for key operational policy review project, developing a template for reports and the clarification of roles and responsibilities for the Business Case and Contract Services Office. The contracts were unrelated to Shelley Legin's appointment as Vice-President Administration and Finance.

**Administrative Leaves**

Administrative leaves at VIU are not automatic. All leaves require the completion of full five year terms before individuals are eligible for the leaves. Even upon completion of the five year term, leave will only occur upon approval. Using PSAB accounting practices, we have elected to accrue the potential liability for leaves based upon probability estimates, but not attribute to the individuals until the individual has completed their full terms and the leaves have been approved. To support full transparent disclosure principles the following individuals, will be eligible to apply for/or have already accrued (but not paid) administrative leaves as follows:

Ralph Nilson

2013 - Annual salary & benefits (estimated \$234,534.00) accrued but not paid. The administrative leave is a one year employment contract commencing January 1, 2017. Duties and responsibilities for this one year term contract will be assigned by the Board Chair. 2016 - Board Chair will entertain application for second one year assignment, should the President successfully complete a second five year term. Assignment would commence January 1, 2018

David Witty

2015 - Eligible for one year administrative leave upon approval by the President and upon concluding the five year term contract.

Shelley Legin

2019 - Eligible for one year administrative leave upon approval by the President and upon concluding the five year term contract.

Patricia Eagar

February 2014 - Five year term completed. President approved plan for one year administrative leave. Pat Eagar became a Special Advisor to the President (as per the administrative leave agreement) in August 2014.