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September 11, 2018

Christina Zacharuk
Interim President and CEO
Public Sector Employers' Council Secretariat
Suite 201, 880 Douglas Street
Victoria, BC V8W 2B7

Dear Ms. Zacharuk:

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 2017-2018 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 to the Public Sector Employers' Council Secretariat.

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

A handwritten signature in black ink, appearing to read "Tina Last", is written over a large, light blue oval shape.

Tina Last
Chair

/hdg

PUBLIC SECTOR EXECUTIVE COMPENSATION REPORT SCHOOL DISTRICT NO. 52 (PRINCE RUPERT)

2017 – 2018

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, the district must recruit and retain management staff who are qualified, committed and experienced.

The Board's compensation philosophy aligns with the statutory system of exempt staff compensation administration in the K-12 public education sector and the British Columbia Public School Employers' Association (BCPSEA) exempt staff compensation management plan (BCPSEA 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 *Public Sector Employers Act*. Compensation mandates adopted by the Public Sector Employers' Council (PSEC) from time to time are the official policy of BCPSEA and any adjustments to exempt staff compensation levels are considered within the context of the applicable compensation mandate.

The Board's compensation philosophy is based upon a set of principles that guide development, maintenance, and decision-making with respect to salary structures and total compensation packages and programs. 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 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 the district's students.

Inherent in the Board's compensation philosophy are the following objectives:

- **Performance:** The compensation structure and administration of the structure supports and promotes meaningful career growth and development opportunities, and a performance-based (merit) organizational culture.
- **Differentiation:** Differentiation of compensation is supported where there are differences in the scope of the position within an organization, and/or due to superior individual and team contributions.

- **Accountability:** Compensation decisions are objective and based upon a clear and well documented rationale that demonstrates the appropriate expenditure of public funds.
- **Transparency:** The compensation program is designed, managed, administered, and communicated in a manner that ensures the program is clearly understood by employees and the public while protecting individual personal information.

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
- Size of the organization
- Geographic location
- 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 BC public sector organizations
3. 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)
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. For executive and exempt staff who are not in educational positions, items 2 and 4 carry a higher importance in determining the relevant labour market;
- Linking pay ranges to neutral, relevant factors (e.g., job content (specific duties and responsibilities), required skill level, required competencies, job content, required qualifications);
- Ensuring appropriate relationships exist between positions in the district’s organizational hierarchy; and
- 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 and the remote location of the district, the Board has generally determined that the reference point for executive and exempt total compensation is the 75th percentile of the relevant comparator labour market.

Compensation

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

Cash compensation

- Annual base salary
Annual base salary is considered in the context of the total compensation package. Generally, base salary is targeted at the 75th percentile of the comparator labour market. The base salary structure for some positions is a three-step pay band with the minimum set at 90% or 95% of the maximum of the range, and for other positions is a five-step pay band with the minimum set at 80% of the maximum of the range.
- Vehicle allowance
Due to the need to visit schools and other district worksites, the Board provides a monthly vehicle allowance to the Superintendent and other management positions. The monthly vehicle allowance is set at a level competitive with the vehicle allowances provided to Superintendents and other managers in districts of similar size and geography.
- Isolation allowance
Exempt staff in remote village schools receive an isolation allowance comparable to the allowance provided to teaching staff.

Non-cash compensation

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

- **Group health and welfare benefits**, such as basic medical, extended medical, medical travel, dental, group life, disability insurance, employee and family assistance program, etc. consistent with such benefits as are offered in the K-12 sector generally;
- **Pension benefits** — executive employees are enrolled in either the Teachers' Pension Plan or the Municipal Pension Plan;
- **Paid time off**, including an annual vacation entitlement of 30 to 35 days. Pursuant to the *Public Sector Employers Act*, the individual employment contract does allow for carry forward of unused accumulated vacation. 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; and
- **Long service recognition** — the Superintendent, senior staff and certain hard-to-recruit exempt positions are entitled to receive, after five continuous years of service, a payment of one day for each month of service to a maximum of 125 days.

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 conducted and managed through BCPSEA and the PSEC Secretariat 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 and to ensure alignment with the compensation mandates established by PSEC.

- **Annual base salary administration**

The salary structure for the Superintendent and other management positions is based on placement at the appropriate salary range in the structure reflective of labour market competitiveness and internal equity. Placement and progression through the salary range is dependent upon competency growth and performance. The maximum point on the salary range typically represents the job rate for the position, defined as the salary that should be paid to an incumbent who has established that they meet all the goals and expectations of the position in a fully satisfactory manner. New hires are generally not placed at this 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 salary range reflective of the required competence, qualifications, and experience.

The decision whether to grant a salary increase to the position of Superintendent is at the sole discretion of the Board and is the only executive/exempt position for which BCPSEA approval of a compensation increase is not required. The decision whether to grant a salary increase to other exempt staff 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. Increases are considered within the Board's overall compensation budget.

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 currently 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:

- compensation mandates are adopted by the Public Sector Employers' Council from time to time; any adjustments to exempt staff compensation levels are considered within the context of the applicable compensation mandate.
- the Board of Education is solely responsible for the establishment and maintenance of compensation levels for the position of Superintendent. As elected school trustees, the Board of Education is accountable to the public and therefore ensures that it adheres to proper human resources practices with respect to executive and exempt staff compensation; and
- proposed compensation adjustments for all other executive and exempt positions in the district must be reviewed and approved by BCPSEA prior to implementation.

School District No. 52 (Prince Rupert)
Executive Compensation Disclosure Report
2017-18

Name and Principal Position (a)	Salary (\$) (b)	Bonus or Incentive Plan (\$) (c)	Benefits (\$) (d)	Pension (\$) (e)	All Other Compensation (\$) (f)	Total (\$) (g)	Previous 2 Years Total (h)		Annualized Base Salary June 30, 2018
							2016-2017	2015-2016	
Ken Minette, Superintendent	159,455	-	10,525	21,454	6,650	198,084	161,334		159,758
Cam McIntyre, Secretary-Treasurer	141,998	-	11,756	13,361	2,100	169,215	158,071		141,998