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**COMMUNITY LIVING
BRITISH COLUMBIA**

COMPENSATION REVIEW

November, 2008

WCBC Western Compensation
& Benefits Consultants

November 7, 2008

PRIVATE & CONFIDENTIAL


Mr. Maurice Mourton
Chair, Human Resources Committee
Board of Directors
Community Living British Columbia
c/o 1451 McRae Avenue
Vancouver, BC V6H 1V1

Dear Maurice:

We are pleased to enclose our report on the compensation paid to the senior management positions at Community Living British Columbia.

We look forward to discussing this report with you.

Yours sincerely,



Barry D. Cook

Encl.

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INTRODUCTION

Community Living British Columbia ("CLBC") is reviewing the compensation paid to its senior management employees. In order to ensure that CLBC's salaries and other components of compensation are consistent with CLBC's desired market position, Western Compensation & Benefits Consultants ("WCBC") was retained to:

- ◆ benchmark CLBC's total compensation against appropriate comparison organizations with comparable positions; and
- ◆ prepare a report setting out the work completed, compensation findings and recommended next steps.

WORK COMPLETED

This section of the report discusses the work completed by WCBC.

MEETING WITH CLBC

At the outset of the project, WCBC met with the members of CLBC's Human Resources Committee and the CEO. The purpose of this meeting was to obtain the necessary documentation from CLBC and to discuss positions to be benchmarked, appropriate comparison organizations and other project considerations.

BENCHMARK POSITIONS

The 10 positions included in the targeted market survey were:

- ◆ CEO;
- ◆ Vice President, Corporate Services;
- ◆ Vice President, Quality Services;
- ◆ Vice President, Policy & Program Development;
- ◆ Vice President, Community Planning & Development;
- ◆ Director, Information Technology;
- ◆ Director, Human Resources;
- ◆ Director, Communications;
- ◆ Director, Quality Assurance; and
- ◆ Director, Strategic Planning.

POSITION CONTENT

At the outset of the project, CLBC provided WCBC with job descriptions for each of the benchmark positions. Utilizing this information plus WCBC's knowledge of, and experience with, these types of positions, summary descriptions were prepared for each benchmark position. These summaries were designed to facilitate position matching with the comparison organizations, and therefore included the following:

- ◆ Identification of the reporting relationship and the major duties and responsibilities of the position;
- ◆ Identification of any significant variances between the major duties and responsibilities of a particular survey organization's position and those at CLBC; and
- ◆ Identification of the survey organization's position dimensions, e.g. staff supervised.

COMPENSATION QUESTIONNAIRE

The compensation questionnaire designed by WCBC and completed by the organizations in the targeted market survey included all components of compensation, captured under the following major categories:

- ◆ salary;
- ◆ short-term incentives;
- ◆ long-term incentives;
- ◆ perquisites;
- ◆ paid time off (holidays, vacation and other paid time off);
- ◆ group benefits; and
- ◆ retirement/savings benefits.

In addition to the compensation questionnaire, WCBC provided the survey organizations with instructions for completing the survey package.

TARGETED MARKET SURVEY

Information on the compensation paid to comparable positions by other organizations was obtained from two sources, a targeted market survey and data extracted from WCBC's compensation database. The targeted market survey is discussed below and the compensation database information is discussed later in this section of the report.

From discussions with CLBC a list of appropriate comparison organizations was formulated. WCBC contacted each organization to obtain their cooperation and participation in the study. Survey participants completed the compensation questionnaire discussed above and submitted their data to WCBC for verification and analysis.

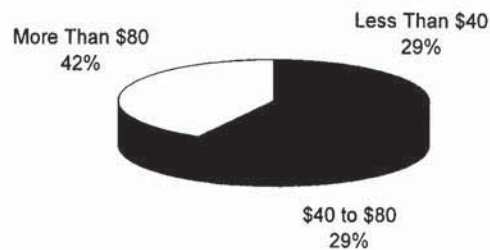
Participating Organizations

The following seven organizations participated in the targeted market study:

- ◆ BC Assessment Authority;
- ◆ BC Housing Management Commission;
- ◆ BC Pavilion Corporation;
- ◆ BC Safety Authority;
- ◆ Land Title & Survey Authority of BC;
- ◆ Legal Services Society of BC; and
- ◆ Northern Health Authority.

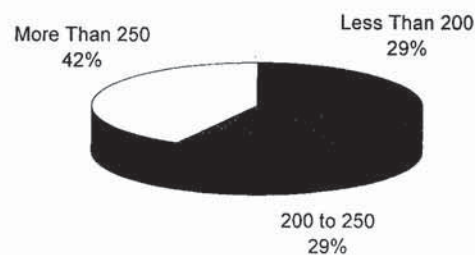
The participants are broken down below by annual revenues and number of FTE employees.

Annual Revenues (in \$ Millions)



All Organizations	
Average	\$291.0
P ₂₅	\$55.8
P ₅₀	\$76.2
P ₇₅	\$566.5
CLBC	\$687.5

Number of FTE Employees



All Organizations	
Average	848
P ₂₅	190
P ₅₀	233
P ₇₅	617
CLBC	605

WCBC also collected information on the compensation paid to the Deputy Minister and Assistant Deputy Minister positions in the following two ministries:

- ◆ Ministry of Children & Family Development; and
- ◆ Ministry of Housing & Social Development.

VALUATION OF COMPENSATION DATA FROM TARGETED MARKET SURVEY

WCBC valued the data provided by the survey organizations using the Firm's total compensation valuation system. This permits a financial valuation and comparison of the total compensation paid by the survey organizations to that paid by CLBC.

COMPENSATION DATABASE

In addition to the total compensation data collected and valued through the targeted market survey, WCBC extracted salary and total cash information from the Firm's compensation database. This secondary source of information provides data to supplement the information obtained through the targeted market survey.

REPORT

Subsequent to the financial valuation of the total compensation paid by the survey organizations and CLBC, and the identification and extraction of database information, WCBC prepared this report.

SURVEY PARTICIPANT FEEDBACK REPORT

A confidential survey feedback report will be prepared and distributed to all survey participants in return for their cooperation and assistance.

COMPENSATION FINDINGS

This section of the report discusses the compensation paid by the organizations in the targeted market survey, along with the corroborative data extracted from WCBC's compensation database.

TARGETED MARKET SURVEY RESULTS

The total compensation paid to each position by the organizations in the targeted market survey is discussed below.

Salary & Incentives

WCBC maintains a proprietary compensation valuation system, which was used to financially value all components of compensation. **Appendix A** contains the total compensation survey results for the organizations in the targeted market survey. The total compensation paid by CLBC to each position is also shown.

Appendices B & C contain the total compensation survey results for the Deputy Minister and Assistant Deputy Minister positions in the Ministry of Housing and Social Development and the Ministry of Children and Family Development.

Perquisites

Appendix D contains a summary of the perquisites provided by the organizations in the targeted market survey, along with the perquisites provided by CLBC.

As shown, CLBC's perquisites are similar to those provided by the targeted market survey organizations with the following exceptions:

- ◆ The typical survey organization provides paid professional association dues to the majority of the benchmark positions, which is not the case for CLBC; and
- ◆ They typical survey organization provides a cell phone/Blackberry (allowed for personal use) to a number of the positions, which is not the case for CLBC.

Group Benefits

Appendix E shows the types of group insurance plans provided by the organizations in the targeted market survey, along with the median percentage of costs paid by these organizations. In addition, reimbursement levels for the vision care and dental plan coverage are shown. This table also shows the plans provided by CLBC, the percentage of premium costs paid by CLBC and the reimbursement levels for vision care and dental care.

The type of group insurance plans provided by CLBC are similar to those of the survey organizations, with the exception that CLBC's vision care maximum is \$250 every 24 months, which is slightly higher than the median survey organization which has a maximum of \$225 every 24 months.

Retirement/Savings Benefits

All of the organizations in the targeted market survey are in a defined benefit pension plan. Six organizations are in the Public Service Pension Plan and one is in the Municipal Pension Plan. CLBC is in the Public Service Pension Plan.

COMPENSATION FINDINGS FROM WCBC'S DATABASES

Appendix F contains the salary and total cash market data extracted from our Firm's compensation databases for those [client] positions for which matches exist.

RECOMMENDED NEXT STEPS

The data presented herein provides the information necessary to compare CLBC's compensation to the market. The considerations and tasks necessary to appropriately use this information in CLBC's compensation administration are discussed below.

RECOMMENDED NEXT STEPS

We recommend that the next steps be as discussed below.

1. CLBC should review and determine the organization's compensation philosophy. In this regard, we recommend that the philosophy specify the desired position (e.g. P₆₀) of CLBC's total compensation in comparison to the market.
2. CLBC should consider and advise whether the organization feels it would be appropriate to revise the "mix" of its compensation. For example, would it be appropriate to increase the proportion of variable compensation (i.e.: bonus) paid within the overall total compensation.
3. Based on CLBC's compensation philosophy and the above input on other components of compensation, CLBC should determine the appropriate quantum and mix of the compensation for each position. This would involve:
 - (a) "sizing" CLBC's positions vis-à-vis the comparison organizations;
 - (b) inputting any appropriate changes in the mix of compensation provided by CLBC;
 - (c) simulating the appropriate compensation for each position; and
 - (d) developing salary ranges.
4. Subsequent to the requisite approvals, the new compensation arrangements should be implemented.

APPENDIX A

Total Compensation Survey Results For Organizations In Targeted Market Survey

HOW TO READ THIS APPENDIX

This Appendix contains the total compensation survey results. Using the financial valuation guidelines and assumptions set out in **Appendix G**, the compensation provided by each matching survey organization was valued and aggregated into seven compensation component categories i.e.: salary, short-term incentives, long-term incentives, perquisites, paid time off, group benefits, and retirement/savings benefits. The financially valued compensation of all survey organizations was then reported in this Appendix, along with the compensation paid by CLBC.

The following points will assist the reader in reviewing the compensation tables:

1. The number of survey organizations that had a match to CLBC's position is shown in the upper right hand corner of each position.
2. Statistical calculations have been computed to assist in the analysis. The statistics calculated are:

Average	- the average (arithmetic mean) compensation paid to all incumbents (2 or more data points)
P₁₀	- the 10 th percentile represents the compensation where 10% of the incumbents are paid below this amount, and 90% are paid above (6 or more data points)
P₂₅	- the 25 th percentile represents the compensation where 25% of the incumbents are paid below this amount, and 75% are paid above (4 or more data points)
P₅₀	- the 50 th percentile (or median) represents the compensation where 50% of the incumbents are paid compensation below this amount and 50% are paid above (3 or more data points)
P₇₅	- the 75 th percentile represents the compensation where 75% of the incumbents are paid below this amount, and 25% are paid above (4 or more data points)
P₉₀	- the 90 th percentile represents the compensation where 90% of the incumbents are paid below this amount, and 10% are paid above (6 or more data points)

Please note that the statistical calculations for the survey organizations have been computed for each compensation component (i.e. each line) to permit full analysis and comparison. As a result, the total compensation calculated is not necessarily the sum of the figures in the column above this number.

CEO**(Matches = 7)**

Compensation Component	Survey Results						Community Living BC
	Average	P10	P25	P50	P75	P90	
Salary	\$218,570	\$176,876	\$182,563	\$204,867	\$244,000	\$279,000	\$172,000
Short-Term Incentives	\$30,019	\$2,074	\$8,818	\$33,450	\$46,000	\$56,518	\$21,500
Long-Term Incentives	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Perquisites	\$7,841	\$816	\$3,702	\$8,256	\$12,744	\$13,176	\$7,440
Paid Time Off	\$9,087	\$4,546	\$6,725	\$8,972	\$11,967	\$14,435	\$4,003
Group Benefits	\$10,381	\$8,383	\$8,657	\$9,887	\$11,130	\$13,131	\$8,339
Retirement / Savings Benefits	\$31,648	\$25,578	\$26,077	\$29,826	\$35,481	\$39,979	\$25,467
Total Compensation	\$307,546	\$237,428	\$254,511	\$314,286	\$331,278	\$372,919	\$238,749

Vice President, Corporate Services**(Matches = 6)**

Compensation Component	Survey Results						Community Living BC
	Average	P10	P25	P50	P75	P90	
Salary	\$158,531	\$135,890	\$144,718	\$150,950	\$171,875	\$188,752	\$134,611
Short-Term Incentives	\$14,958	\$2,017	\$5,275	\$11,995	\$24,445	\$30,864	\$12,312
Long-Term Incentives	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Perquisites	\$3,100	\$210	\$585	\$1,188	\$5,067	\$7,902	\$720
Paid Time Off	\$5,576	\$1,991	\$3,415	\$5,360	\$6,706	\$9,378	\$3,133
Group Benefits	\$8,758	\$7,615	\$7,667	\$7,791	\$8,341	\$10,870	\$7,189
Retirement / Savings Benefits	\$22,908	\$19,589	\$20,587	\$21,914	\$24,992	\$27,222	\$19,855
Total Compensation	\$213,831	\$178,169	\$191,523	\$210,354	\$243,435	\$252,971	\$177,820

Vice President, Quality Services**(Matches = 3)**

Compensation Component	Survey Results						Community Living BC
	Average	P10	P25	P50	P75	P90	
Salary	\$149,860			\$155,500			\$134,611
Short-Term Incentives	\$10,469			\$4,179			\$11,861
Long-Term Incentives	\$0			\$0			\$0
Perquisites	\$2,680			\$1,296			\$720
Paid Time Off	\$5,631			\$4,881			\$3,133
Group Benefits	\$9,112			\$8,760			\$7,189
Retirement / Savings Benefits	\$21,692			\$22,106			\$19,855
Total Compensation	\$199,444			\$198,373			\$177,369

Vice President, Policy & Program Development**(Matches = 2)**

Compensation Component	Survey Results						Community Living BC
	Average	P10	P25	P50	P75	P90	
Salary	\$140,082						\$123,711
Short-Term Incentives	\$6,840						\$11,492
Long-Term Incentives	\$0						\$0
Perquisites	\$3,162						\$720
Paid Time Off	\$5,052						\$2,879
Group Benefits	\$8,236						\$6,854
Retirement / Savings Benefits	\$20,216						\$18,219
Total Compensation	\$183,587						\$163,875

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Vice President, Community Planning & Development**(Matches = 1)**

Compensation Component	Survey Results						Community Living BC
	Average	P10	P25	P50	P75	P90	
Salary							\$134,611
Short-Term Incentives							\$12,423
Long-Term Incentives							\$0
Perquisites							\$720
Paid Time Off							\$3,133
Group Benefits							\$7,189
Retirement / Savings Benefits							\$19,859
Total Compensation							\$177,931

Director, Information Technology**(Matches = 5)**

Compensation Component	Survey Results						Community Living BC
	Average	P10	P25	P50	P75	P90	
Salary	\$121,019		\$105,608	\$121,454	\$130,738		\$118,000
Short-Term Incentives	\$8,674		\$2,640	\$7,047	\$15,333		\$2,950
Long-Term Incentives	\$0		\$0	\$0	\$0		\$0
Perquisites	\$732		\$420	\$864	\$1,080		\$720
Paid Time Off	\$3,816		\$2,295	\$3,997	\$5,308		\$2,746
Group Benefits	\$7,439		\$6,539	\$7,488	\$7,795		\$6,678
Retirement / Savings Benefits	\$17,422		\$15,488	\$17,088	\$18,908		\$17,362
Total Compensation	\$159,101		\$134,383	\$155,519	\$179,826		\$148,456

Director, Human Resources**(Matches = 6)**

Compensation Component	Survey Results						Community Living BC
	Average	P10	P25	P50	P75	P90	
Salary	\$132,045	\$105,110	\$110,281	\$133,261	\$152,203	\$157,765	\$102,174
Short-Term Incentives	\$10,021	\$0	\$790	\$7,795	\$13,774	\$22,269	\$4,691
Long-Term Incentives	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Perquisites	\$2,190	\$210	\$531	\$972	\$1,242	\$5,388	\$720
Paid Time Off	\$4,586	\$1,638	\$2,910	\$4,840	\$5,139	\$7,283	\$2,378
Group Benefits	\$7,836	\$6,691	\$6,940	\$7,330	\$7,479	\$9,490	\$6,192
Retirement / Savings Benefits	\$18,993	\$15,033	\$16,190	\$19,284	\$21,988	\$22,664	\$14,986
Total Compensation	\$175,673	\$132,916	\$144,261	\$181,253	\$200,567	\$212,849	\$131,141

Director, Communications**(Matches = 7)**

Compensation Component	Survey Results						Community Living BC
	Average	P10	P25	P50	P75	P90	
Salary	\$108,465	\$84,570	\$89,423	\$100,772	\$127,379	\$139,292	\$97,375
Short-Term Incentives	\$8,097	\$0	\$1,308	\$4,650	\$13,978	\$17,116	\$4,611
Long-Term Incentives	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Perquisites	\$2,237	\$252	\$642	\$1,080	\$1,908	\$5,304	\$720
Paid Time Off	\$2,791	\$1,342	\$1,941	\$2,468	\$3,854	\$4,440	\$2,266
Group Benefits	\$6,963	\$6,045	\$6,399	\$7,019	\$7,352	\$7,823	\$6,044
Retirement / Savings Benefits	\$15,507	\$12,057	\$12,842	\$14,048	\$18,599	\$20,260	\$14,266
Total Compensation	\$144,060	\$107,789	\$116,575	\$125,636	\$177,750	\$189,235	\$125,282

Director, Quality Assurance**(Matches = 3)**

Compensation Component	Survey Results						Community Living BC
	Average	P10	P25	P50	P75	P90	
Salary	\$87,406			\$82,600			\$102,173
Short-Term Incentives	\$2,731			\$2,065			\$4,984
Long-Term Incentives	\$0			\$0			\$0
Perquisites	\$428			\$420			\$720
Paid Time Off	\$1,465			\$1,794			\$2,378
Group Benefits	\$6,750			\$6,474			\$6,192
Retirement / Savings Benefits	\$12,525			\$12,044			\$14,986
Total Compensation	\$111,304			\$105,901			\$131,433

Director, Strategic Planning**(Matches = 2)**

Compensation Component	Survey Results						Community Living BC
	Average	P10	P25	P50	P75	P90	
Salary	\$102,846						\$102,173
Short-Term Incentives	\$1,150						\$4,984
Long-Term Incentives	\$0						\$0
Perquisites	\$432						\$720
Paid Time Off	\$3,830						\$2,378
Group Benefits	\$6,852						\$6,192
Retirement / Savings Benefits	\$14,682						\$14,986
Total Compensation	\$129,792						\$131,433

APPENDIX B

Total Compensation Survey Results

For the DM & ADM Positions Using Actual Salaries Paid

HOW TO READ THIS APPENDIX

This Appendix contains the total compensation survey results. Using the financial valuation guidelines and assumptions set out in **Appendix G**, the compensation provided (using actual salaries) to the Deputy Minister and Assistant Deputy Minister positions by the two ministries was valued and aggregated into seven compensation component categories i.e.: salary, short-term incentives, long-term incentives, perquisites, paid time off, group benefits, and retirement/savings benefits.

Deputy Minister

(Matches = 2)

Compensation Component	Survey Results					
	Average	P10	P25	P50	P75	P90
Salary	\$197,504					
Short-Term Incentives	\$4,938					
Long-Term Incentives	\$0					
Perquisites	\$8,160					
Paid Time Off	\$7,596					
Group Benefits	\$9,113					
Retirement / Savings Benefits	\$29,295					
Total Compensation	\$256,606					

Assistant Deputy Minister

(Matches = 2)

Compensation Component	Survey Results					
	Average	P10	P25	P50	P75	P90
Salary	\$122,039					
Short-Term Incentives	\$3,051					
Long-Term Incentives	\$0					
Perquisites	\$1,200					
Paid Time Off	\$2,347					
Group Benefits	\$6,792					
Retirement / Savings Benefits	\$17,968					
Total Compensation	\$153,398					

APPENDIX C
Total Compensation Survey Results
For the DM & ADM Positions Using the Salary Range Maximum

HOW TO READ THIS APPENDIX

This Appendix contains the total compensation survey results. Using the financial valuation guidelines and assumptions set out in **Appendix G**, the compensation provided (using the salary range maximums) to the Deputy Minister and Assistant Deputy Minister positions by the two ministries was valued and aggregated into seven compensation component categories i.e.: salary, short-term incentives, long-term incentives, perquisites, paid time off, group benefits, and retirement/savings benefits.

Deputy Minister

(Matches = 2)

Compensation Component	Survey Results					
	Average	P10	P25	P50	P75	P90
Salary	\$299,215					
Short-Term Incentives	\$7,480					
Long-Term Incentives	\$0					
Perquisites	\$8,160					
Paid Time Off	\$11,508					
Group Benefits	\$12,240					
Retirement / Savings Benefits	\$44,562					
Total Compensation	\$383,165					

Assistant Deputy Minister

(Matches = 2)

Compensation Component	Survey Results					
	Average	P10	P25	P50	P75	P90
Salary	\$195,000					
Short-Term Incentives	\$4,875					
Long-Term Incentives	\$0					
Perquisites	\$1,200					
Paid Time Off	\$3,750					
Group Benefits	\$9,036					
Retirement / Savings Benefits	\$28,919					
Total Compensation	\$242,780					

APPENDIX D

Summary Of Perquisites Provided By Organizations In Targeted Market Survey

Perquisite	CEO	VP, Corporate Services	VP, Quality Services	VP, Policy & Program Development	VP, Community Planning & Development	Director, IT	Director, HR	Director, Communications	Director, Quality Assurance	Director, Strategic Planning
Monthly Vehicle Allowance	71	33	33	50	0	0	17	14	0	0
Median \$ Amount of Vehicle Allowance	\$580	\$578								
Parking	86	67	67	50	0	60	67	71	33	50
Professional Association Dues	86	67	67	50	0	80	67	71	67	0
Cell Phone/Blackberry	86	67	67	0	0	60	67	71	33	0
Fitness Memberships	14	0	0	0	0	0	0	0	0	0

Note:

1. Outlined areas indicate perquisites provided by CLBC.

APPENDIX E

Summary Of Group Insurance Benefits Provided By Organizations In Targeted Market Survey

PROVISION OF PLAN AND % OF COST PAID				
Plan	% Of Organizations Providing	Median % of Cost Paid By Employer	CLBC Provides This Benefit?	% Cost Paid By CLBC
Medical Services Plan (BC & AB)	100%	100%	Yes	100%
Extended Health Benefits	100%	100%	Yes	100%
Dental Plan	100%	100%	Yes	100%
Short-Term Disability Insurance/Sick Leave Plan	100%	100%	Yes	100%
Long-Term Disability Insurance	100%	100%	Yes	100%
Group Life Insurance ¹	100%	100%	Yes	100%
24 hour Accident Insurance ²	71%	100%	Yes	100%
MAJOR PROVISIONS OF EXTENDED HEALTH BENEFITS & DENTAL PLANS				
		Median Provided By Survey Organizations	CLBC	
Vision Care Maximum/Person/2-Years		\$225	\$250	
Dental Reimbursement Levels				
♦ basic services		100%	100%	
♦ major services		65%	65%	
♦ orthodontia		55%	55%	

Notes:

¹ Similar to CLBC, three of the survey organizations pay 100% of the first \$80,000 of life insurance coverage.

² Similar to CLBC, one of the survey organizations pays 100% of the first \$80,000 of AD&D coverage.

APPENDIX F

Summary Of Compensation Findings From WCBC's Databases

Position	Database Findings							Community Living BC	
	Annual Salary			Total Cash				Annual Salary	Total Cash
	Average	P ₂₅	P ₅₀	P ₇₅	Average	P ₂₅	P ₅₀		
CEO ¹	\$242,361	\$186,722	\$224,120	\$300,141	\$254,630	\$194,220	\$237,799	\$172,000	\$193,500
VP, Corporate Services ²	\$161,025	\$121,156	\$134,580	\$194,028	\$174,095	\$121,156	\$145,293	\$134,611	\$146,923
VP, Quality Services					N O M A T C H			\$134,611	\$146,923
VP, Policy & Program Development					N O M A T C H			\$123,711	\$135,203
VP, Community Planning & Development					N O M A T C H			\$134,611	\$147,034
Director, Information Technology ³	\$148,208	\$121,128	\$131,233	\$180,200	\$163,154	\$131,313	\$132,673	\$118,000	\$118,000
Director, Human Resources ⁴	\$109,525	\$96,876	\$107,687	\$114,300	\$109,525	\$96,876	\$107,687	\$102,174	\$106,865
Director, Communications					N O M A T C H			\$97,375	\$101,986
Director, Quality Assurance					N O M A T C H			\$102,174	\$107,157
Director, Strategic Planning					N O M A T C H			\$102,174	\$107,157

Notes:

- ¹ Data is for 9 public sector organizations with median annual revenues of \$330.0 million.
² Data is for 16 public sector organizations with median annual revenues of \$237.3 million.
³ Data is for 10 public sector organizations with median annual revenues of \$400.0 million.
⁴ Data is for 8 public sector organizations with median annual revenues of \$237.3 million.

APPENDIX G

Basis For Financial Valuation Of Compensation

The compensation packages provided by employers contain many components and vary widely in value. In order to facilitate legitimate and equitable comparisons between organizations it is, therefore, necessary to calculate the financial value of total compensation paid.

The following guidelines have been applied in the financial valuation:

1. An element of compensation should be valued if, in the absence of the employer's expenditure on this element of compensation, the employee would likely incur the expense personally.
2. The costs for some compensation plans, which have identical value to the employee, may vary from employer to employer as a result of different funding methods and/or demographics. These cost differences need to be neutralized within the valuation process.
3. The probability of employees receiving a benefit under each compensation plan should be taken into account in the financial valuation.
4. Although the value of some compensation plans on a stand-alone basis may be small, the value provided by some employers may be more, plus the aggregate value of such plans may be material.

Salary and Incentives

Salary Range Established for Position

- ◆ Data input - not valued

Effective Date of Salary Range

- ◆ Data input - not valued

Actual Annual Salary of Incumbent

- ◆ Incumbent's present annual salary

Effective Date of Incumbent's Actual Salary

- ◆ Data input - not valued

Bonus or Other Cash Incentives

- ◆ if bonus/cash payment is conditional - the greater of half of the maximum possible bonus and last year's actual payout
- ◆ if bonus/cash payment is guaranteed - the greater of the maximum payout and last year's actual payout

Long-Term Incentive Compensation

- ◆ Data input – valued (but there were no plans provided)

Perquisites

Employer-Owned Car

- ◆ Revenue Canada stand-by charge
 - 2% x cost of the car x 12

Western Compensation & Benefits Consultants

Employer-Leased Car

- ◆ Revenue Canada stand-by charge
 - $\frac{2}{3} \times \text{lease payments} \times 12$

Monthly Car Allowance

- ◆ Monthly cash allowance $\times 12$

Other Car-Related Payments (excluding expense reimbursement on mileage basis)

- ◆ Monthly value provided $\times 12$

Employer Provided Parking

- ◆ Monthly value provided $\times 12$
 - If organization unable to provide we assumed an employer-owned lot with a value of \$100/month

Employer-Paid Transit Passes

- ◆ Monthly value provided $\times 12$

Club Memberships

- ◆ Employer-paid initiation fees
 - current value of initiation fee amortized over five years
- ◆ Employer-paid monthly dues
 - monthly dues $\times 12$

Employer Loans or Mortgages

- ◆ Outstanding loan \times (market rate less actual rate)
Market rate = Prime Business Lending Rate

Professional Associations and Development

- ◆ Data input - not valued

Employer Provided Financial Counseling

- ◆ Annual cost of financial counseling

Employer Provided Tax Counseling/Preparation

- ◆ Annual cost of tax counseling/preparation

Employer Provided Legal Counseling

- ◆ Annual cost of legal counseling

Employer Provided Personal Pre-retirement Counseling

- ◆ Annual cost of personal pre-retirement counseling

Unvouchered Expense Allowance

- ◆ Annual unvouchered expense allowance

Paid Spouse Travel

- ◆ Data input - not valued

Home Computer

- ◆ 50% of the cost of computer amortized over three years

Western Compensation & Benefits Consultants

Community Living British Columbia

Home High Speed Internet Access

- ◆ Monthly value provided x 12

Cell Phone/Blackberry

- ◆ If cell phone/Blackberry available for personal use we assumed a monthly value of \$35 x 12 (the minimum cost of having a personal cell phone if one is not provided through work)

Executive Health Examinations

- ◆ Annual cost of the executive health examination

Perquisite Account

- ◆ Annual allocation to the perquisite account

Other Perquisites

- ◆ Annual cost of each perquisite provided

Paid Time Off

Incumbent's Current Annual Vacation Entitlement

- ◆ Determined incumbent's annual vacation entitlement by referring to the years of service for each CLBC incumbent and matching against the vacation schedule for each participating organization. Then valued number of days vacation **in excess of 15** divided by 260 x annual salary.

If organization does not allow for either carry forward or payout of vacation - discount above values by 50%

If organization allows for either carry forward or payout of vacation - no discounting; use 100% of above values

Supplementary Vacation Entitlement

- ◆ Number of days per year divided by 260 x annual salary
 - Have only applied these days to incumbents who are entitled by virtue of their years of service

Incumbent's current number of years service

- ◆ Data input - not valued

Other Paid Time Off

- ◆ Number of days divided by 260 x annual salary

Number of paid statutory and general holidays

- ◆ Number of days in excess of 11 divided by 260 x annual salary
Negative values permitted (number of days less than 11 divided by 260 x annual salary)

Group Benefits

Group Benefits Provided

- ◆ Data input - percentage of premium paid by employer is a variable in the valuation of group benefits

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Group Benefits Plan Design

- ◆ Group life, accidental death and dismemberment, long-term disability, short-term disability, medical and dental premium rates
 - benefit coverage x typical premium rates x percentage of premium paid by employer
 - typical premium rates were computed by utilizing CLBC's actual premium rates adjusted as necessary for differences in plan design
- ◆ Accumulated Sick Leave Plan
 - Annual sick leave x typical utilization x annual salary

Employee/Family Assistance Program

- ◆ Employer's annual cost
 - If organization unable to provide, assumed a monthly cost of \$4

Retirement/Savings Plans

Pension Benefits

- ◆ Actuarial present value of annual pension accrual assuming age 36 at hire and current age 46, retirement at age 60, 2.00% inflation rate, 3.50% salary increases, 5.25% discount rate

Lump Sum Retirement Benefits

- ◆ Value of annual accruals, valued using same assumptions as for pension benefits

Post-Retirement Benefits

- ◆ Actuarial present value, based on present benefit costs projected using same assumptions as for pension benefits, amortized over assumed 24 years of service

Savings Plan

- ◆ Annual contribution by the employer to the savings plan

WESTERN COMPENSATION & BENEFITS CONSULTANTS provides a full range of compensation, benefits, pension, and actuarial consulting services to clients in the private, public and not-for-profit sectors. Supported by state-of-the-art technology and extensive databases, our team of specialists provides services from strategic direction to program design, implementation, and ongoing management. Specific client services include:

- Compensation Philosophy, Policies and Total Rewards Strategies;
- Compensation, Benefit and Total Rewards Surveys and Analysis of Competitive Pay Levels;
- Total Compensation Valuation; •
- Incentive Pay Plans;
- Executive and Board of Directors' Compensation;
- Regulatory Reporting and Compliance;
- Job Evaluation and Salary Administration Programs;
- Performance Planning and Management Programs;
- Employee Benefits Policies, Plan Designs and Implementation;
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- Actuarial Services Related to Compensation and Benefit Plans; and
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Community Living BC.

**Compensation Strategy,
Options and
Recommendations 2010**

April 19, 2010

**For questions about this report, please
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EXECUTIVE SUMMARY

CLBC has been building a performance management system and leadership competencies framework with a view to moving to more of a pay for performance compensation methodology for excluded employees.

A review of the current base salary (merit) adjustment process and the variable pay award methodology was undertaken.

Currently at CLBC, excluded employee's base salary adjustments are made using a combination of length of service and some form of personal performance consideration but with length of service the more dominant factor. When length of service is a driver of salary changes, a sense of entitlement is almost certain. The focus becomes what I am owed as opposed to what I have earned.

CLBC variable pay works more like a group incentive plan. Almost all eligible employees have received the maximum award available since inception as corporate performance standards have been met or exceeded every year. As the variable pay opportunities are quite modest, it is not likely this plan is driving performance but is viewed in terms of an "entitlement". If the plan is to continue, significant structural change is required.

A number of options for dealing with base salary adjustments (i.e. merit) are provided with a model utilizing a combination of employee performance and demonstration of leadership competencies the recommended course of action.

Similarly, several options regarding the variable pay plan are provided starting with the issue of whether the plan should continue to exist. If CLBC wishes to continue with a variable pay plan, then structural change is required. Alternatively, it may be more prudent to roll the variable pay plan into the base salary plan and manage future changes in base salary using performance and demonstrated leadership competencies as the drivers.

A series of recommendations for moving forward are provided. Moving toward a pay for performance model is a significant cultural change. Leaders will be challenged to model behaviour in support of this change. The journey is a process and not an event. It will not be without challenges but there are significant rewards for those organizations that can make the change.

Appendix 1 offers detail of how performance rating is used to determine whether a salary increase is warranted, and if so, the size of the salary increase.

Appendix 2 provides a method for leaders to review employee performance in terms of leadership competencies.

BACKGROUND

SEAB Solutions Inc. was asked to submit a proposal to CLBC regarding the development and implementation of a performance based compensation system for their exempt employees. As part of the project, the following steps were taken:

1. Review existing base salary and total cash compensation methodology.
2. Review competency framework.
3. Review performance management and goal setting process.
4. Assess readiness of CLBC to migrate compensation process to performance based.
5. Review options.
6. Recommend appropriate strategy.

METHODOLOGY

Discussions with CLBC's Director, Human Resources and a consultant retained to assist in the development of an automated performance management framework provided a good overview of the current state. Additional conversations plus a review of competency information, CLBC performance metrics, performance management documentation and current compensation information was completed. Best practice information was referenced to review the current state.

GLOSSARY OF TERMS

In this report, several terms are used to define different types of compensation and changes to compensation.

Base salary: The current salary of a given employee and does not include overtime, incentives, vacation payouts, benefits or allowances.

Cost of living increases: A method of adjusting base salaries through a prescribed percentage change in base salary that applies to all eligible employees irrespective of performance.

Merit increases: A method of adjusting base salaries changes ostensibly driven by the employee's performance within their position.

Variable pay: A form of compensation (often referred to as a bonus or incentive) usually in the form of eligibility to receive a prescribed annual, lump sum amount expressed as a percentage of base salary. It is paid to an employee when defined performance metrics (corporate, group and individual)—singularly or in combination are met or exceeded.

Target incentive: The prescribed size of variable pay available to each position.

Total cash compensation: The sum of base salary plus incentive payments.

Total compensation: The sum of total cash compensation plus benefits and other compensation such as perquisites.

Compensation Philosophy: A statement that outlines the organizations goals and principals regarding compensation. It defines the consistency of approach, the degree and sources of internal and external data to be used, alignment with business strategy and cultural values, the degree to which performance plays a role, the communication principles and governance accountability.

FINDINGS – BASE SALARY COMPENSATION (MERIT PAY AT CLBC)

- Current methodology for allocating base salary increases for excluded employees is a combination of “cost of living” increases combined with a form of merit based salary increases.
- Use of cost of living type increases is common in the public sector but leads to a sense of entitlement. Such increases are often described as “pay for pulse”.
- It was not clear how performance information is used to determine a merit increase; as a result, length of service appeared to be the major driver of base salary adjustments.
- Using a combination of drivers can create a very mixed message regarding performance.
- Changes in base salary (for whatever reason), also increase the costs of many benefits (Vacation costs, pension costs, group insurance and disability insurance).
- Cost of living increases paid to non-performers decreases the available funds for real performers and builds a sense of entitlement while diminishing the likelihood of performance improvement.
- The system at CLBC closely follows the system in use by their Shareholder, the Provincial Government.
- CLBC has been working diligently to develop a performance management system and looks to utilize this data to assess and award merit increases.
- Efforts to change the culture to performance based will be impeded by cost of living type increases.
- During the past four years, the costs associated with cost of living increases have exceeded the costs associated with performance based “merit” increases on an aggregate basis.
- CLBC does not have its own compensation philosophy.
- Excluded positions at CLBC have defined salary ranges that, for the last four years, have been adjusted annually usually by a defined percentage for all positions. This process mirrors that of the Provincial Government but is without reference to the broader marketplace.
- CLBC has been developing a performance management system based on a solid model of individual and group goals. There is a growing awareness and use of this data in the annual review process although some parts of the organization appear to be more advanced in this process than other areas.

FINDINGS – VARIABLE PAY (INCENTIVE PAY AT CLBC)

- There is a very modest variable pay system in place that applies to the majority of excluded positions at CLBC.
- A number of CLBC metrics are used to determine corporate performance. It is not clear what the minimum level of corporate performance needs to be for any payments to be paid in a given fiscal period.
- The CLBC Board reviews, approves and monitors these corporate metrics.
- Since inception, CLBC has paid variable pay payments to eligible excluded management employees with the amount paid at or near the maximum for most eligible employees every year. Further examination of the link between metrics and payments should be made.
- It is not clear whether the current variable pay system is driving performance or is viewed as an entitlement.
- Variable pay payments are not pensionable earnings consistent with the plan rules of the Public Service Pension Plan.
- The operation of the current variable pay system would seem to be more of a group variable pay plan than an individual variable pay opportunity. It is not clear whether this was what was intended.

OPTIONS –CLBC BASE SALARY STRUCTURE & VARIABLE PAYS

Base Salary (Merit Awards at CLBC)

There are several options in how base salaries (merit awards) are managed.

1. Maintain the status quo.
2. Base salary changes (merit awards) linked to individual work goal results.
3. Base salary changes (merit awards) linked to individual competencies.
4. Base salary changes (merit awards) linked to individual work goal results and competencies.

The only reason to maintain the status quo would be a perceived sense that CLBC is not ready for change. The linking of performance and rewards is consistent with best practice.

While linking base salary changes (merit awards) to work goal results (the what) or competencies (the how) offers advantages over the current approach, a combination of work goal results and competencies offers a broader perspective. If the focus is singularly on the individual's work goal results, there is little doubt that work goals will be achieved but it may be at the cost of 'how' the work gets done which may result in low staff morale, burnout, absenteeism and turnover. Similarly, an exclusive focus on competencies will result improve 'how' work gets done, but may result in shortfalls in terms of business results.

Variable Pay Plan

The options regarding the variable pay plan are as follows:

1. Maintain the status quo.
2. Eliminate the variable pay plan and roll it into base salary.
3. Modify the existing plan to have a maximum payout of 1.5 times target.
4. Introduce minimum levels of corporate performance and individual performance as eligibility criteria.

Maintaining the existing plan is problematic on several fronts. Annually, the vast majority of eligible employees are receiving the maximum variable pay. This will ultimately be seen as an entitlement. It is uncertain if the current plan is actually driving performance. Given the very modest size of the payouts, the money may be better spent and controlled in base salary allocations. If the current plan is retained, then there needs to be minimum threshold of individual and corporate performance before an employee is eligible. Additionally, consideration of a maximum variable pay greater than target would be consistent with best practice and provide additional reward opportunity for high performers.

RECOMMENDATIONS –CLBC MERIT AWARDS STRUCTURE & VARIABLE PAYS

Merit Awards

CLBC should develop its own compensation philosophy and complete a market assessment of their excluded base salary ranges.

It is clear that individual performance is far less of a driver of base salary changes than time in the position. This can be confirmed by the large proportion of excluded salary increases attributable to “cost of living”. Such changes promote a culture of entitlement where the employee views their salary through the lens of what I am paid as opposed to what is earned.

The current model using cost of living and performance based is likely not sustainable. The move to performance driving excluded salary adjustments is considered a best practice as salary budgets are always under pressure and dollars spent on under-performers are not available for high performers.

The problem with moving to performance based salary adjustments is it will be a significant philosophical change (particularly for some employees). While there appears to be readiness for this change, it is very likely that some resistance to the change will be encountered in the first year of implementation. Further, we are entering a period where the expectations regarding salary changes and the ability to fund changes will be under significant pressure. The BC

Government has clearly indicated that provincial employees should not expect increases for the next few years. Further, with a growing deficit, the Government has announced numerous cuts to non-profit agencies. As well, the Government has announced the closure of one crown corporation and compensation audits of other organizations where Government is the shareholder. The message is clear. Expect less funding and don't draw attention to yourself for your compensation practices.

CLBC should assess their readiness to make a cultural shift to performance based compensation. There also needs to be a frank discussion as to the merits and risks of moving to performance based compensation at this time. The use of performance information related to work goal achievement and competencies would be an effective approach.

Variable Pay Plan

The current variable pay plan was created through a process of reducing base salary ranges by an amount equal to the target variable pay amount. It is highly unusual for the high percentage of payouts at or near maximum every year and warrants additional review.

CLBC should assess whether the current variable pay system is truly driving performance or whether it could/should meld into base salary compensation.

Assuming that the variable pay plan continues, CLBC should ensure that a defined minimum level of performance is required for variable pay payments to be paid. A more thorough examination to the plan metrics since inception and the governance surrounding the plan may be valuable. Consideration should be given to modifying the variable pay plan to a maximum variable pay of at least 1.25 times target but not more than 1.5 times target.

CLBC Action Plan for Moving Forward

There are numerous benefits and challenges to moving toward a performance based compensation system.

Assuming that CLBC has assessed their readiness level, Senior Management is solidly behind the change and that CLBC has determined that continuation of the existing variable pay plan, there are a number of possible issues that must be addressed.

- **Review the process regarding the setting of CLBC metrics and how the budget for variable pay payments and salary increases is derived.**
- **Determine what performance means in terms of base salary changes and variable pay payments. Individual performance must play a roll in variable pay eligibility.**
- **Verify that CLBC employee performance rating should be based on achievement of results and demonstrating behavioural competencies.**
- **Develop training for all impacted staff with modules about what performance based compensation is, goal setting, assessing performance, coaching and performance management. Ensure a process for education/re-education for new employees, newly excluded employees.**

- **Ensure that the performance management process has sufficient rigour. An annual audit of recommended performance ratings for the CEO's review should determine whether ratings are consistent across the organization.**
- **In determining that size of an individual's merit increase, the individual's current position must be a factor. In general terms, dividing the current salary by the 100% point in the salary range (sometimes called the control point) defines that individual's 'compa-ratio' (C/R). Failure to utilize position in range will result in inequities.**
- **The change to a performance based compensation system will require the senior leaders to be personally committed to the change and the need to consistently demonstrate their commitment in their actions, words and leadership.**
- **Migration to performance based compensation will require a common performance review date for all excluded employees (likely April each year).**
- **When measuring performance for base salary increases and variable pay payments, great care should be taken to not use the same performance criteria or metrics for both components. Otherwise you will be paying for the same performance twice.**

In Appendix 1 is a matrix defining the performance rating in terms of goals results and behavioural competencies. This rating and the position within the current salary range are used to show the range of allowable base salary changes. Finally, a short description is provided to reference the use of performance ratings in the calculation of variable pay payments.

Appendix 2 contains a matrix that outlines the eight CLBC Leadership Competencies and examples of how leaders can assess employee performance in terms of competencies.

It is almost always the case that organizations will never have enough money to pay their strongest performers all that they should be paid, but those organizations will have even less money for the strong performers if they keep spending more money on the non-performers.

The choice is for CLBC to make. Should you decide to implement a performance based compensation system, I would be please to assist in whatever way that I can. Even if you decide to largely retain the current system, there are some ways to improve it. I wish you well in your deliberations and remain available for further discussion or clarification.

Appendix 1—Performance Matrix

Using a combination of goal results performance and behavioral competencies yields five distinct individual performance ratings:

1. Unsatisfactory
2. Developing
3. Fully Satisfactory
4. High Achievement
5. Exceptional

Individual Performance Ratings

Behavioural Competencies (the how)	Outstanding	Developing	High Achievement	Exceptional
	Fully Managing	Developing	Fully Satisfactory	High Achievement
	Needs Improvement	Unsatisfactory	Developing	Developing
↑ Merit Bonus →	Did Not Meet Results	Met Results	Exceeded Results	
	Goal Results (the what)			

The most effective way of calculating increases to salary based on merit is to the use a ‘compa-ratio’ (C/R) approach. The C/R reflects where the individual sits within the salary range and is expressed as a percentage of the maximum of the salary range. For example, an employee whose salary is \$64,000 where the salary range maximum is \$80,000 is said to have a C/R of 80.0. If the salary range increases to \$82,000; the employee’s C/R would become 78.0, a lower point on the range.

Assigning a pre-determined set of C/R points to levels of performance within a standardized performance matrix offers the following advantages:

- Salary changes always occur within the salary range regardless of whether the range itself increases;
- For non-performers, no increase in salary would mean a drop in C/R if the range increases - whereas to date, CLBC has applied across-the-board percentage increases to all employees regardless of performance; and,
- Merit-based salary increases are applied in a way that is consistent, transparent and defensible.

The matrix below shows levels of performance and sets out pre-determined C/R point increases based on an individual’s existing C/R.

Guide Chart to Determine Merit Adjustments Based on Performance

Performance Rating	Compa-Ratio		
	Under 85%	85% to 95%	Over 95%
Exceptional	5 to 7 c/r pts	3-5 c/r pts	1-3 c/r pts
High Achievement	3-5 c/r pts	1-3 c/r pts	0-2 c/r pts
Fully Satisfactory	1-3 c/r pts	0-2 c/r pts	0 c/r change
Developing	0-2 c/r change	No \$ Increase	No \$ Increase
Unsatisfactory	No \$ Increase	No \$ Increase	No \$ Increase

Example: In 2009, Donna has a current salary of \$64,000 in a position paying a maximum of \$80,000 (C/R is 80.0). The range for the position is increasing by 2.5% for the coming year. Her performance was rated “High Achievement”. From the chart above the allowable C/R adjustment is 3 to 5 pts. Assuming we choose 4.0 pts, her new C/R is 84.0. 84% of \$82,000 is \$68,880, and increase of \$4,880 or 7.625%. Note that the combination of a 4.0 C/R shift and a salary policy change of 2.5% is more than the addition of the two changes.

Variable Pay Calculation

Using the same performance ratings on the previous page, an individual would normally need to have a personal performance rating of Fully Satisfactory, High Achievement or Exceptional to be eligible.

The corporate metrics would determine the size of the variable pay pool.

Assuming that there is enough money for an average 80% payout, as long as the individual's performance confirmed eligibility, the individual would receive 80% of their target bonus. In this way, the bonus is a group variable pay plan (encouraging teamwork, cooperation) and the size of the payout is a function of corporate performance and the individual's target variable pay.

A variation on this theme is to vary the size of payment by performance rating but then there is a real danger that you are using the same performance criteria to drive the size of the salary increase and the size of the payout.

Appendix 2--Defining Excluded Employee Performance through Leadership Competencies

CLBC has developed a series of eight Leadership Competencies listed in the Table below. To measure performance relative to leadership competencies, it requires collecting data specific to the employee's performance. One method is for the leader to engage the employee in a series of questions regarding the degree to which the employee exhibits behaviors consistent with each competency. It should be noted that not all positions will have the same degree of opportunity to demonstrate each leadership competency so the focus should be tailored to the individual position and incumbent. As well, the questions are only a guide follow-up questions seeking clarification or amplification are very likely and should be expected. The information gleaned from this process can be augmented by data from employee and customer satisfaction surveys, 360 feedback tools, and other metrics.

CLBC Leadership Competencies and Behavioural Indicators

Competency	Behavioral Indicator Questions and Results
Accountability	<ul style="list-style-type: none"> • Show me examples of effective work plans in your group. • Give me an example where you involved others in getting things done effectively. What worked and didn't? • Provide an example where you acknowledged responsibility for a mistake you made.
Coaching and Developing Employees	<ul style="list-style-type: none"> • Give me an example where you demonstrated effective delegation and authority to an employee. • Provide an example where you gave timely recognition to an employee for a job well done. How was it received? What would you do differently next time? • Show me a defined developmental plan that was consistent with the employee's passions and career aspirations. What progress was made this year?
Ethics and Credibility	<ul style="list-style-type: none"> • Give an example of an ethical situation that you dealt with this year and how you resolved it. • Provide an example where you were questioned on and decision you made. How did you respond? How would the person who questioned you feel you responded?
Innovation	<ul style="list-style-type: none"> • Give an example of a risk you took that was a success and another example where you took a risk that was not successful. What did you learn from each of these? • Provide a situation you empowered staff to challenge the status quo. What did you learn, what did they learn? • Share an example of collaborative sharing of ideas and the results.

	<ul style="list-style-type: none"> • Give an example where internal stakeholders or service providers developed creative solutions
Puts the Customer First	<ul style="list-style-type: none"> • Provide an example where you improved a relationship with a customer. What did you do? Quantify the improvement. • Give an example where the customer's individual needs were incorporated into your engagement plan. • Share an example demonstrating respect and timeliness in dealing with a customer concern. • Give an example where the customer felt their interests were primary in your decision.
Relationships and Teamwork	<ul style="list-style-type: none"> • Provide an example where you brought a group of people together. What did you specifically do to foster teamwork or build relationships in the group? • Share an example where you effectively resolved a conflict with others. • Give an example of your actions to break down barriers between groups.
Strategic Thinking & Decision Making	<ul style="list-style-type: none"> • Share an example where you anticipated a future problem and proactively dealt with it. What did you learn from this experience? • Provide an example of a situation where you had to balance short term impacts against long term implications. • Give an example of a decision that required you to analyze complex information to determine a course of action. What other factors did you consider? • Share a situation where you effectively engaged internal and external stakeholders in a decision process. What would you do differently if you had to do it again?
Visionary	<ul style="list-style-type: none"> • Provide an example where your leadership fostered change. • Give an example of where your passion for the CLBC vision influenced internal or external stakeholders. Was one group easier to influence than the other? • Share a situation where your actions demonstrated the importance that employees maintain a focus on achieving CLBC's vision.

Assessing performance through leadership competencies is about engaging the employee in a discussion about specific examples of their behavior during the year. The leader needs to set the stage by letting the employee know (in advance) that they will be discussing leadership competencies as part of the performance review process. On the basis of the discussion the leader should be able to determine whether the employee's

performance in terms of leadership competencies needs improvement, meets requirements or exceeds requirements for the position.

Like any new process, it will take some serious effort to change the culture of the organization. It is critical that the senior leadership team be committed to this change and demonstrates their commitment through their personal actions. Cultural change is not an event but a process. Thus while individual progress will be measured annually, organizational progress may evolve slowly over several years. The actions of leaders that demonstrate strength in one (or more) leadership competency can serve as role model behavior for others. A healthy dose of pragmatism is essential in the first year of implementation.



GOVERNANCE & HR COMMITTEE

Meeting of March 30th, 2011

BRIEFING NOTE

ISSUE:

CLBC Executive Compensation

BACKGROUND:

"Executive Compensation" refers to the compensation of the CEO and the CEO's direct reports. Currently the CEO has 10 executive level direct reports.

This briefing note describes the current status of executive compensation for CLBC and the regulatory framework and governance within which the organization is operating.

Compensation Philosophy

A Compensation Philosophy is a statement that outlines an organization's goals and principles regarding compensation. It defines the consistency of approach in compensating employees, the degree and sources of internal and external influences, alignment with business strategies and cultural values, the degree to which performance plays a role, communication principles, and governance accountability.

CLBC's compensation philosophy is described in the report "*Executive Compensation Reporting for the Fiscal Year Ending March 31, 2010*" (attached). This report is publicly accessible and posted on the CLBC website.

Regulatory Structure

The provincial government has established the Public Sector Employer's Council (PSEC) that sets and coordinates the management of human resource and labour relations policies and practices in the public sector, including a series of statutory and regulatory policies on remuneration levels, changes, severance, and reporting for executive compensation.

Executive and excluded positions at CLBC are governed by PSEC-approved salary ranges that may be adjusted based on mandates established by PSEC. The current mandate of 0%-0% covers the period until March 31, 2012. Conversations are underway now to provide comment to government as they determine whether or not there will be any compensation increases available after 2012.

Excluded compensation at CLBC closely follows the system used by the shareholder, the provincial government. The Province has historically been less persuaded by external



labour market comparators and more influenced by pay relationship with the public service directly.

Variable Pay

There is a variable pay system in place at CLBC that applies to the majority of excluded and executive positions, with the exception of the CEO.

Following the strategy of the Provincial government, the variable pay plan was introduced through a clawback of a portion of base salary, dedicated to re-earnable performance pay.

The variable pay is tied to corporate performance metrics identified in the operational plan. Variable pay amounts are determined in June of each year, to reflect the conclusion of the annual executive performance review of the previous fiscal year.

Under the CLBC variable pay system, excluded managers and directors are eligible to receive up to 5% variable pay, and VPs can receive up to 10%. The CEO re-earnable bonus (up to 15%) was rolled into base salary in 2009.

Reports and Analysis

Some work has been done to examine executive compensation issues and strategies, including:

- In November 2008 CLBC commissioned a compensation review from Western Compensation Benefits Consultants (WCBC). This report recommended that CLBC review and determine its compensation philosophy, establish desired positioning in relationship to the marketplace, and review its variable compensation scheme. The report provides information on CLBC's executive salary range in comparison with comparable organisations (report attached).
- In 2009 the Auditor General conducted a review of executive compensation in the crown sector and CLBC was one of six crown employers randomly chosen to provide information. The OAG report generally found that compensation ranges were not excessive, that there needed to be more Board accountability for determining and reporting compensation outcomes on an annual basis and that pay for performance plans were not well constructed (metrics) or reported (November 2009 letter from Auditor General attached).
- In April 2010 CLBC commissioned another report from SEAB solutions on options and recommendations for an executive compensation strategy. This report recommended that CLBC develop a more robust compensation philosophy by completing a market assessment of excluded base salary ranges,

Date Prepared: March 10, 2011
CLBC Contact: Carol Goozh, VP Policy and Program Development
Telephone Number: 604-664-0155



assessing whether the current variable pay system is truly driving performance or whether it could/should meld into base salary compensation, and developing a performance rating scheme based on both achievement of results and demonstration of behavioural competencies (report attached).

- The Crown Corporation Employers' Association (CCEA) is a public sector employers association, established under the *Public Sector Employers' Act*, requiring membership of all designated crowns. In June 2010 CCEA, working with Mercer Consulting developed a framework of principles for executive compensation philosophies. This framework identified the key pillars/best practices in design of an executive compensation philosophy. These included defining an appropriate comparator group, establishing the market positioning strategy within the group, and linking pay and performance. The principles framework is intended to provide a basis for engaging PSEC in establishing a common understanding of best practices, upon which each of the crown employers would then build their plan to meet business requirements of their organization. CCEA is continuing this work and discussions with government (report attached).

DISCUSSION:

Executive compensation is an issue that continues to challenge Boards of crown agencies. While Boards are often appointed by government to manage the organization, there is little independent authority or flexibility to manage amounts of CEO or executive compensation.

The Board will be interested in establishing a strong executive compensation philosophy and ensuring consistent application of the elements of a compensation strategy, including performance pay, along with fulfilling their accountability for public reporting.

RECOMMENDATION:

For information.



GOVERNANCE & HR COMMITTEE
Meeting of: May 25th, 2011
BRIEFING NOTE

ISSUE:

Discussion of a framework and options for CLBC's excluded compensation philosophy.

BACKGROUND:

At the March 30th meeting, the Committee discussed CLBC's Compensation Philosophy with a view to critically examine the current philosophy and provide options for change. CLBC engaged a Compensation consultant, SEAB Solutions Inc., to perform the work.

Once formally accepted by the CLBC Board, the draft Compensation Philosophy will go to PSEC for review and final approval.

DISCUSSION:

This note attaches the consultant's two reports for the Committee's consideration in recommending a compensation philosophy: one outlining a framework for CLBC's excluded compensation philosophy; and a second setting out options for aspects of excluded compensation that will be encompassed in the framework.

Options for the Committee's consideration include:

- 1) Comparator organizations
- 2) Number of benchmark positions to be included
- 3) Appropriate comparison percentile with external positions
- 4) Variable pay plan vs. base salary compensation
- 5) Benefits plan

Bruce Clow from SEAB Solutions Inc. will attend the Committee meeting to provide information and answer questions about the report and recommendations.

RECOMMENDATION:

For discussion.

Community Living BC.

Compensation Options and 2011

May 5, 2011

**For questions about this report, please
contact:**

Bruce Clow
Compensation Consultant
SEAB Solutions Inc.
250.652.0292
clowsline@shaw.ca

INTRODUCTION

Community Living BC (CLBC) is in the process of developing a comprehensive Compensation Philosophy and has several issues to consider as part of the process of moving forward.

ISSUES

Who is/are the appropriate comparator(s)?

There is no single comparator that would be reflective of CLBC's operations and thus a blend of employers including the BC Government, BC non –commercial Crown Agencies, selected Municipalities, School Boards and Health Authorities would be appropriate. It is critical for those charged with governance of this issue to be engaged in the process of determining the comparator group and process to collect/utilize the data.

How many benchmark positions?

Probably about 12 positions would be required. Ideally one or two positions from each of the six excluded pay ranges currently in place should be used as benchmarks.

What is the appropriate percentile for comparison appropriate? Given the proposed comparator group, the 50th percentile is appropriate.

How do we insure internal equity?

A simple job evaluation tool is best for this and given the number of positions is not an onerous task.

What options do we have regarding the bonus/incentive plan?

There are three possible scenarios. First, make the plan meaningful in terms of the size of potential reward. Second, abandon the plan and roll it into base salary. Third, maintain status quo. The third option makes no sense. The vast majority of eligible employees have received all or nearly their entire target bonus each year suggesting problems with the process of setting performance metrics. As a result payments may be viewed more as an entitlement than related to performance. Boosting the size of target incentive payments will likely be problematic in terms of PSEC approval particularly if the performance target setting process is perceived as lacking rigour. That leaves the second option. The process used to create this incentive (take money away from salary and put it at risk) was poor methodology and it is doubtful that the existing plan is driving performance.

How do you roll incentive plans into base salary?

One dollar of at risk pay (bonus) is not equal to one dollar of base salary increase. Base salary is pensionable and has other wage related benefit impacts. Base salary almost never goes down so it becomes a legacy cost. The salary ranges can be increased by the amount of the target incentive in place and then the employee can earn through performance increases in base salary. In the first year there should be a cap on the size of increases available with no incentive payments being paid. This saving should cover the wage related benefit cost increases over the longer time necessary to earn all of the “incentive pay” in the form of base salary increases.

What about benefit plans?

The best benefits are those employees value. The “one size fits none” approach often offers some administrative savings but fails to deliver the kind of benefits (and amount of them) that employees would choose. For example, those that need eyeglasses might choose more of this benefit and no orthodontic coverage. CLBC should explore ways to bring their benefit package in line with the Governments plan for excluded employees.

What role should length of service play in the allocation of base salary increases?

None. CLBC will always be challenged to truly reward the highest performing excluded employees but they will almost always overpay their worst performers. Spending scarce merit budgets on “cost of living increases” perpetuates the sense of entitlement lower performers develop when this level of performance is rewarded.

What role does PSEC play in CLBC Compensation plans?

All Crown employers are required to file their compensation plans with PSEC for approval (after the internal governance process has been satisfied). Proposed changes to an existing plan (such as altering an approved bonus plan or setting new salary band ranges) also needs to be approved by PSEC.

Pages 51 through 55 redacted for the following reasons:

s.13



GOVERNANCE & HR COMMITTEE
Meeting of: July 27, 2011
BRIEFING NOTE

ISSUE:

Compensation Philosophy.

BACKGROUND:

At the May 25th meeting, the Committee discussed options for changing CLBC's compensation philosophy as presented by Compensation consultant, SEAB Solutions Inc. This note attaches the consultant's draft Compensation Philosophy as approved by the Committee at that meeting.

Once formally accepted by the CLBC Board, the draft Compensation Philosophy will go to PSEC for final approval at a time to be determined by the G&HR Committee.

DISCUSSION:

On the recommendation of the Crown Corporation Employers' Association (CCEA), CLBC will seek PSEC approval of the Compensation Philosophy in two stages. First will be to roll variable pay into salary, and second to seek approval of CLBC's new Compensation Philosophy.

Accordingly, the draft Compensation Philosophy is written using the supposition that CLBC's variable incentive pay is integrated into excluded salaries and purports that there are no current or future increases to CLBC's overall excluded total compensation package as a result.

Included in the Compensation Philosophy are the following elements:

- 1) What constitutes CLBC's Total Excluded Compensation
- 2) How excluded positions are valued and individuals progress through the salary range
- 3) Comparator organizations including a selection of crown agencies, municipalities, a health authority, and the provincial government
- 4) Number and types of benchmark positions to be referenced in the external market
- 5) Appropriate comparison percentile with external positions

RECOMMENDATION:

For discussion.



GOVERNANCE & HR COMMITTEE
Meeting of: July 27, 2011
BRIEFING NOTE

ISSUE:

Variable Pay.

BACKGROUND:

At the May 25th meeting, the Committee agreed to proposed changes to CLBC's compensation philosophy which included integration of excluded variable pay into salary. On the recommendation of the Crown Corporation Employers' Association (CCEA), CLBC will seek PSEC approval of the Compensation Philosophy in two stages. First will be to roll variable pay into salary, and once approved, to seek approval for CLBC's new Compensation Philosophy.

The attached paper, which will ultimately form the basis for seeking PSEC approval to integrate variable incentive pay into salary, outlines CLBC's proposed compensation and performance management changes.

DISCUSSION:

The paper outlines a number of compensation-related issues CLBC faces and recommendations for change. These issues originate from the pay model that was initially approved by PSEC on the recommendations of MCFD in 2004 and include the following:

- VP pay levels lagging behind Government ADMs.
- Variable incentive pay applied more as an 'entitlement' due to inconsequential bonus amounts.
- A need to apply greater rigour to CLBC's performance management system to take into account corporate, team, and individual goal achievement as well as competency in doing the job.
- PSEC mandate salary increases that have resulted in across-the-board salary adjustments for all excluded employees; need to make use of future dollars in a way that recognizes and distinguishes high performers.

The paper sets out a justification and methodology for how CLBC would move away from variable incentive pay to a more rigorous performance-based rewards system.

RECOMMENDATION:

For information.



Governance & Human Resources Committee Meeting of: July 27, 2011

Report

EXCLUDED TOTAL COMPENSATION PHILOSOPHY

INTRODUCTION

The Board of Directors, under its Charter, is responsible for compensation plans for the CLBC Executive. It also reviews all decisions regarding the salary plan established for all excluded employees.

The Board established a Governance and Human Resources Committee of the Board. In their role, this committee reviews compensation plans and brings such recommendations as they deem appropriate to the Board of Directors for review and approval.

CLBC is committed to providing excluded employees total compensation opportunities that are competitive, equitable, and consistent throughout all levels. We are also committed to ensuring an open and transparent communication process to all staff on an ongoing and timely basis.

Our total compensation strategy at CLBC is guided by the following principles:

- It is aligned with and supports CLBC's short and long-term strategies and objectives
- It is responsive to the different markets in which we compete
- It is managed on a total compensation basis
- It values cost effectiveness and ease of administration
- It recognizes differences in performance and reinforces desired behaviours
- It is communicated clearly and consistently
- It provides a competitive base level of salary and benefits
- It is approved by the CLBC governance model.

COMPENSATION PHILOSOPHY FOR CLBC EXCLUDED STAFF

Purpose

The purpose of a Compensation Philosophy statement is to detail goals and principles in regard to Excluded Staff Compensation. CLBC's philosophy statement is intended to be a map or a guide in making effective compensation decisions that recognize employees for business and service results on behalf of our stakeholders.

Our compensation strategy differentiates and rewards outstanding performance as defined by the achievement of short and long-term business goals while demonstrating competency on the job. Our benefits strategy is to provide competitive, cost effective benefits that will help to attract and retain these employees.

CLBC employee compensation programs are a vital component in attracting the talent necessary to grow and further the strategic interests of CLBC. Our compensation programs are also an important factor in the retention of productive and talented employees so they can continue their employment with CLBC and provide enhanced service to our clients and stakeholders.

Finally, the compensation plan is designed to motivate, engage, and recognize employees who achieve targeted results in a way that exemplifies our values and expected behaviours. On an ongoing basis compensation will be commensurate with the overall performance of CLBC, teams and individual employee contribution.

Definitions and Process

CLBC will make **Total Compensation** comparisons with the approved comparator group. In the broader market Total Compensation includes the following elements:

Direct Compensation includes Base Salary or Differential Pay (such as overtime, pay in lieu of vacation, benefits or overtime, shift differentials or on-call payments) and Variable Pay (such as stipends allowances, performance pay, recognition awards, incentive bonus or retention bonus).

Indirect Compensation includes pay for time at work (such as work breaks, CLBC events, training and education leave) and pay for time not at work (such as sick leave, vacation, statutory holidays, compensatory time, professional development time, paid special leave, compassionate leave, family illness leave, child care leave or elder care leaves and any other paid leaves).

Employer Paid Group Benefits include the employer costs associated with benefits provided to employees (such as BC Medical, Extended Health and Dental, Group Life Insurance, Long Term Disability and a defined benefit pension plan). The benefits package at CLBC remains consistent with comparable public sector employers in terms

of breadth, depth and costs. There may be opportunities to modify the current structure to increase flexibility and changes may be introduced on a zero cost basis.¹

Other important factors such as work/life balance, alternative work arrangements, access to developmental opportunities and flexible work hours contribute to CLBC's employee friendly culture and assist in terms of attraction and retention.

CLBC salary ranges are defined through a process that values external comparability (external market data) and internal equity (job evaluation). CLBC has determined that an equal balance between internal equity and external competitiveness is appropriate. Cash compensation changes are based on employee performance.

Internal Relativity and Equity

CLBC maintains systems to ensure that the relative value of all jobs, roles and functions are correctly ranked in relation to one another in an equitable, gender neutral, consistent and effective manner, and properly recognizes those aspects of work which are valued by the organization.

Internal values are determined by an ongoing job evaluation of the responsibilities and accountabilities of positions.

Individual equity is achieved by ensuring that the actual salary awarded within the respective salary range reflects increasing levels of competence and individual performance. Salary is reflective of the employee's contribution and value and increases as his or her competencies² grow and performance goals are achieved.

External Relativity

CLBC competes for talent across the Province but with a concentration in the Lower Mainland.

Benchmark positions are used for comparison with external public sector compensation data. These include positions at the Executive level, Director level and Manager level as well as ensuring all functional classifications are represented.

There are three groupings of comparators:

Crown agencies such as BC Housing, BC Assessment Authority, BC Safety Authority, Land Title and Survey Authority and Legal Services Society are similarly sized Crown entities and reasonable comparators in terms of the BC market.

¹ CLBC is currently exploring options for increasing choice in Health & Welfare plans without incurring additional costs. This is a joint Union- Management initiative the results of which will apply to both included and excluded staff.

² CLBC is developing job-specific competencies that describe expected knowledge, skills and abilities associated with jobs. Core and leadership competencies currently exist but proficiency levels need to be aligned with jobs to clearly outline proficiency levels as part of job performance expectations.

A cross-section of BC municipalities is included as comparable employers and augmented by inclusion of the Northern Health Authority.

The Provincial Government, as the sole shareholder with similar functions is also included.

The composition and weighting assigned to each grouping of employers is noted in Table 1.

TABLE 1—Board Approved Market Comparators and Weightings

Comparator Group	BC Government	BC Non-Commercial Crowns	Select BC Municipalities, Health Authorities, School Districts
Weighting	40%	40%	20%
Employers	BC Gov't	BC Assessment	City of Prince George
		BC Housing	City of Vernon
		Legal Services Society	City of Maple Ridge
		BC Safety Authority	City of Richmond
		Land Title & Survey Auth.	City of Saanich
		BC Pavilion Corporation	Northern Health Authority

External data reviews will take place every 2-3 years.

Target Compensation

The goal of CLBC's total compensation program is to target our programs to be **the median (50th percentile) of the defined external marketplace in terms of total compensation.** This target level is reviewed to ensure it remains valid and competitive and may need to be adjusted as business and market conditions change.³

³ The 50th percentile is common among crown agencies and represents a level that allows the organization to compete successfully for talent on a scale that is felt to be acceptable to Government and CLBC's stakeholders.



INTEGRATION OF THE EXCLUDED VARIABLE PAY INCENTIVE INTO SALARY

Goal

CLBC is currently refreshing its organizational philosophy for compensation and performance management for approval of PSEC. The previous plan, in place since approved by PSEC in 2004, requires updating to include a more strategic alignment between corporate, team and individual goals and interests, and a consideration of compensation and performance management best practices.

A first strategy for CLBC is to amend the manner in which the total compensation is allocated for excluded staff at CLBC. Using a net zero mandate, as required by PSEC, CLBC is proposing to integrate the current re-earnable incentive pay into base salary, maintaining total compensation at the same level for each employee.

Background

In April 2004, PSEC approved a Compensation Plan developed by MCFD respecting base salary and variable/at-risk compensation (incentive) for executive levels of the organization outlined in Table 1 below.

Table 1—PSEC Recommendations for Executive Salary and Incentive

Position	Cash Compensation (not including benefits) ¹	Variable or At Risk Compensation
CEO	\$150,000 to \$195,151	Discontinued in 2009/10
VP/CFO/COO	\$115,900 to \$137,977	Up to 10% of Base Salary
Senior Corporate Director	\$ 99,343 to \$121,419	Up to 5% of Base Salary
Senior Manager	\$ 62,917 to \$ 89,133	Up to 5% of Base Salary ²
Senior Advisor	\$ 55,190 to \$ 77,267	Up to 5% of Base Salary ²

The VP salary level was based on comparison with ADM salaries at that time. Since 2004, salary increases at CLBC have been granted within mandate, but all salaries have remained within the range established in 2004, while the scope and responsibilities of the VP positions at CLBC have changed significantly. CLBC maintains a continued commitment to maintaining salaries at the 50th percentile of their comparator group,

¹ As at March 31, 2010

² The original approved plan did not include re-earnable incentive pay for positions below the Director level. CLBC introduced a 5% re-earnable incentive for senior managers and advisors in its first year of operation. The salary ranges were reduced dollar for dollar to create the incentive amount.

including the ADM salary levels. The latter are currently in the range \$140,000 - \$160,000 (salary not including benefits) for the most relative band.

In reviewing best practices on performance management, CLBC is interested in establishing a values-based leadership philosophy, and enhancing its performance management process as an integral part of the day-to-day approach of the team, rather than an annual event to achieve a compensation outcome.

The organization's performance management philosophy includes training managers to give and receive feedback, aligning personal goals and values to that of the organization, a transparent accountability framework, encouraging employee participation and ownership of the process and linking performance management to the overall human resource system of recruitment, engagement, development and succession planning.

Proposed Approach

The current re-earnable incentive component of CLBC's performance management system has not achieved its desired outcomes. Since it has been put in place, arguably it has been seen as an entitlement, provided at the same level annually for all management staff – and CLBC is interested in establishing a more rigorous plan going forward. Coupled with the Board approach for a renewed consideration of both compensation and performance management, is the interest to align the performance management approach for all staff, beginning with consistency of approach to that of the CEO, whose incentive bonus was integrated into base pay in 2009.

CLBC will utilize the same methodology employed to integrate the CEO base salary with the re-earnable bonus in 2009. That is, the total compensation, which is made up of salary, benefits, pension and all other income, will remain constant with the total compensation in place prior to the realignment, and reported to PSEC in 2010 and 2011. (Sample calculation for VP level is attached). The salary range for each of these levels will be adjusted and an amount added to the salary of each excluded member.

CLBC proposes to conduct the analysis and make the changes beginning with the first salary payment in fiscal 2012-13 (April 1, 2012).

On a go-forward basis, CLBC's methodology for adjusting excluded employee salaries will take into account both achievement of organizational, team and individual goals, as well as competency in performing the job in terms of organizational values.

Any increases granted through future mandates will be allocated based on the best interests of the organization and staff, and as approved by PSEC.

Conclusion

CLBC believes this approach a) is consistent with the current net zero mandate; b) is a better alignment of the organization from the most senior levels; c) will be supported by staff; d) will be acceptable to stakeholders; and e) sets the stage for a renewed philosophy on compensation and performance management.

Sample Calculation: VP Level Variable Pay into Salary

Current Compensation		Incentive
Base Salary	\$137,842	
Benefits	\$ 15,769*	
Bonus	\$ 13,784	10%
Total Compensation	\$167,395	

New Scenario		%	Benefits Components
Maximum Total Comp	\$167,395		
Current Base Salary	\$137,842		
Benefits	\$ 15,769*		
Bonus	0		
Sub Total	\$153, 611		
Amount remaining	\$ 13,784		
Incremental cost impact on wage related benefits of moving bonus to base	\$1,415	11.44%	Pension 9.13%, LTD 1.57%, WCB 0.74%
Bonus amount moved to Base Salary	\$ 12,370		
New Base Salary	\$150,212		

New Total Compensation \$166,373



GOVERNANCE & HR COMMITTEE
Meeting of: September 28, 2011
BRIEFING NOTE

ISSUE:

Variable Pay Component of Proposed Compensation Philosophy

BACKGROUND:

CLBC is seeking approval to restructure its excluded compensation by integrating the re-earnable variable pay incentive into salary.

At the July 27th meeting, the Committee agreed to seek government approval to integrate variable pay into salary as a first step in drafting a Compensation Philosophy. On the recommendation of the Crown Corporation Employers' Association (CCEA), Carol Goozh and Marsha Goldford met with Tom Vincent, VP and Christina Zacharuk, Executive Director of PSEC on September 1st to seek advice on how best to proceed. The outcome of this meeting is outlined below.

DISCUSSION:

A number of issues related to the current pay model were identified at the PSEC meeting:

- VP pay levels at CLBC are lagging behind government ADMs.
- Due to low bonus percentages, challenging goals, and demanding workloads, variable incentive pay has been applied more as an 'entitlement' than a 'reward'.
- There is inconsistency in application; CEO variable pay was integrated into salary in 2009/10.
- There is a need to apply greater rigour to CLBC's performance management system to take into account corporate, team and individual goal achievement as identified in an Auditor General Review of Crown agencies in 2009, as well as competency in doing the job.
- PSEC-mandated salary increases have resulted in across-the-board salary increases for all excluded employees; CLBC needs to make use of future dollars in a way that recognizes and distinguishes high performers using a simpler and more familiar system of merit adjustments.

PSEC indicated support for the proposal provided that MSD also supports it; and suggested that CLBC use a three year average of actual total bonuses paid such that total compensation is maintained at the same level for each excluded employee. Carol was asked to send a note to Tom Vincent outlining the details of how variable pay will be integrated into pay for all excluded employees. CLBC to seek the Ministry's support to proceed and then follow up for final approval with PSEC.

RECOMMENDATION:

For Discussion.

Date Prepared: September 12, 2011
CLBC Contact: Marsha Goldford, Director of Human Resources
Telephone Number: 604-664-0169



GOVERNANCE & HR COMMITTEE
Meeting of: November 23, 2011
BRIEFING NOTE

ISSUE:

Variable Pay to Salary

BACKGROUND:

On October 21st, Minister Cadieux requested, and the Board Chair agreed, that CLBC discontinue its variable pay plan and that the Board should determine the method to do so.

Prior to this announcement, at its July 27th meeting the G&HR Committee had agreed to seek Government approval to integrate variable pay into salary as a first step in drafting a Compensation Philosophy. Carol Goozh and Marsha Goldford met with Tom Vincent, VP, and Christina Zacharuk, Executive Director of PSEC on Sep 1st to seek advice on how best to proceed.

DISCUSSION:

Management is presenting two options for the Board's consideration based on a number of factors

s.13, s.14

s.13



There are two options for consideration:

1)

s.13

2) Integrate an equivalent amount of variable pay into individuals' salaries, pension, and benefits based on guidance from PSEC.

Management recommends Option 2

s.13

RECOMMENDATION:

For discussion.



GOVERNANCE & HR COMMITTEE

Meeting of January 24, 2012

BRIEFING NOTE

ISSUE:

Compensation: Performance-based Excluded Salary Adjustments

BACKGROUND:

Historically, excluded staff has received an annual variable pay incentive tied to the achievement of work goals; base pay increases have been across-the-board and, in the case of new managers, salaries have been adjusted to reflect competency following a period of orientation and training. With the removal of variable pay, salary adjustments or 'merit' becomes the sole means of acknowledging and rewarding individual performance. CLBC has a set of leadership competencies which include behavioural anchors that clearly describe performance expectations for the organization's leaders; these require some review and validation after four years of application. Technical competencies are yet to be developed.

A working group of excluded managers was struck and began working with CLBC's compensation consultant, SEAB Consulting in late October to design a methodology. This methodology will ultimately form part of CLBC's Compensation Philosophy.

DISCUSSION:

The proposed methodology will link performance and reward, with performance defined both in terms of achievement of results (the what) and demonstration of competencies (the how).

The plan proposes the use of compa-ratios vs. pre-determined steps to award salary increases. Compa-ratios express salary relative to the range control point, which in CLBC's case is the top of the range. They are scalable in that they allow for higher increases for entry level and lower paid employees as they achieve a greater level of competency in the job. They also offer a means of comparing salary compensation at the group level to identify discrepancies and encourage consistent treatment across groups.

s.13



s.13

RECOMMENDATION:

For discussion.

¹ SMART – Specific, measurable, achievable, relevant and time-bound

Date Prepared: January 9, 2012

CLBC Contact: Marsha Goldford, Director of Human Resources

Telephone Number: 604-664-0169



GOVERNANCE & HR COMMITTEE
Meeting of: January 24, 2012
BRIEFING NOTE

ISSUE:

CLBC Restructuring of Excluded Compensation by Integrating Variable (“at risk pay”) into Salary

BACKGROUND:

On July 27, 2011 the Committee directed management to seek Government approval to integrate the variable pay component into salary as a first step towards establishing a comprehensive compensation philosophy which better acknowledged and aligned total employee reward with CLBC objectives. An initial meeting took place in September 2011 with PSEC staff, where support for the approach was indicated, dependent on MSD agreement

On October 21 2011, Minister Cadieux requested, and the Board Chair agreed, that CLBC discontinue its variable pay plan and that the Board determine a method to do so.

The issue was reviewed during the Committee meeting of November 23, 2011. s.14

The Committee indicated support for

the plan to move variable pay into salary, pending further information and clear support from MSD and PSEC.

DISCUSSION:

s.14

As discussed during the November Committee meeting, s.13

Currently, excluded salaries

for managers and VP’s are below those of their counterparts in the Public Service, and would remain so with the incorporation of variable pay into salary. s.13



Discussions have taken place with PSEC and MSD staff on the possibility of rolling variable pay into salary. Senior staff in both organisations have indicated verbal support for the plan and have requested a written submission outlining the methodology that CLBC would use.

A formal outline of the methodology for the incorporation of variable pay into salary for forwarding to PSEC and MSD is attached, for the Committee's approval prior to forwarding to PSEC and MSD.

If the variable pay is incorporated into excluded staff salaries, the VP and manager pay grid will continue to lag somewhat behind equivalent positions in the public service. The top range for Director salaries would be adjusted downward, to bring this pay category in line with that of equivalent positions in the Public Service. These factors would need to be considered by the Committee at a future date, as the organization develops and implements a revised CLBC compensation philosophy.

RECOMMENDATION:

That the Committee approve the methodology for the incorporation of variable pay into salary for forwarding to PSEC and MSD.

Pages 72 through 79 redacted for the following reasons:

s.14



BRIEFING NOTE JANUARY 6, 2012

ISSUE:

CLBC restructuring of excluded compensation by integrating the variable pay incentive into salary.

BACKGROUND:

At its July 27, 2011 meeting, the CLBC Board Governance & Human Resources Committee directed management to seek Government approval to integrate the variable pay component into salary as a first step towards establishing a comprehensive Compensation Philosophy which better acknowledged and aligned total employee reward with CLBC objectives. An initial meeting took place in September 2011 with CLBC and PSEC senior staff, where support for the approach was indicated, dependent on MSD agreement.

On October 21st, Minister Cadieux requested, and the CLBC Board Chair agreed, that CLBC discontinue its variable pay plan and that the Board should determine the method to do so.

DISCUSSION:

During the CLBC Board's annual review of CLBC's compensation philosophy, a number of issues were identified with the CLBC re-earnable variable pay system:

- Due to low bonus percentages, disparities in some CLBC and public sector excluded salaries, challenging goals and demanding workloads, variable incentive pay program at CLBC had historically been applied more as an 'entitlement' than a 'reward'.
- There was inconsistency in application; CEO variable pay was integrated into salary in 2009-10.
- There was a need to apply greater rigour to CLBC's performance management system to take into account corporate, team and individual goal achievement as identified in an Auditor General Review of Crown agencies in 2009, as well as competency in doing the job.

In restructuring the variable pay system, two alternatives were considered:

s.13, s.14

ELIMINATE VARIABLE PAY AND ROLL INTO BASE SALARY

Using the net zero mandate, CLBC is proposing to integrate the current re-earnable variable incentive pay into base salary. A portion of the current budget for variable pay will be used to pay the employer's benefit and pension costs, resulting in CLBC public sector salary reporting for most excluded employees to be slightly lower than in previous years.

The recommended methodology would see CLBC calculate a three year average of bonuses paid to each staff and apply the resulting average annual percentage increase to each excluded employee's current salary, less a portion of salary related to benefits and pension. CLBC salary grids for Managers and VPs would be adjusted to incorporate these increases. The upper range for CLBC Director salaries would be downgraded, as inconsistencies have been identified with the public service pay range for this category.

CLBC proposes to take the following actions:

1. Calculate the three-year average percentage variable pay issued to excluded employees at the Manager, Director and VP levels in 2008/9, 2009/10 and 2010/11.
2. Apply the above group average to each eligible excluded employee's current salary and determine the salary increase less the portion attributable to benefits and pension.
3. Increase the pay grid of CLBC Manager and VP levels by 5% and 10% respectively, to reflect the incorporation of variable pay into salary. The upper range of the Director salary would be downgraded to be more in line with that of the public service, while ensuring that the current CLBC Regional Directors (current actual salary \$110,000) do not experience a compensation reduction.
4. Timing of the change would be subject to direction of the Ministry of Social Development.
5. CLBC would increase salaries for the current fiscal which would result in a lump sum retroactive pay to April 1, 2011 for excluded staff.

The above methodology does not require additional funds for compensation for excluded employees.

RECOMMENDATION:

The CLBC Board recommends that PSEC and the Ministry of Social Development approves CLBC to integrate an equivalent amount of variable pay into individuals' salaries, pension, and benefits retroactive to April 1, 2011 as outlined above. The change is to be completed for all CLBC excluded staff in fiscal 11/12, timing as advised by MSD.



Table 1—CLBC Excluded Salary and Incentive Plan: Salary Grid Adjustments/Public Service Comparison

CLBC Position	CLBC Cash Compensation (not including variable pay)	CLBC Variable or At Risk Compensation	CLBC Adjusted* Salary Maximums (including variable pay)	BC Public Service Salary Max.
VP/CFO/COO (ADM)	\$115,900 to \$137,977	Up to 10% of Base Salary	\$150,212	\$165,000
Senior Director	\$ 99,343 to \$121,419	Up to 5% of Base Salary	\$114,867	\$113,073
Senior Manager	\$ 62,917 to \$89,133	Up to 5% of Base Salary	\$ 93,131	\$ 95,843
Manager/Snr Advisor	\$ 55,190 to \$ 77,267	Up to 5% of Base Salary	\$ 80,734	\$ 81,843

*Adjusted for benefits and pension calculation



GOVERNANCE & HR COMMITTEE
Meeting of: March 20, 2012
BRIEFING NOTE

ISSUE:

Variable Pay

BACKGROUND:

During the January 2012 Committee meeting, a proposal for the integration of variable pay into managers' salaries was approved. s.13

DISCUSSION:

The proposal for integrating variable pay into managers' salaries has been forwarded to PSEC and MSD. A response is pending.

s.13

RECOMMENDATION:

For information.



Minutes of the Board Governance & HR Committee
Wednesday, March 30, 2011

s.15

Attendees:

Jan Marston (Chair)
Denise Turner
Mark Duncan
Ernie Malone
Don Rowlatt

Staff

Carol Goozh, Vice President, Policy & Program Development
Marsha Goldford, Director of Human Resources
Penny Johnson, Recorder

Not Responsive

Page 85 redacted for the following reason:

Not Responsive



Not Responsive

c. Compensation Philosophy

Carol Goozh and Marsha Goldford presented a report of Executive Compensation. The employer association which CLBC joined in the last year is working to gain coherence in compensation philosophy with crown corporations it represents, and contracted with Mercer to make some recommendations; compensation philosophy varies widely between crown corporations; the Board has a responsibility to approve compensation philosophy for all exempt employees. The Committee agreed that CLBC's compensation philosophy needs to be revised, and the goal of the compensation philosophy is to attract, motivate, and retain good employees. The Committee directed Management to draft a compensation philosophy for deliberation at the May Committee meeting. The draft compensation philosophy should contain clear philosophical statements, include timelines and what comprises our compensation. Management was encouraged to include options.

Marsha Goldford left the meeting.

Not Responsive



Not Responsive

There being no further business to discuss, the meeting was adjourned at 11:30 a.m.

The next meeting is scheduled for Wednesday, May 25, 2011 at 8:30 a.m.



Minutes of the Board Governance & HR Committee
Wednesday, May 25, 2011

s.15

Attendees:

Jan Marston (Chair)
Denise Turner
Mark Duncan
Ernie Malone
Don Rowlatt
Elizabeth Hunt

Staff

Rick Mowles, CEO
Carol Goozh, Vice President, Policy & Program Development
Marsha Goldford, Director of Human Resources
Penny Johnson, Recorder
Sylena Zumaeta, Executive Assistant

Call to Order:

The Chair called the meeting to order at 8:30 a.m. and welcomed the members.

Not Responsive



Not Responsive

b. Compensation Philosophy

Bruce Clow of SEAB Solutions Inc., and Denise Turner joined the meeting at 8:40 a.m.

Carol Goozh introduced Bruce Clow who has been contracted to assist in developing a compensation philosophy for CLBC. Bruce Clow presented an overview of the reports (CLBC Compensation Options 2011, CLBC Draft Compensation Philosophy and Comments 2011) he prepared, and answered questions.

The Committee agreed that Management should bring back a revised draft compensation philosophy for presentation at either the July or September meeting.

The Chair thanked Bruce Clow, and he and Denise Turner left the meeting at 10:00 a.m.

Not Responsive



Not Responsive



Not Responsive

Adjournment

There being no further business to discuss, the meeting was adjourned at 11:35 a.m.

The next meeting is scheduled for Wednesday, July 27, 2011 at 8:30 a.m.



Minutes of the Board Governance & HR Committee
Wednesday, July 27, 2011

s.15

Attendees:

Jan Marston (Chair)
Denise Turner
Mark Duncan
Ernie Malone
Don Rowlatt
Elizabeth Hunt

Staff

Carol Goozh (VP, Policy & Program Development)
Marsha Goldford (Director of Human Resources)
Penny Johnson (Recorder)

Call to Order:

The Chair called the meeting to order at 8:00 a.m. and welcomed the members.

Not Responsive



Not Responsive

b. Compensation Philosophy

Carol Goozh presented the proposed compensation philosophy which took into account feedback from the Committee. The compensation philosophy was written as if it were CLBC's compensation philosophy, with variable pay no longer included.

After a full discussion, the Committee agreed that CLBC should eliminate variable pay and use the same compensation philosophy for all excluded staff. CLBC and its Board will work with PSEC to establish a robust compensation philosophy. Management will prepare the compensation philosophy and submission for PSEC, making it clear that the change in CLBC's compensation philosophy is net zero, and present it for review at the next Committee meeting.

Not Responsive

Page 94 redacted for the following reason:

Not Responsive



Not Responsive

Adjournment

There being no further business to discuss, the meeting was adjourned at 12:35 p.m.

The next meeting is scheduled for Wednesday, September 28, 2011 at 8:00 a.m.



Minutes of the Board Governance & HR Committee
Wednesday, September 28, 2011

s.15

Attendees:

Jan Marston (Chair)
Denise Turner
Mark Duncan
Ernie Malone
Don Rowlatt
Elizabeth Hunt

Presentations

Liz Watson, Watson Advisors Inc.

Staff

Rick Mowles (CEO)
Carol Goozh (VP, Policy & Program Development)
Marsha Goldford (Director of Human Resources)
Penny Johnson (Recorder)

Call to Order:

The Chair called the meeting to order at 8:00 a.m. and welcomed the members.

Not Responsive



Not Responsive

b. Variable Pay Component of Proposed Compensation Philosophy

Carol Goozh presented an update on the steps required to implement CLBC's proposed compensation philosophy. Marsha Goldford and Carol Goozh met with PSEC which was supportive of aligning all compensation in a manner consistent with that of the CEO (where base salary includes any variable pay component that had in prior years been shown separately, pending MSD approval, which is not forthcoming at this time, and requested that a proposal be brought forward in a few month's time.

In the meantime, a procedure will be developed to determine a process for how excluded staff would be able to understand the process for possible advancement in their respective pay grids.

Not Responsive



Not Responsive

Adjournment

There being no further business to discuss, the meeting adjourned at 11:50 a.m.

The next meeting is scheduled for Wednesday, November 23, 2011 at 1:00 p.m.



Minutes of the Board Governance & HR Committee
Tuesday, January 24, 2012

s.15

Attendees:

Jan Marston (Chair)
Mark Duncan
Ernie Malone
Elizabeth Hunt

Regrets

Don Rowlatt

Staff

Doug Woollard (Interim CEO)
Carol Goozh (VP, Policy & Program Development)
Marsha Goldford (Director of Human Resources)
Penny Johnson (Recorder)

Call to Order:

The Chair called the meeting to order at 8:15 a.m. and welcomed the members.

Not Responsive



Not Responsive

b. Compensation: Performance Based Excluded Salary Adjustments

Carol Goozh and Marsha Goldford presented the proposed system to define how merit pay increases will be achieved for excluded employees. Work has been going forward with a consultant to develop a best practice performance based pay system which would provide criteria for how excluded staff move up their pay grids. .

s.13

Not Responsive

Page 101 redacted for the following reason:

Not Responsive



Not Responsive

c. Restructuring of Excluded Compensation by Integrating Variable (“at risk pay”) into Salary

Carol Goozh presented the briefing note to MSD regarding the plan to restructure excluded compensation by integrating variable pay into salary.

Motion:

It was **MOVED** and **SECONDED** that the Committee approve a methodology which incorporates variable pay into base salary on a net zero mandate when considering the impacts of benefits and pension subject to the approval of PSEC and MSD, and based on a time table as directed by MSD.

CARRIED

The Committee directed Management to prepare FAQs to support a consistent, fulsome, informed response on the issue (if required) and that Management would share same with MSD.

Not Responsive

Adjournment

There being no further business to discuss, the meeting adjourned at 12:15 p.m.

The next meeting is scheduled for Tuesday, March 20, 2012.



**Minutes of the Board Governance & HR Committee
Tuesday, March 20, 2012
Hudson Boardroom, CLBC HQ**

Attendees:

Jan Marston (Chair)
Mark Duncan
Ernie Malone
Don Rowlatt

Regrets

Elizabeth Hunt

Staff

Carol Goozh (VP, Policy & Program Development)
Marsha Goldford (Director of Human Resources)
Penny Johnson (Recorder)

Call to Order:

The Chair called the meeting to order at 1:15 p.m. and welcomed the members.

1. Agenda:

The Agenda was reviewed and accepted by the Members as revised:

- Move Item 3d Variable Pay to Board Meeting to be held this evening

2. Approval of Minutes:

The Minutes of the January 24, 2012 meeting of the Committee were reviewed and the following revisions were proposed:

Not Responsive

Item 5c – Replace last paragraph with: “The Committee directed Management to prepare FAQs to support a consistent, fulsome, informed response on the issue (if required), and Management will share same with MSD.”

Not Responsive

Page 104 redacted for the following reason:

Not Responsive



Not Responsive

Adjournment

There being no further business to discuss, the meeting adjourned at 3:30 p.m.

The next meeting is scheduled for Tuesday, May 22, 2012.

Johnson, Penny CLBC:EX

From: Goozh, Carol J CLBC:EX
Sent: Friday, January 27, 2012 3:14 PM
To: Vincent, Tom PSEC:EX; Sieben, Mark MSD:EX
Cc: Woollard, Doug CLBC:EX
Subject: CLBC Compensation



BN CLBC
Compensation jan201

Attached is CLBC's proposal for addressing the issues associated with the discontinuation of the CLBC variable ("at risk") pay for excluded staff.

This methodology has been approved by the CLBC board and we are seeking support from MSD and PSEC.

Please contact us if you have questions or concerns.

Regards,

Carol Goozh
Vice President, Policy and Program Development
Community Living BC
7th floor, 1200 West 73rd Avenue
Vancouver, BC V6P 6G5
phone: (604) 664-0101 fax: (604) 664-0765
E-Mail: Carol.Goozh@communitylivingbc.ca

Regards,

Carol Goozh
Vice President, Policy and Program Development
Community Living BC
7th floor, 1200 West 73rd Avenue
Vancouver, BC V6P 6G5
phone: (604) 664-0101 fax: (604) 664-0765
E-Mail: Carol.Goozh@communitylivingbc.ca



BRIEFING NOTE JANUARY 25, 2012

ISSUE:

CLBC restructuring of excluded compensation by integrating the variable pay incentive into salary.

BACKGROUND:

At its July 27, 2011 meeting, the CLBC Board Governance & Human Resources Committee directed management to seek Government approval to integrate the variable pay component into salary as a first step towards establishing a comprehensive Compensation Philosophy which better acknowledged and aligned total employee reward with CLBC objectives. An initial meeting took place in September 2011 with CLBC and PSEC senior staff, where support for the approach was indicated, dependent on MSD agreement.

On October 21st, Minister Cadieux requested, and the CLBC Board Chair agreed, that CLBC discontinue its variable pay plan and that the Board should determine the method to do so.

DISCUSSION:

During the CLBC Board's annual review of CLBC's compensation philosophy, a number of issues were identified with the CLBC re-earnable variable pay system:

- Due to low bonus percentages, disparities in some CLBC and public sector excluded salaries, challenging goals and demanding workloads, variable incentive pay program at CLBC had historically been applied more as an 'entitlement' than a 'reward'.
- There was inconsistency in application; CEO variable pay was integrated into salary in 2009-10.
- There was a need to apply greater rigour to CLBC's performance management system to take into account corporate, team and individual goal achievement as identified in an Auditor General Review of Crown agencies in 2009, as well as competency in doing the job.

In restructuring the variable pay system, two alternatives were considered:

s.13

ELIMINATE VARIABLE PAY AND ROLL INTO BASE SALARY

Using the net zero mandate, CLBC is proposing to integrate the current re-earnable variable incentive pay into base salary. A portion of the current budget for variable pay will be used to pay the employer's benefit and pension costs, resulting in CLBC public sector salary reporting for most excluded employees to be slightly lower than in previous years.

The recommended methodology would see CLBC calculate a three year average of bonuses paid to each staff and apply the resulting average annual percentage increase to each excluded employee's current salary, less a portion of salary related to benefits and pension. CLBC salary grids for Managers and VPs would be adjusted to incorporate these increases. The upper range for CLBC Director salaries would be downgraded, as inconsistencies have been identified with the public service pay range for this category.

CLBC proposes to take the following actions:

1. Calculate the three-year average percentage variable pay issued to excluded employees at the Manager, Director and VP levels in 2008/9, 2009/10 and 2010/11.
2. Apply the above group average to each eligible excluded employee's current salary and determine the salary increase less the portion attributable to benefits and pension.
3. Increase the pay grid of CLBC Manager and VP levels by 5% and 10% respectively, to reflect the incorporation of variable pay into salary. The upper range of the Director salary would be downgraded to be more in line with that of the public service, while ensuring that the current CLBC Regional Directors (current actual salary \$110,000) do not experience a compensation reduction.
4. Timing of the change would be subject to direction of the Ministry of Social Development.
5. CLBC would increase salaries for the current fiscal which would result in a lump sum retroactive pay to April 1, 2011 for excluded staff.

The above methodology does not require additional funds for compensation for excluded employees.

RECOMMENDATION:

The CLBC Board recommends that PSEC and the Ministry of Social Development approves CLBC to integrate an equivalent amount of variable pay into individuals' salaries, pension, and benefits retroactive to April 1, 2011 as outlined above. The change is to be completed for all CLBC excluded staff in fiscal 11/12, timing as advised by MSD.



Table 1—CLBC Excluded Salary and Incentive Plan: Salary Grid Adjustments/Public Service Comparison

CLBC Position	CLBC Cash Compensation (not including variable pay)	CLBC Variable or At Risk Compensation	CLBC Adjusted* Salary Maximums (including variable pay)	BC Public Service Salary Max.
VP/CFO/COO (ADM)	\$115,900 to \$137,977	Up to 10% of Base Salary	\$150,212	\$165,000
Senior Director	\$ 99,343 to \$121,419	Up to 5% of Base Salary	\$114,867	\$113,073
Senior Manager	\$ 62,917 to \$89,133	Up to 5% of Base Salary	\$ 93,131	\$ 95,843
Manager/Snr Advisor	\$ 55,190 to \$ 77,267	Up to 5% of Base Salary	\$ 80,734	\$ 81,843

*Adjusted for benefits and pension calculation

From: Goozh, Carol J CLBC:EX
Sent: Tuesday, March 13, 2012 4:34 PM
To: Vincent, Tom PSEC:EX
Cc: Sieben, Mark MSD:EX; Woollard, Doug CLBC:EX
Subject: RE: CLBC Compensation

Carol

From: Vincent, Tom PSEC:EX
Sent: Tuesday, March 13, 2012 12:59 PM
To: Goozh, Carol J CLBC:EX
Cc: Sieben, Mark MSD:EX
Subject: RE: CLBC Compensation

Tom

From: Goozh, Carol J CLBC:EX
Sent: Friday, January 27, 2012 3:14 PM
To: Vincent, Tom PSEC:EX; Sieben, Mark MSD:EX
Cc: Woollard, Doug CLBC:EX
Subject: CLBC Compensation

Regards,

Carol Goozh
Vice President, Policy and Program Development
Community Living BC
7th floor, 1200 West 73rd Avenue
Vancouver, BC V6P 6G5
phone: (604) 664-0101 fax: (604) 664-0765
E-Mail: Carol.Goozh@communitylivingbc.ca

Regards,

Carol Goozh
Vice President, Policy and Program Development
Community Living BC
7th floor, 1200 West 73rd Avenue
Vancouver, BC V6P 6G5
phone: (604) 664-0101 fax: (604) 664-0765
E-Mail: Carol.Goozh@communitylivingbc.ca

From: Vincent, Tom PSEC:EX
Sent: Monday, December 12, 2011 5:02 PM
To: Goozh, Carol J CLBC:EX
Cc: Howatson, Evan PSEC:EX; Zacharuk, Christina EDUC:EX; Woollard, Doug CLBC:EX
Subject: RE: Variable Pay- CLBC

Tom

From: Goozh, Carol J CLBC:EX
Sent: Monday, December 12, 2011 4:54 PM
To: Vincent, Tom PSEC:EX
Cc: Howatson, Evan PSEC:EX; Zacharuk, Christina PSEC:EX; Woollard, Doug CLBC:EX
Subject: RE: Variable Pay- CLBC

- We will follow up this note with a formal proposal. We would appreciate any recommendations you would have in that regard.
- We do not yet have formal approval from MSD. That would be our next step. Our indications from MSD are that they are supportive, but that the timing for the change needs to be determined.
- The proposal is to not make any more incentive payments- as the last incentive payment was made for work ending March 31, 2011, the average incentive payment for the last three years minus the employer's contribution for benefits and pension would be rolled into eligible excluded staff's salary effective April 1, 2011. This would result in a onetime lump sum salary adjustment payment sometime between now and March 31, 2012, with the timing dependent on direction from MSD.
- You are right, there is no added cost to this change. In fact by doing a three year average the actual cost may be less than the incentive paid last year. There would be a \$310,000 annual expenditure for this salary adjustment, which is the amount current budgeted for the CLBC variable pay plan.

Carol.

From: Vincent, Tom PSEC:EX
Sent: Friday, December 9, 2011 6:01 PM
To: Goozh, Carol J CLBC:EX
Cc: Howatson, Evan PSEC:EX; Zacharuk, Christina PSEC:EX
Subject: RE: Variable Pay- CLBC

This sounds like a sound plan, Carol. A couple of questions:

- Is this the formal proposal that you'd like me to take forward for approval?
- Does the Ministry support it?
- I presume that the incentive pay earned in 11/12 would be prorated for the effective date when the program is discontinued. For example if it ended on March 1, 2012, any incentive pay would be paid out at whatever it would have been for the full year times eleven-twelfths. Am I understanding the proposal currently?
- I'm not clear why the proposal you describe would cost \$310,000 above budget. Shouldn't it be a net zero cost or perhaps even save money if you've budgeted for a full pay out of the maximum earnable incentive but will be moving to the average paid over the past three years? If it adds cost, that is a problem. Would you please explain this part of the proposal to me? I'm not understanding something.

Thanks,

Tom

[illegible]

From: Goozh, Carol J CLBC:EX

Sent: Friday, December 9, 2011 5:02 PM

To: Vincent, Tom PSEC:EX

Subject: Variable Pay- CLBC

Further to our discussions, this is to outline CLBC's plan to discontinue with its variable pay plan for executive management staff.

The recommended methodology would see CLBC calculate a three year average of actual total bonuses paid apply the resulting percentage against each excluded employee's current salary, less a portion of salary related benefits and pension.

CLBC proposes to take the following actions:

1. Calculate the three-year average percentage variable pay issued to excluded employees at each of the VP and Director/Manager levels in 2008/9, 2009/10 and 2010/11.
2. Apply the above average to each eligible excluded employee's current salary and determine the salary increase less the portion attributable to benefits and pension.
3. Timing of the change would be subject to direction of the Ministry of Social Development but preferably within the current fiscal year to honour the commitment made by Minister Cadieux on October 21, 2011 regarding the elimination of CLBC 'bonuses'.
4. CLBC would direct Payroll to increase salaries for the current fiscal which would result in a lump sum retroactive pay to April 1, 2011 and an increase to salary for the balance of the year.
5. The total compensation cost to the organization would be slightly less than \$310K, which is the amount budgeted at full levels for all 67 eligible excluded positions. Of these, 3 VP positions are at 10% and the balance of the positions is at 5%.

Please advise of PSEC support, subject to continued collaboration with MSD on next steps.

Regards,

Carol Goozh

Vice President, Policy and Program Development

Community Living BC

7th floor, 1200 West 73rd Avenue

Vancouver, BC V6P 6G5

phone: (604) 664-0101 fax: (604) 664-0765

E-Mail: Carol.Goozh@communitylivingbc.ca

From: Hunter, Richard CLBC:EX
Sent: Monday, February 27, 2012 9:20 AM
To: Goozh, Carol J CLBC:EX
Subject: FW: Bonus to salary

Richard Hunter
Vice President Corporate Services
Community Living British Columbia
Direct Line: 604-664-0104
Switchboard: 604-664-0101
Fax: 604-664-0765
www.communitylivingbc.ca

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From: Hunter, Richard CLBC:EX
Sent: Wednesday, February 8, 2012 10:34 AM
To: Goozh, Carol J CLBC:EX
Subject: Bonus to salary

Richard

CLBC Bonus Payments	2008/09	2009/10	2010/11	3-year Average
Vice Presidents	8.97%	10.00%	10.00%	9.66%
Directors	4.90%	5.00%	4.99%	4.96%
Managers	4.90%	4.97%	4.92%	4.93%

<i>Impact of Benefit Costs</i>	
LTD	1.86%
Pension	10.28%
Total	12.14%

Net % to be moved to salary

Vice Presidents	8.61%
Directors	4.43%
Managers	4.40%

Richard Hunter
Vice President Corporate Services
Community Living British Columbia
Direct Line: 604-664-0104
Switchboard: 604-664-0101
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Does your community include everyone?

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Johnson, Penny CLBC:EX

From: Goozh, Carol J CLBC:EX
Sent: Thursday, July 12, 2012 11:18 AM
To: Johnson, Penny CLBC:EX
Subject: FOI 00576
Attachments: Excluded - 2011-12-31.xls

From: Goldford, Marsha CLBC:EX
Sent: Tuesday, January 10, 2012 10:39 AM
To: Goozh, Carol J CLBC:EX
Subject: RE: Emailing: salarycomparison2009.pdf

I have the list attached (sorted by worksheet) and I will forward to you what Stuart Knittelfelder from PSA sent to me re the bands.

Marsha Goldford MPA CHRP

Director, Human Resources

Community Living BC

7th Flr. 1200 West 73rd Avenue

Vancouver, BC V6P 6G5

Phone: (604) 664-0169

Fax: (604) 664-0767

Cell: (604) 802-3158

email: Marsha.Goldford@gov.bc.ca

People are like stained-glass windows. They sparkle and shine when the sun is out, but when the darkness sets in, their true beauty is revealed only if there is a light from within. - Elizabeth Kubler-Ross

From: Goozh, Carol J CLBC:EX
Sent: Tuesday, January 10, 2012 10:30 AM
To: Goldford, Marsha CLBC:EX
Subject: FW: Emailing: salarycomparison2009.pdf

Thx- could you find an explanation to the bands for the ADM levels, similar to what you were able to get for the managers?

Also could you try to get the listing of excluded staff salaries asap- need it to make a decision about the director grid. Thanks.

From: Goldford, Marsha CLBC:EX
Sent: Tuesday, January 10, 2012 9:16 AM
To: Goozh, Carol J CLBC:EX
Subject: Emailing: salarycomparison2009.pdf

Per your request, here are the BC Public Service salaries for Deputy on down.

Marsha

Johnson, Penny CLBC:EX

From: Goldford, Marsha CLBC:EX
Sent: Tuesday, January 10, 2012 10:40 AM
To: Goozh, Carol J CLBC:EX
Subject: FW: ADM salary cap question

Marsha Goldford MPA CHRP

Director, Human Resources

Community Living BC

7th Flr. 1200 West 73rd Avenue

Vancouver, BC V6P 6G5

Phone: (604) 664-0169

Fax: (604) 664-0767

Cell: (604) 802-3158

email: Marsha.Goldford@gov.bc.ca

People are like stained-glass windows. They sparkle and shine when the sun is out, but when the darkness sets in, their true beauty is revealed only if there is a light from within. - Elizabeth Kubler-Ross

From: Knittelfelder, Stuart PSA:EX
Sent: Tuesday, January 10, 2012 7:47 AM
To: Goldford, Marsha CLBC:EX
Subject: ADM salary cap question

Marsha:

There is no "salary cap" per se, but this may just be our interpretation of the nomenclature.

Assistant Deputy Ministers are compensated on one of four bands (salary ranges). The highest is Band "D" that has a maximum of \$195,000 inclusive of a 10% holdback which means the maximum base pay is \$175,500. Band "D" is for the largest scope and most complex portfolios. In some cases the subordinate organization of a Band "D" ADM equates to a small sized ministry.

There is no actual cumulative salary cap (i.e. no rule that the collective total salary of all ADMs in a ministry cannot exceed "X" dollars).

Any questions, please feel free to call me directly.

Stuart Knittelfelder, Director

Total Compensation & Benefits, Talent Management Division, BC Public Service Agency

940 Blanshard Street, Victoria BC, V8W 9V1 / 250-356-1544 / 250-882-8252 (mobile)

MyHR@gov.bc.ca | 250.952.6000 | Toll Free 1.877.277.0772



Where ideas work

Johnson, Penny CLBC:EX

From: Goldford, Marsha CLBC:EX
Sent: Tuesday, January 10, 2012 11:06 AM
To: Goozh, Carol J CLBC:EX
Subject: FW: ADM salary cap question

Stuart's response to my question regarding the Band A Senior Executive.

Marsha Goldford *MPA* *CHRP*

Director, Human Resources
Community Living BC
7th Flr. 1200 West 73rd Avenue
Vancouver, BC V6P 6G5
Phone: (604) 664-0169
Fax: (604) 664-0767
Cell: (604) 802-3158
email: Marsha.Goldford@gov.bc.ca

People are like stained-glass windows. They sparkle and shine when the sun is out, but when the darkness sets in, their true beauty is revealed only if there is a light from within. - Elizabeth Kubler-Ross

From: Knittelfelder, Stuart PSA:EX
Sent: Tuesday, January 10, 2012 11:05 AM
To: Goldford, Marsha CLBC:EX
Subject: RE: ADM salary cap question

It is primarily an entry level / developmental ADM band. There are a small number of positions that are there for compensatory purposes. The band is not widely used.

Stuart Knittelfelder, Director

Total Compensation & Benefits, Talent Management Division, BC Public Service Agency
940 Blanshard Street, Victoria BC, V8W 9V1 / 250-356-1544 / 250-882-8252 (mobile)
MyHR@gov.bc.ca | 250.952.6000 | Toll Free 1.877.277.0772



Where ideas work

From: Goldford, Marsha CLBC:EX
Sent: Tuesday, January 10, 2012 10:40 AM
To: Knittelfelder, Stuart PSA:EX
Subject: RE: ADM salary cap question

Stuart, what positions fall into the category of Senior Executive Band A?

Marsha Goldford *MPA* *CHRP*

Director, Human Resources
Community Living BC
7th Flr. 1200 West 73rd Avenue

Vancouver, BC V6P 6G5
Phone: (604) 664-0169
Fax: (604) 664-0767
Cell: (604) 802-3158
email: Marsha.Goldford@gov.bc.ca

People are like stained-glass windows. They sparkle and shine when the sun is out, but when the darkness sets in, their true beauty is revealed only if there is a light from within. - Elizabeth Kubler-Ross

From: Knittelfelder, Stuart PSA:EX
Sent: Tuesday, January 10, 2012 7:47 AM
To: Goldford, Marsha CLBC:EX
Subject: ADM salary cap question

Marsha:

There is no "salary cap" per se, but this may just be our interpretation of the nomenclature.

Assistant Deputy Ministers are compensated on one of four bands (salary ranges). The highest is Band "D" that has a maximum of \$195,000 inclusive of a 10% holdback which means the maximum base pay is \$175,500. Band "D" is for the largest scope and most complex portfolios. In some cases the subordinate organization of a Band "D" ADM equates to a small sized ministry.

There is no actual cumulative salary cap (i.e. no rule that the collective total salary of all ADMs in a ministry cannot exceed "X" dollars).

Any questions, please feel free to call me directly.

Stuart Knittelfelder, Director

Total Compensation & Benefits, Talent Management Division, BC Public Service Agency
940 Blanshard Street, Victoria BC, V8W 9V1 / 250-356-1544 / 250-882-8252 (mobile)
MyHR@gov.bc.ca | 250.952.6000 | Toll Free 1.877.277.0772



Where ideas work

Johnson, Penny CLBC:EX

From: Cook, Janice M CLBC:EX
Sent: Thursday, May 31, 2012 2:22 PM
To: Hunter, Richard CLBC:EX
Cc: Woollard, Doug CLBC:EX; Goozh, Carol J CLBC:EX
Subject: 2012-13 Variable Pay ☐ rolled into salary
Attachments: 4e - Confirmation email.pdf

Hi Richard,

Just so I don't forget, can you send me the percentages of variable pay that was to be rolled into the 2012/13 excluded salaries. I am attaching the Apr 13/12 e-mail from Tom Vincent to Carol that set out the average variable pay awarded over the past 3 years as follows:

VP/CFO/COO (ADM)- 9.66%

Director 4.96%

Manager 4.93%

It was my understanding from Doug that we needed to take off of these percentages, the costs that would be associated with the Employer contributions to benefits and pension calculations. So if you have already done this, could you send it to me so I can ensure Susan is set up to start entering this info into CHIPS when we are cleared to do this.

Thanks!

Janice Cook
Human Resource Consultant
Community Living British Columbia
7th Floor, 1200 West 73rd Avenue
Vancouver, BC V6P 6G5
Phone: (604) 664-0171 Cell: (604) 240-7655
Fax: (604) 664-0767 e-mail: Janice.Cook@gov.bc.ca

From: Vincent, Tom PSEC:EX
Sent: Friday, April 13, 2012 7:57 AM
To: Goozh, Carol J CLBC:EX
Cc: Sieben, Mark MSD:EX; Howatson, Evan PSEC:EX; Wilson, Barbara A PSEC:EX
Subject: Restructuring of Community Living BC's Excluded Compensation Plan -- Approval

Carol:

Thank you for your patience in awaiting a decision on this matter. Please consider this email as confirmation of approval of the restructuring of Community Living BC's excluded compensation plan as follows:

- Elimination of variable pay
- Addition of the average variable pay awarded to employees for the past three years to their base salary after deducting from that amount any resultant increase to pension contributions and salary-sensitive benefits
- This will increase salary, pension and benefit consideration costs by 9.66%, 4.96% and 4.93% for vice presidents, directors and managers, respectively
- Effective date of **April 1, 2012**

There is no change in total compensation resulting from these changes. The reduction in incentive pay will be offset by an increase to salary and employer pension contributions related to the increase in salary.

Please contact Evan Howatson or me if you have questions or if you would like to discuss details.

As well, please stay in close touch with the Deputy Minister of the Ministry of Social Development on any communication related to this approval.

Thanks,
Tom

From: Howatson, Evan PSEC:EX
Sent: Monday, February 27, 2012 3:07 PM
To: Goozh, Carol J CLBC:EX
Cc: Hunter, Richard CLBC:EX
Subject: RE: CLBC Variable Pay/Salary Adjustments

From: Goozh, Carol J CLBC:EX
Sent: Monday, February 27, 2012 3:05 PM
To: Howatson, Evan PSEC:EX
Cc: Hunter, Richard CLBC:EX
Subject: RE: CLBC Variable Pay/Salary Adjustments

From: Howatson, Evan PSEC:EX
Sent: Monday, February 27, 2012 2:16 PM
To: Goozh, Carol J CLBC:EX
Cc: Hunter, Richard CLBC:EX
Subject: RE: CLBC Variable Pay/Salary Adjustments

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MSD 2012 00576 Phase 1

CLBC proposes to take the following actions:

1. Calculate the three-year average percentage variable pay issued to excluded employees at each of the VP and Director/Manager levels in 2008/9, 2009/10 and 2010/11.
2. Apply the above average to each eligible excluded employee's current salary and determine the salary increase **less the portion attributable to benefits and pension.**
3. Timing of the change would be subject to direction of the Ministry of Social Development but preferably within the current fiscal year to honour the commitment made by Minister Cadieux on October 21, 2011 regarding the elimination of CLBC 'bonuses'.
4. CLBC would direct Payroll to increase salaries for the current fiscal which would result in a lump sum retroactive pay to April 1, 2011 and an increase to salary for the balance of the year.
5. The total compensation cost to the organization would be slightly less than \$310K, which is the amount budgeted at full levels for all 67 eligible excluded positions. Of these, 3 VP positions are at 10% and the balance of the positions is at 5%.

[illegible]

From: Goozh, Carol J CLBC:EX
Sent: Monday, February 27, 2012 2:09 PM
To: Howatson, Evan PSEC:EX
Cc: Hunter, Richard CLBC:EX
Subject: RE: CLBC Variable Pay/Salary Adjustments

Your first assumption was correct:

Is the “net % moved to salary” the amount that will actually be moved into salary and 10% and 5% will be the amount moved to the maximum of the salary ranges?- **Yes.**

Carol

[illegible]

From: Howatson, Evan PSEC:EX
Sent: Monday, February 27, 2012 1:30 PM
To: Goozh, Carol J CLBC:EX
Cc: Hunter, Richard CLBC:EX
Subject: RE: CLBC Variable Pay/Salary Adjustments

Hi Carol,

Thank you very much, this looks like what we need. I have a couple quick technical clarification questions.

Is the “net % moved to salary” the amount that will actually be moved into salary and 10% and 5% will be the amount moved to the maximum of the salary ranges? Or is the “net % moved to salary” amount added to the maximum of the salary ranges with deductions of LTD and pensions costs?

Please let me know if my questions make sense

Thanks,

Evan

From: Goozh, Carol J CLBC:EX
Sent: Monday, February 27, 2012 12:35 PM
To: Howatson, Evan PSEC:EX
Cc: Hunter, Richard CLBC:EX
Subject: CLBC Variable Pay/Salary Adjustments

Here are the calculations. Let us know if this is what is needed.

Carol

[illegible]

From: Hunter, Richard CLBC:EX
Sent: Wednesday, February 8, 2012 10:34 AM
To: Goozh, Carol J CLBC:EX
Subject: Bonus to salary

Carol,

I have done the calculations and have a detailed excel file to back them up. The results are summarised below.

Richard

<< OLE Object: Picture (Device Independent Bitmap) >>

Richard Hunter
Vice President Corporate Services
Community Living British Columbia
Direct Line: 604-664-0104
Switchboard: 604-664-0101
Fax: 604-664-0765
www.communitylivingbc.ca

Does your community include everyone?

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Johnson, Penny CLBC:EX

From: Woollard, Doug CLBC:EX
Sent: Tuesday, June 19, 2012 7:53 AM
To: CLBC All Exchange Users
Subject: Message from CLBC's Board Chair

Good morning

I am writing to inform you that the Public Sector Employers' Council (PSEC) has approved a new compensation plan for senior managers and managers at CLBC, which has been agreed to by the B.C. government and CLBC. The new plan takes effect on April 1, 2012.

In October, the Minister requested and the CLBC board agreed that in a people-first organization like CLBC performance-based pay was not appropriate. The CLBC Board had already been examining this issue and agreed to change the compensation system to eliminate variable pay. The new approach, effective April 1, 2012, has done away with the previous practice of withholding a portion of management salaries until year end. Instead, the new compensation package will take an average of the variable pay for the last three years, at each compensation level, to come up with an amount that will be included in base salaries. There is no increase in the amount of compensation for CLBC senior managers or managers.

Of the many issues the Board examined, two emerged as key to the recommended change.

First, was the compensation for senior managers and managers comparable to similar organizations? As you may know, CLBC's compensation plan was part of the Internal Audit and Advisory Service review done in Fall 2011. The audit found that "CLBC's salaries, including at-risk compensation, are reasonable when compared to other organizations of similar size and mandate."

The second issue was how the compensation was paid. The Board decided that having variable pay was not consistent with our values as a social service organization and forwarded a plan to Government eliminating variable pay.

Sincerely,
Denise Turner
Board Chair

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Community Living British Columbia
Base Salary and Bonus Summary for FY 2009, FY 2010 □ FY 2011

Note

- 1) The pink highlighted employees are under both Directors and Managers section due to position change during the FY2009-2011
2) During the year some employees took new position or the salary rate changed. For detailed explanation and calculation of salary, please see "Comments"

Position Title	Name	Fiscal Year 2009			Fiscal Year 2010			Fiscal Year 2011			Comment	Three Year Average
		Base Salary as of March 28, 2009	Bonus Amount	□ of Bonus to Base Salary	Base Salary as of March 31, 2010	Bonus Amount	□ of Bonus to Base Salary	Base Salary as of March 31, 2011	Bonus Amount	□ of Bonus to Base Salary		
CEO	Mowles Rick	172,000.00	21,500.00	12.50	12.50							
Vice Presidents	Goetz, Carol J. E.	125,505.91	12,161.52	9.69	13,784.00	13,784.00	10.00	137,842.00	13,784.00	10.00	Prorated for FY09, (123,711.09 to 134,480.12.2). Rate as of Mar 28, 2009 is 134,480	
	Hunter, Richard	134,611.33	11,522.73	8.56	13,797.00	13,797.00	10.00	137,976.61	13,798.00	10.00		
	Murray, Elaine E	135,300.00	12,001.11	8.87								
	Woodard, DR	134,480.00	11,767.00	8.75	13,784.00	13,784.00	10.00	137,842.00	13,784.00	10.00		
	Totals	529,897.24	47,452.36	8.96	413,660.61	41,365.00	10.00	413,660.61	41,366.00	10.00		9.66
	Anderson, James A.	108,166.67	5,408.33	5.00	120,950.00	6,048.00	5.00				Prorated for FY09, Base rate 118,000, started in May 2008 (118,000.12.11)	9.65
	Bains, Talvinder	98,000.00	4,184.60	4.27								
	Dawson, Julie C	102,500.00	5,125.00	5.00							This employee is an auxiliary working flexible hours. Per HR, annual salary is 102,500.	
	Goldford, Marsha	102,173.28	5,108.66	5.00	104,727.61	5,236.00	5.00	104,727.61	5,236.00	5.00	FY12 (89,132.89 in chips), salary protection for 104,727.61 (Moon needs to confirm with you)	
	Grant, Paula N L	102,173.28	5,108.66	5.00	104,727.61	5,236.00	5.00	104,727.61	5,236.00	5.00		
Directors	Hopkins, Julie	91,535.70	4,347.95	4.75								
	Ingram, Roslyn P				104,727.61	5,236.00	5.00	104,727.61	5,236.00	5.00		
	MacPherson, David F C				110,000.00	5,500.00	5.00	110,000.00	5,500.00	5.00		
	Middleton, Lynn M				110,000.00	5,500.00	5.00	110,000.00	5,500.00	5.00		
	Moynour, Linda D	21,524.98	1,076.25	5.00	88,252.41	4,413.00	5.00	88,252.41	4,413.00	5.00	Prorated for FY09, transferred from MCFD Jan 2009. Base rate 86,099.91 (86,099.91.12.3)	
	Salisbury, Brian	102,173.28	5,108.66	5.00	104,727.61	5,236.00	5.00	104,727.61	5,236.00	5.00	1) For FY09 bonus paid on new rate of 96,848.54 eff. Mar29, 2009. Overpaid by 118.11	
											2) Prorated for F11. Employee on temporary appointment as director effective Aug 15 2010 at 120,000. (96,848.54.12.4.5.120,000.12.7.5)	
	Scott, R. an	94,486.38	4,842.43	5.13	96,848.54	4,842.00	5.00	111,318.20	5,423.00	4.87		
	Sibley, Paul H.				121,419.42	6,071.00	5.00	121,419.42	6,071.00	5.00		
	Thiesen, Carla	99,633.32	4,981.67	5.00	110,000.00	5,500.00	5.00	110,000.00	5,500.00	5.00	Prorated for FY09. Employee on temporary appointment at rate of 198,000 for 10 months and 107,799.94 for 2 months. (98,000.12.10.107,799.94.12.2)	
	Totals	922,366.89	45,292.21	4.91	1,176,380.61	58,618.00	5.00	1,069,900.47	53,351.00	4.99		4.96
	Baker, Andrea	76,170.31	3,808.52	5.00	84,000.00	4,200.00	5.00	84,000.00	4,200.00	5.00		
	Bird, Jai Paul	83,025.00	4,151.25	5.00	85,100.82	4,295.00	5.00	85,100.82	4,295.00	5.00		
	Blake, Cheryl	56,013.64	2,800.68	5.00	80,000.00	4,000.00	5.00	80,000.00	4,000.00	5.00	Prorated for FY09. Employee on temporary appointment effective July 2, 2008 as manager with base rate 74,684.85 (74,684.85.12.9)	
	Boey, Shawn M	75,382.34	3,769.12	5.00	77,266.90	3,863.00	5.00	77,266.90	3,863.00	5.00	Prorated for FY09. Employee return from leave May 4, 2008. Base rate 91,535.7 (91,535.7.12.11)	
	Bolenback, Barbara	83,907.73	3,515.73	4.19				81,000.00	4,050.00	5.00		
	Bourget, Lisa N	77,265.00	3,864.25	5.00	81,000.00	4,050.00	5.00	81,000.00	4,050.00	5.00		
	Campbell, Glenn	86,624.03	3,681.52	4.25	88,789.63	3,425.00	3.86					
	Carme, Norm M	75,382.34	3,769.12	5.00	77,266.90	3,863.00	5.00	77,266.90	3,863.00	5.00		
	Christie, Mark	86,624.03	4,331.20	5.00	88,789.63	4,439.00	5.00	88,789.63	4,439.00	5.00		
	Cook, Janice M.	75,382.34	3,769.12	5.00	77,266.90	3,863.00	5.00	77,266.90	3,863.00	5.00		
	Cruz, Jon Anthony	67,275.00	2,713.59	4.03	72,775.00	3,486.00	4.79	75,769.60	3,485.00	4.60	1) Prorated for FY09. Rate changed from 63,550 to 71,000 effective Oct 6, 2008. (63,550.12.6.71,000.12.6)	
	Davies, John E	77,265.00	3,864.25	5.00	81,000.00	4,050.00	5.00	81,000.00	4,050.00	5.00	2) Prorated for FY11. Rate changed from 77,266.9 effective Aug 2010 (72,775.12.4.77,266.9.12.8)	
	Douglas, Dan D	83,907.12	4,145.01	4.94	86,004.79	4,128.00	4.80	86,004.79	4,300.00	5.00		
	Dowdall, Mary E	83,907.12	4,111.45	4.90							Employee not in Chips. Per HR, annual rate is 83,907.12	
	Eni, Jacinta	96,920.00	4,846.00	5.00	99,343.00	4,967.00	5.00	99,343.00	4,967.00	5.00		
	Erickson, Barbara	75,382.00	3,769.10	5.00	77,266.55	3,863.00	5.00	77,266.55	3,863.00	5.00		
	Esmail, Fateh	75,382.34	3,769.00	5.00	77,266.90	3,863.00	5.00	77,266.90	2,395.00	3.10		
	Fidel, Andrew D	83,907.12	4,195.36	5.00	86,004.79	4,177.00	4.86	86,004.79	4,300.00	5.00		
	Fransh, Wendy	83,393.35	4,169.67	5.00	85,478.19	4,274.00	5.00	85,478.19	4,274.00	5.00		
	Ghordesh, Soheila	83,155.06	4,074.60	4.90	82,694.15	4,135.00	5.00	82,694.15	4,135.00	5.00	Prorated for FY09. Employee on temporary appointment. Rate changed from 86,624.03 to 80,677.22 effective Sep 1, 2008 (86,624.03.12.5.80,677.22.1.7)	
	Gill, Aman	69,997.89	2,946.91	4.21	76,747.84	3,837.00	5.00	76,747.84	3,837.00	5.00		

Note
1) The pink highlighted employees are under both Directors and Managers section due to position change during the FY2009-2011
2) During the year some employees took new position or the salary rate changed. For detailed explanation and calculation of salary, please see "Comments"

Position Title	Name	Fiscal Year 2009				Fiscal Year 2010				Fiscal Year 2011			Three Year Average
		Base Salary as of March 28, 2009	Bonus Amount	□ of Bonus to Base Salary		Base Salary as of March 2010	Bonus Amount	□ of Bonus to Base Salary		Base Salary as of March 31, 2011	Bonus Amount	□ of Bonus to Base Salary	
	Glick-Stal-Leah R					70,828.00	3,541.00	5.00	5.00	85,338.54	4,250.00	4.98	1) Prorated for FY10. Employee on secondment effective June 2009, salary rate :84,993.60 (84,993.6 12 10) 2)Prorated for FY11. Rate changed from :84,993.6 to :89,132.89 effective Feb 28, 2011. (84,993.6 12 11 :89,132.89 12)
	Goldberg Paul	90,458.81	4,522.84	5.00	5.00	89,132.89	4,456.64	5.00	5.00	89,132.89	4,457.00	5.00	1) n FY09, rate changed to :86,958.92 effective Dec 2, 2008, under salary protection plan. 2) Effective FY10, base rate changed to :89,132.89, still under salary protection plan of :90,458.81. Bonus for FY10 and FY11 was paid on base rate of :89,132.89 Prorated for FY09. Rate changed from :87,125 to :99,958 effective Sep 8, 2008. (87,125 12 5 :99,958 12 7)
	Haman, Al H.	94,610.92	4,730.55	5.00	5.00								
	Hemingway, Joyce	82,920.58	3,474.37	4.19	4.19	87,000.00	4,350.00	5.00	5.00	87,000.00	4,350.00	5.00	For FY10 and F11, still under protection plan :91535.7, but bonus paid on base rate of :89,132.89
	Hopkins, Julie	86,624.03	4,331.20	5.00	5.00	89,132.89	4,457.00	5.00	5.00	88,789.83	4,439.00	5.00	Position is Project Manager from Dec 16, 2008 to July 13, 2009 with rate :97,375.
	Huffman, Grant D	97,375.00	4,868.75	5.00	5.00	74,822.84	3,741.00	5.00	5.00	74,822.84	3,741.00	5.00	Prorated for FY10. Started in July 2009 (:84,993.6 12 9)
	luvarcgh, Julie Ann					63,745.20	3,187.00	5.00	5.00	84,993.60	3,570.00	4.20	5.00
	Kulusic, Tamara Shirley	81,796.88	4,089.84	5.00	5.00	83,841.80	4,192.00	5.00	5.00	83,841.80	4,192.00	5.00	Prorated for FY10. Started in July 2009 (:88,000 12 9)
	Kumar, Shikha					66,000.00	3,300.00	5.00	5.00	88,000.00	4,400.00	5.00	
	Lambert, Lesley S.	83,907.12	4,027.54	4.80	4.80	86,004.79	4,300.00	5.00	5.00	86,004.79	4,300.00	5.00	
	Lamoureux, Allan	80,000.00	4,000.00	5.00	5.00	82,000.00	4,100.00	5.00	5.00	82,000.00	4,100.00	5.00	
	Lawson, Kerry E	83,907.11	4,195.36	5.00	5.00	86,004.79	4,300.00	5.00	5.00	86,004.79	4,300.00	5.00	
Managers													
	Linguanti, Nina												
	MacPherson, David F C	85,000.00	4,250.00	5.00	5.00	73,117.45	3,963.00	5.42	5.00	85,000.00	9,250.00	10.88	1) For FY10, Employee on temporary appointment, with rate :78,535.43 for 4.5 months, :88,000 for 0.5 month and :80,000 for 6 months. (78,535.43 12 4.5 :88,000 12 0.5 :80,000 12 6). Bonus paid based on her manager's calculation which was based on 12 months, not 11 months, hence bonus 5,42: 2) For FY11, employee received one time bonus of :5000 for successful completion of acting assignment as Simon Fraser QSM, therefore bonus 10,88
	Magee Nina												
	Marshall, Patricia Elaine	77,326.00	3,866.30	5.00	5.00	79,822.69	3,991.00	5.00	5.00	80,000.00	4,000.00	5.00	Prorated for FY10. On temporary appointment with rate :79,574.45 for 5 months, then :80,000 for 7 months (79,574.45 12 5 :80,000 12 7)
	McDonald, Audrey	86,675.58	4,442.12	5.12	5.12	88,842.47	4,442.00	5.00	5.00	88,842.47	4,442.00	5.00	FY09 bonus was paid on new rate of :88842.47 effective Mar29, 2009, overpaid by :108.34
	McNeill, Nancy	86,151.25	4,307.56	5.00	5.00	88,305.03	4,415.25	5.00	5.00	88,305.03	4,415.00	5.00	Employee not in Chips. Per HR, employee on temporary appointment for 3 months.
	Merit, Catherine L	19,503.53	975.18	5.00	5.00								1) Prorated for FY09. Position changed effective May20, 2008 with rate :66,402.75 (66,402.75 12 10:5)
													2) Rate changed from :68,062.82 to :77,266.9 effective Aug 2010, (68,062.82 12 4 :77,266.9 12 8)
	Michalenko, Anita	58,102.41	2,905.12	5.00	5.00	68,062.82	3,403.00	5.00	5.00	74,198.87	3,710.00	5.00	Prorated for FY09. Base rate :75,000, on temporary appointment for 2.5 months with rate :82,500. (75,000 12 9.5 :82,500 12 2.5). He was overpaid by :387.5 for FY09.
	Middleton, Lynn M	86,624.03	4,331.20	5.00	5.00								Prorated for FY10, rate at :83,025 for 8 months and :88,000 for 4 months. (83,025 12 8 :88,000 12 4)
	O'Toole, David	76,562.50	4,215.63	5.51	5.00	76,875.00	3,844.00	5.00	5.00	76,875.00	3,190.00	4.15	For FY10, employee on temporary appointment as manager at :77,266.9 for 2 months. (77,266.9 12 2). n other months he worked as Senior Contractor. Looks like the bonus was overpaid.
	Pulis, Wayne					84,683.33	4,234.00	5.00	5.00	88,000.00	4,400.00	5.00	Prorated for FY11. Employee is on temporary appointment as director effective Dec 10 and the salary rate is :100,000 (86,004.79 12 8 :100,000 12 4)
	Rampton, Peter	75,382.34	3,769.12	5.00	5.00	12,877.82	1,288.00	10.00	5.00	77,266.90	3,863.00	5.00	Prorated for FY09. Employee on temporary appointment for 3 months. (80,677.22 12 9) MSD-2012-00576
	Risby, Susan O	75,382.60	3,769.13	5.00	5.00	77,267.17	3,863.00	5.00	5.00	77,266.90	3,863.00	5.00	Prorated for FY09. Employee on temporary appointment for 3 months. (80,677.22 12 9) MSD-2012-00576
	Rose Sharon	83,907.12	4,195.36	5.00	5.00	86,004.79	4,300.00	5.00	5.00	90,669.86	4,533.00	5.00	
	Russell, Stephen G	83,907.12	4,111.45	4.90	4.90	86,004.79	4,300.00	5.00	5.00	86,004.79	4,300.24	5.00	
	Sin Tak Lam, Charles	75,382.34	3,769.00	5.00	5.00	77,266.90	3,863.00	5.00	5.00	77,266.90	3,863.00	5.00	
	Tardif, Megan R	60,507.92	3,007.24	4.97	4.97	82,694.15	4,135.00	5.00	5.00	82,694.15	4,135.00	5.00	

Community Living British Columbia
Base Salary and Bonus Summary for FY 2009, FY 2010 □ FY 2011

Note

- 1) The pink highlighted employees are under both Directors and Managers section due to position change during the FY2009-2011
2) During the year some employees took new position or the salary rate changed. For detailed explanation and calculation of salary, please see "Comments"

Position Title	Fiscal Year 2009			Fiscal Year 2010			Fiscal Year 2011			Three Year Average
	Base Salary as of March 28, 2009	Bonus Amount	□ of Bonus to Base Salary	Base Salary as of March 31, 2010	Bonus Amount	□ of Bonus to Base Salary	Base Salary as of March 31, 2011	Bonus Amount	□ of Bonus to Base Salary	
Terwood, Jennifer T										
Tidsbury, Bill	86,091.53	4,218.49	4.90 □	74,637.46	4,000.00	5.36 □	80,000.00	4,000.00	5.00 □	Prorated for FY10. Employee on temporary appointment at 168,060.2 for 1 month, 170,457.31 for 5 months and 179,217.12 for 6 months. FY10 bonus was paid on new rate of 180,000 and she was overpaid by 268.13
				88,243.82	4,412.00	5.00 □	88,243.82	4,412.00	5.00 □	
Toone, David	91,535.70	4,576.79	5.00 □							Under salary protection plan with rate at 91,535.7. Effective April 2010, base rate changed to 89,132.89. For FY10 and FY11 bonus paid on salary protected level.
Wichanuk, Robbie Stephen	80,676.72	4,033.84	5.00 □	89,132.89	4,577.00	5.14 □	89,132.89	4,577.00	5.14 □	He was overpaid by 120.36 for both FY10 and FY11.
Woodward, Debbie	75,382.34	3,769.12	5.00 □	84,000.00	4,200.00	5.00 □	84,000.00	4,200.00	5.00 □	
				77,266.90	3,863.00	5.00 □	77,266.90	3,863.00	5.00 □	
Totals	3,802,010.22	186,818.65	4.91 □	4,007,470.10	200,244.89	5.00 □	4,075,363.01	205,761.24	5.05 □	Average of 4.92
Grand Total		290,313.22			300,427.89		5,558,924.10	300,478.24	5.41 □	

Simple total and average □ increase ... Basically a weighted average.

average of each of the □ ages, i.e. Not weighted by salary. Bonuses in excess of the 5 □, 10 □ etc are related to other factors such as temporary assignments and are therefore limited to the max bonus □ .

bonus □ has been set at the maximum allowed

300,478.24

CLBC Bonus Payments

	<u>2008.09</u>	<u>2009.10</u>	<u>2010.11</u>	<u>3-year Average</u>
V ce Pres dents	8.97 □	10.00 □	10.00 □	9.66 □
D rectors	4.90 □	5.00 □	4.99 □	4.96 □
Managers	4.90 □	4.97 □	4.92 □	4.93 □

<i>Impact of Benefit Costs</i>	
<i>LTD</i>	1.86%
<i>Pension</i>	10.28%
<i>Total</i>	<u>12.14%</u>

Net □ to be moved to salary

V ce Pres dents	8.61 □
D rectors	4.43 □
Managers	4.40 □

- 1) LTD: 1.86% of tota sa ary (1.86% s the current year rate)
2) Pens on: 8.78% of sa ary and **10.28% (current rate) in excess of maximum** (\$47,200 for Ca endar year for 2010: **\$48,300 for Ca endar Year 2011**: \$50,100 for Ca endar Year 2012)

From: Sieben, Mark MSD:EX
Sent: Tuesday, February 28, 2012 5:18 PM
To: Cadieux, Stephanie MSD:EX
Cc: Bertrand, Alicia MSD:EX; MacMillan, Karen MSD:EX
Subject: FW: CLBC variable pay elimination proposal

Perhaps we can chat about this quickly around ends of one of the meetings tomorrow or Thursday morning.

I have a question or two for Tom that I'll attend to in advance of that.

From: Vincent, Tom PSEC:EX
Sent: Tuesday, February 28, 2012 4:47 PM
To: Sieben, Mark MSD:EX
Cc: Wilson, Barbara A PSEC:EX; Howatson, Evan PSEC:EX
Subject: CLBC variable pay elimination proposal

I am writing to say that PSEC will support CLBC's recent proposal to eliminate variable pay and roll the average awarded incentive pay for the past three years into base salary if it is satisfactory to MSD, Mark.

PSEC support is based on the following main points:

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- This means that the maximum possible salary under CLBC's approved compensation plan will increase by 10% for Vice President and 5% for Directors and Managers less the portion attributable to benefits and pension.
- Actual salaries will increase by 9.66% for the Vice President, 4.96% for Directors and 4.93% for Managers less the portion attributable to benefits and pension.
- The recent CLBC review concluded that remuneration in CLBC is not excessive at current levels.

Details on the proposal are noted below for your information and I have attached a copy of CLBC's Briefing Note. I am happy to discuss this further if you wish.

PSEC will take this issue forward for a decision once I hear back from you, Mark.

All the best,

Tom

ELIMINATE VARIABLE PAY AND ROLL INTO BASE SALARY

Using the net zero mandate, CLBC is proposing to integrate the current re-earnable variable incentive pay into base salary. A portion of the current budget for variable pay will be used to pay the employer's benefit and pension costs, resulting in CLBC public sector salary reporting for most excluded employees to be slightly lower than in previous years.

The recommended methodology would see CLBC calculate a three year average of bonuses paid to each staff and apply the resulting average annual percentage increase to each excluded employee's current salary, less a portion of salary related to benefits and pension. CLBC salary grids for Managers and VPs would be adjusted to incorporate these increases. The upper range for CLBC Director salaries would be downgraded, as inconsistencies have been identified with the public service pay range for this category.

CLBC proposes to take the following actions:

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2. Apply the above group average to each eligible excluded employee's current salary and determine the salary increase less the portion attributable to benefits and pension.
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5. CLBC would increase salaries for the current fiscal which would result in a lump sum retroactive pay to April 1, 2011 for excluded staff.

The above methodology does not require additional funds for compensation for excluded employees.

CLBC Bonus Payments

	2008/09	2009/10	2010/11	3-year Average
Vice Presidents	8.97%	10.00%	10.00%	9.66%
Directors	4.90%	5.00%	4.99%	4.96%
Managers	4.90%	4.97%	4.92%	4.93%

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From: Sieben, Mark MSD:EX
Sent: Tuesday, June 19, 2012 5:45 PM
To: Mader, Susan GCPE:EX; Kerr, Grant GCPE:EX
Subject: FW: Op-Ed CLBC exec raises June 19 2012 Draft2

Played with it a bit. [See what you think.](#)

From: Mader, Susan GCPE:EX
Sent: Tuesday, June 19, 2012 5:22 PM
To: Sieben, Mark MSD:EX
Cc: Kerr, Grant GCPE:EX
Subject: Op-Ed CLBC exec raises June 19 2012 Draft2

For review oped on compensation increases.

I'm sure PO will look after MO, but I'm starting with you.

Sue

Pages 136 through 137 redacted for the following reasons:

s.13

From: Sieben, Mark MSD:EX
Sent: Friday, March 9, 2012 4:40 PM
To: Cadieux, Stephanie MSD:EX
Subject: RE: CLBC variable pay elimination proposal

I have more for you on this topic , now, too when we can get to it next week.

From: Cadieux, Stephanie MSD:EX
Sent: Tuesday, February 28, 2012 5:22 PM
To: Sieben, Mark MSD:EX
Subject: Re: CLBC variable pay elimination proposal

Yes
I'll have questions too

Sent from my iPad

On 2012-02-28, at 5:18 PM, "Sieben, Mark MSD:EX" <Mark.Sieben@gov.bc.ca> wrote:

Perhaps we can chat about this quickly around ends of one of the meetings tomorrow or Thursday morning.

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From: Vincent, Tom PSEC:EX
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Cc: Wilson, Barbara A PSEC:EX; Howatson, Evan PSEC:EX
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All the best,

Tom

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<image001.jpg>

<BN CLBC Compensation jan2012.docx>

From: Sieben, Mark MSD:EX
Sent: Tuesday, June 19, 2012 2:16 PM
To: MacLean, Debbie MSD:EX
Cc: MacMillan, Karen MSD:EX
Subject: FW: CLBC variable pay elimination proposal

[This is the clbc note and the psec advice that Tom and I visited the Minister about.](#)

From: Vincent, Tom PSEC:EX
Sent: Tuesday, February 28, 2012 4:47 PM
To: Sieben, Mark MSD:EX
Cc: Wilson, Barbara A PSEC:EX; Howatson, Evan PSEC:EX
Subject: CLBC variable pay elimination proposal

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All the best,

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Net % to be moved to salary	
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Directors	4.43%
Managers	4.40%

From: Sieben, Mark MSD:EX
Sent: Tuesday, March 13, 2012 2:05 PM
To: Vincent, Tom PSEC:EX
Subject: RE: CLBC Compensation

Just so you know, Tom, our Minister is speaking with the clbc chair in the next couple of days about this issue among others. Back to you in a bit. I anticipate we will leave the current compensation plan in place for this fiscal. Focus is on the go forward and what the timing will be. But I'll get back to you to confirm with specifics.

[illegible]

From: Vincent, Tom PSEC:EX
Sent: Tuesday, March 13, 2012 12:59 PM
To: Goozh, Carol J CLBC:EX
Cc: Sieben, Mark MSD:EX
Subject: RE: CLBC Compensation

You must be wondering what is going on with this, Carol. I have gone over this material with Mark Sieben and he has now discussing them with his Minister. I expect that we will be getting back to you with a decision within the next week or two. In the mean time, the current compensation plan remains in place, of course. If that remains the case when it is time that you normally disburse incentive pay, please get in touch with me before doing so.

Thanks very much. I apologize that this is taking so long.

Tom

[illegible]

From: Goozh, Carol J CLBC:EX
Sent: Friday, January 27, 2012 3:14 PM
To: Vincent, Tom PSEC:EX; Sieben, Mark MSD:EX
Cc: Woollard, Doug CLBC:EX
Subject: CLBC Compensation

<< File: BN CLBC Compensation jan2012.docx >>

Attached is CLBC's proposal for addressing the issues associated with the discontinuation of the CLBC variable ("at risk") pay for excluded staff.

This methodology has been approved by the CLBC board and we are seeking support from MSD and PSEC.

Please contact us if you have questions or concerns.

Regards,

Carol Goozh
Vice President, Policy and Program Development
Community Living BC
7th floor, 1200 West 73rd Avenue
Vancouver, BC V6P 6G5
phone: (604) 664-0101 fax: (604) 664-0765
E-Mail: Carol.Goozh@communitylivingbc.ca

Regards,

Carol Goozh
Vice President, Policy and Program Development
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