NANAIMO LADYSMITH PUBLIC SCHOOLS

BUSINESS COMMITTEE MEETING

ACTION SHEET

DATE: February 12, 2020
TO: Business Committee
FROM: Acting Secretary-Treasurer, Scott Saywell
SUBJECT: Trustee Remuneration and Group Benefits / Total Equity Solution

Board of Education Strategic Plan – Board Goal

- Continuous improvement of instruction and assessment
- To be a leader in environment stewardship and sustainability
- Safe, caring and healthy learning and working environment that is inclusive of the diversity of our entire learning community
- Truth and reconciliation

The Board’s Strategic Plan sets out goals and objectives which set the educational direction of the organization. Reviewing and approving trustee compensation is a fundamental duty of the Board, to ensure the Board and future Boards are adequately compensated for the critical role they fulfil, in monitoring the overall organizational health, educational standards and financial performance of the school district.

Recommendations

MOTION 1 – Trustee Remuneration

The Business Committee recommends that the Board of Education of School District No. 68 (Nanaimo-Ladysmith):

1. establish a salary for the position of Vice-Chair effective January 1, 2020; and
2. make a one-time salary adjustment to trustee remuneration to be the average of like size districts, effective January 1, 2020, maintaining a difference in salary for the Chair ($2,000 over trustee level) and establishing a difference in salary for the Vice-Chair ($1,000 over trustee level)
   - Chair $22,828
   - Vice-Chair $21,828
   - Trustees $20,828; and
3. continue to adjust trustee remuneration by the CPI annually in September, maintaining a difference in salary for Chair ($2000 over trustee level) and for the Vice-Chair ($1,000 over trustee level); and
4. once per term, review trustee total remuneration and expense reimbursement when the BCSTA Trustee Remuneration Surveys are published for consideration of any adjustments to remain competitive with like size districts.
MOTIONS 2 OR 3 – Trustee Group Benefit Plan or Health Reimbursement Bank

MOTION 2
The Business Committee recommends that the Board of Education of School District No. 68 (Nanaimo-Ladysmith) establish a trustee group benefit plan, effective January 1, 2020, based on the plan provisions as presented through Morneau Shepell (plan dated October 24, 2019).

or

MOTION 3
The Business Committee recommends that the Board of Education of School District No. 68 (Nanaimo-Ladysmith) provide the seven trustees that have not been eligible to participate in the group benefit plan with a bank of monies equivalent to the average amount of annual premiums paid ($2,530.64 for calendar year 2020) on behalf of trustees in the grandfathered plan, to be held by the district as an health/medical expense account that can be used for health/medical expenses, as permitted by the CRA.

Background
Trustee Salary Increases

Trustee total remuneration and group benefits has been the subject of review and discussion over the course of the past 3 years. Staff have presented various options related to trustee salaries and structure for consideration by the Board of Education.

In the mid 1990’s the Board of Education revised Board Policy, Trustee Remuneration and Expense Allowance to allow for annual increases to current trustee remuneration based on the Consumer Price Index (CPI). Since that time, it is my understanding that annual trustee remuneration increases have been processed in accordance with policy.

Currently, pursuant to Board policy, trustee remuneration is indexed to the cost of living each September. For the position of Chair, remuneration is based on the trustee salary, adjusted by the CPI and adjusted by $2,000. This is done automatically and the last increase was processed in September 2019.

In January 2019, trustee remuneration was increased in order to off-set the impact of new tax rules that came into effect at the beginning of the calendar year. At this time, the Board agreed to review and consider remuneration and other elements of trustee compensation in June 2019.
The table below shows trustee remuneration in like size districts, including NLPS:

### Trustee Remuneration

* Data Source - BCSTA 2019 Trustee Surveys (June 2019)
* Assumption: Compare to like size Districts

<table>
<thead>
<tr>
<th>School District</th>
<th>Head Count</th>
<th>Chair</th>
<th>Vice-Chair</th>
<th>Trustee</th>
</tr>
</thead>
<tbody>
<tr>
<td>SD 33 (Chilliwack)</td>
<td>13,711</td>
<td>$21,223</td>
<td>$20,258</td>
<td>$19,293</td>
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<tr>
<td>SD 42 Maple Ridge-Pitt Meadows)</td>
<td>14,592</td>
<td>$28,500</td>
<td>$27,000</td>
<td>$25,500</td>
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<tr>
<td>SD 57 (Prince George)</td>
<td>13,047</td>
<td>$21,200</td>
<td>$19,700</td>
<td>$18,200</td>
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<tr>
<td>SD 68 (Nanaimo-Ladysmith)</td>
<td>14,035</td>
<td>$20,895</td>
<td>$18,895</td>
<td>$18,895</td>
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<td>SD 73 (Kamloops-Thompson)</td>
<td>14,164</td>
<td>$25,350</td>
<td>$23,750</td>
<td>$22,250</td>
</tr>
</tbody>
</table>

Comparator Average: 13,910 | $23,435 | $21,921 | $20,828 |

In an effort to remain competitive with other school districts, some Boards adjust compensation in any year based on the average of that paid to trustees in like size districts, during the previous year.

Finally, the Board could consider a new level of remuneration for the position of Vice-Chair. Most other Boards have a separate salary for this position. In Nanaimo Ladysmith, the Vice-Chair is paid the same as other Trustees.

Attached as Appendix B, is a spreadsheet showing the current Trustee Remuneration and Expense Reimbursement.

A more comprehensive overview of the information presented by Staff since 2016 is as follows:

**August 2016**
- Board approved CPI adjustments to trustee remuneration, effective September 1, 2015 and September 1, 2016 and directed staff to provide the Board with trustee remuneration comparisons and further, that staff develop and present a draft administrative procedure for the annual review of trustee remuneration based on comparative Boards.

**April 2017**
- Per motion in August 2016, staff brought forward recommendations to change policy to compare trustee remuneration to like size districts. Comparator group salaries were provided. There was discussion, review of existing policy and proposed new policy wording provided.

**May 2017**
- The information presented in April 2017 went to public consultation.

**September 2017**
- Consultation feedback presented. The Board discussed current policy and reaffirmed, by Motion, that Trustee remuneration remain consistent with current policy.
September 2018
- Board approves CPI adjustment

November 2018
- Staff recommended that the Board adjust trustee remuneration due to the changes in tax rules.
- Board deferred decision for the new Board to make. Staff directed to bring information back in January 2019.

January 2019
- BCSTA Trustee Remuneration Surveys circulated to the Board including, specific information on comparisons to like size districts.
- Board approved increases to remuneration to off-set the change in tax rules. Board defers making any other recommended changes (benefit coverage, review of total compensation, establish position of Vice-Chair). Direct staff to bring information back in June 2019.

June 2019
- Staff brought forward information in respect of the following:
  - Reminder that remuneration increased to off-set tax rules and that Board deferred decision regarding any other changes.
  - Current total compensation
  - BCSTA 2019 Remuneration Surveys
  - Group benefit plan
  - Recommendation to consider changes (benefit coverage, review of total compensation, establish position of Vice-Chair)
- Board directed staff to bring back a total equity solution including retroactive considerations.

September 2019
- Trustee remuneration adjusted to the CPI, per policy.

Trustee Group Benefit Plan

Nanaimo Ladysmith Public Schools, has historically, offered the option for trustees to enroll in group benefits. However, it was determined in 2015 by the BCPSEA Board that trustees are not an eligible group for benefit coverage under the BCPSEA Buying Group Plan because trustees are not employees. As a result of this determination, current trustees who were elected prior to October 2018, are grandfathered but, newly elected trustees are not i.e. trustees grandfathered can maintain group benefits if they are enrolled.

To date, the two trustees on the BCPSEA grandfathered group benefit plan have received the benefit of paid health and dental premiums from the inception of the new Board’s term, November 2018 to December 2019, in the amount of $5,061.28. This is an average of $2,530.64 per trustee.

As part of the total equity solution requested by the Board, an annual trustee health/medical expense account (per trustee) could be created for access by the trustees not eligible to join this plan. The total cost for the establishment of this bank of monies is $17,714.48. However, the Board would have incurred a similar cost, had all trustees been eligible to participate in the group benefit plan. The annual bank of monies would be based on the average prior calendar years’
annual cost of premiums paid on behalf of grandfathered trustees. The bank could be accessed only by providing eligible receipts and unused amounts would not carry forward.

Staff have also secured a quote for a new trustee group benefit plan. This plan would permit coverage for all 9 trustees. The plan provides for life insurance, accidental death and dismemberment, employee assistance plan, extended health and dental. The plan coverage and rate information is attached in Appendices C through F.

As with any group benefit plan, there are conditions for participation. This plan would require mandatory enrollment for all trustees in the three basic benefits (Life, AD&D and EFAP). Trustees would be permitted to opt out of extended health and dental, with proof of coverage through a spousal plan. Trustees on the old plan could stay on the old plan or switch to the new plan.

Trustees would need to consider if the plan would be cost shared between the Board and trustees and if so, what the percentage would be. However, the new plan must be at least 50 percent employer paid. The current plan coverage is 100% employer paid (EH and Dental).

Trustee Salary and Expense Review

The Board may wish to review trustee total compensation including expense reimbursement, professional development and group benefits to ensure it remains competitive with like size districts. It is important that trustees, current and future, be fairly remunerated for the important duties they perform in providing governance to the school district. Another consideration for expense reimbursement, on an ongoing basis, could be an allotment for childcare.

Trustee Salary and Benefit Costing Information

**Salary Costing for Motion 1.2:**

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<th>Position</th>
<th>Current</th>
<th>Proposed</th>
<th>Increase</th>
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<tbody>
<tr>
<td>Chair</td>
<td>20,895</td>
<td>22,828</td>
<td>1,933</td>
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<tr>
<td>Vice Chair</td>
<td>18,895</td>
<td>21,828</td>
<td>2,933</td>
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<td>Trustee</td>
<td>18,895</td>
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<td>1,933</td>
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<td>Annual Cost</td>
<td>172,055</td>
<td>190,452</td>
<td>18,397</td>
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**Benefit Costing for Motion 2 or Motion 3:**

<table>
<thead>
<tr>
<th>Ongoing Benefit Plan</th>
<th>EHB per Month</th>
<th>Dental per Month</th>
<th>Per Year</th>
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<tbody>
<tr>
<td>Granfathered Benefit Plan</td>
<td>35</td>
<td>219</td>
<td>254</td>
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<td></td>
<td>35</td>
<td>64</td>
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References

Appendix A: Board Policy Section 1 – Board Governance, 2.6, 7.0, Trustee Remuneration and Expense Allowance

Appendix B: Trustee Remuneration and Expenses

Appendix C: Proposed Trustee Group Benefit Plan – Morneau Shepell Letter dated October 24, 2019

Appendix D: Proposed Trustee Group Benefit Plan – Morneau Shepell Benefit Summary

Appendix E: Proposed Trustee Group Benefit Plan – Morneau Shepell Benefit Coverage Comparison with BCPSEA Closed Trustee Class

Appendix F: Proposed Trustee Group Benefit Plan - Morneau Shepell Rate Comparison with BCPSEA Closed Trustee Class