

June 26, 2008

08-101

EXECUTIVE OFFICER COMPENSATION FOR FISCAL YEAR 2008-09

PREPARED BY: Jerry Donnelly, Director, Human Resources

APPROVED BY: Wing-Kit Chung, Vice President, Administrative Services
Randy McEwen, District Vice President
Dr. Preston Pulliams, District President

REPORT: This resolution is to adjust the compensation packages of Campus Presidents, the District Vice-President, the Vice-President – Academic and Student Affairs and the Vice-President – Administrative Services.

In September 2005, in response to the highly competitive market for College executive recruitments, the Board authorized the establishment of a salary range for Campus Presidents and the District Vice-Presidents for Fiscal Year 2006. The Board subsequently approved adjustments to the range for Fiscal Years 2007 and 2008. The Segal Group study of Management and Confidential employee compensation, as reported to the Board in May 2007 found that the salary range for Executive compensation was within the margin of + or - 5% of the appropriate labor market at mid-point and no range adjustment was required for FY 2008.

While that was an appropriate recommendation for FY2008, a more detailed analysis of the Executive salary range shows that the range was slightly above market at entry, but significantly below market at the maximum. This is largely because the range width – the spread from minimum to maximum – established in 2005 was only 32%. This is inconsistent with the 45% range width adopted for the salary schedule for Management and Confidential employees.

Increasing the Executive range width to 45% would result in a range maximum for FY2009 of \$162,690. Reports from multiple sources indicate a general structural adjustment of 3%. Raising the range maximum also has

the effect of raising the calculated range mid-point to \$137,445, which is within 0.05% of the adjusted market range for Fiscal Year 2008-09.

The recommended adjustments to the range do not result directly in adjustments to the incumbent Executives. Annual survey results from the College and University Professional Association – Human Resources (CUPA-HR) and regional professional market surveys such as Milliman's Portland Area Cross-Industries Survey, show incumbent salary adjustments in the 4.0% to 4.1% range.

RECOMMENDATION: That the Board of Directors approve the adjustment to the Executive range by raising the maximum to \$162,690.

That the Board of Directors approve the following adjustments to the compensation package of each individual Executive Officer of the District, effective with the first payroll period of Fiscal Year 2008-09:

- a general salary adjustment of 4.0%;
- an increase in annual automobile expense allowance from the current \$4,630 to \$4815 (4.0%);
- an increase in the annual general expense allowance from \$1,030 to \$1070 (4.0%);
- and, that each executive's other benefits be increased for Fiscal Year 2008-09 to the same extent as all other managers of the College;

That the President and Board Chair are authorized to execute the executive contracts reflective of these changes on behalf of the Board, subject to approval as to form by the College's legal counsel.