INFORMATION ITEM

BOARD/COMMITTEE:	**BOARD OF DIRECTORS**
MEETING DATE:	**April 30, 2025**
AGENDA ITEM:	**Process for the Approval of 2025-26 Staff and Executive Director Compensation**
SPONSOR:	**Executive Committee**

RECOMMENDATION:

The Executive Committee recommends that the Board approve the 2025-26 staff and executive director compensation independent of the 2025-26 salary grid that was approved by the Board in March 2025.

Note: no action is required at this time to implement this recommendation. The Executive Committee expects to present its recommendation for the Executive Director's 2025-26 compensation at the June 18, 2025 Board meeting.

SUMMARY OF KEY ISSUES:

- On March 14, 2025, the Board was asked to provide immediate approval for a 2025-26 salary grid in order to comply with an IRCC budget request. This approval was provided through an email vote.
- The scope of the approval on March 14 was not well communicated to the Board, and this has caused confusion for both management and the Board. If the approval on March 14 is considered to be the authorization of 2025-26 compensation rates for the staff and Executive Director, it is a departure from the processes that the Board has used in previous years.

BACKGROUND:

- The salary grid that RODS approved and provided to the IRCC on March 14, 2025 included the 2025-26 salaries of all RODS staff, including the Executive Director. This grid was solely for the purposes of obtaining IRCC funding. It enables RODS to receive salary funding from the IRCC, but it does not tie the hands of RODS' Board with respect to setting staff salaries. In other words, there is nothing that prevents RODS' Board from approving a compensation arrangement that differs from the amount being funded.

  - Employee compensation is approved by the Board based on the Finance Committee's recommendation for approval of the Budget. This typically occurs in April.
  - Executive Director compensation is approved by the Board based on a recommendation from the Executive Committee. This typically occurs in June.
- In the confusion resulting from this matter, employees have already been advised of their compensation increase for 2025-26 based on the approval of the grid in the funding application. <u>The Board will be asked to confirm these rates as part of the budget approval process</u>.
- The Executive Director's 2025-26 compensation will be approved based on a recommendation from Executive Committee following its 2024-25 performance review with the ED. The 2025-26 ED compensation recommendation is expected to be presented at the June 18, 2025 Board meeting.

ADVANCED CONSULTATION: N/A

COMMUNICATION STRATEGY: N/A

REQUIRED APPROVALS: N/A – information item only

STRATEGIC ALIGNMENT: P2: employee experience and retention

TIMEFRAME/CONSEQUENCES OF DEFERRING DECISION: N/A

APPENDIX A – KEY ATTRIBUTES OF "HELD FOR SALE" ACCOUNTING[1]

- Paragraph 3475.03 – a disposal group is a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction…
- Paragraph 3475.03 – a long-lived asset is an asset that does not meet the definition of a current asset
- Paragraph 3475.08 – a long-lived asset to be sold shall be classified as held for sale in the period in which all of the following criteria are met:
  - Management, having the authority to approve the action, commits to a plan to sell…..
- Paragraph 3475.12 – if the criteria in paragraph 3475.08 are met after the balance sheet date but before the issuance of the financial statements, a long-lived asset continues to be classified as held and used in those financial statements.
- Paragraph 3475.13 – A long-lived asset classified as held for sale shall be measured at the lower of its carrying amount and fair value less costs to sell. A long-lived asset shall not be amortized well held for sale.
- Paragraph 3475.33 – A long-lived asset classified as held for sale shall be presented separately in the enterprise's balance sheet. The assets and liabilities of a disposal group classified as held for sale shall be presented separately in the asset and liability sections, respectively, of the balance sheet.

[1] per section 3475 of the CPA Handbook

APPENDIX B – ESTIMATED IMPACT ON RODS' SURPLUS DEFICIT UNDER BOTH DISPOSAL AUTHORIZATION SCENARIOS

Option #1: Approval to sell Smith Street provided by Board subsequent to March 31, 2025
($000s)

	2024-25	2025-26
Operating income	$0	$0
Writedown of assets	$0	$0
Gain/loss on disposal	$0	-$207
Total impact on surplus/deficit	**$0**	**-$207**

Option #2: Approval to sell Smith Street provided by Board prior to March 31, 2025
($000s)

	2024-25	2025-26
Operating income	$118	$0
Writedown of assets	-$600	$0
Gain/loss on disposal	$0	$275
Total impact on surplus/deficit	**-$482**	**$275**

Board members are encouraged to maintain awareness of this issue and to expect further discussion of this matter in the future.