

May 11, 2018

Christina Zacharuk
President and Chief Executive Officer
Public Sector Employers' Council Secretariat
PO Box 9400 STN PROV GOVT
Victoria, British Columbia
V8W 9V1

Dear Ms. Zacharuk:

**Re: Public Sector Executive Compensation Reporting Guidelines – Bill 33
2017/18 Statement of Executive Compensation for BC Transit**

As requested, BC Transit has now completed its 2017/18 Statement of Executive Compensation as set out in the *Public Sector Employers Act*.

The information includes a detailed breakdown of all compensation provided to the President and Chief Executive Officer and named Executive Officers of the organization. They include: Manuel Achadinha, President and Chief Executive Officer; Brian Anderson, Vice President Operations and Chief Operating Officer; Aaron Lamb, Vice President Asset Management; Erinn Pinkerton, Vice President Business Development and Chief Transformation Officer; Alan Thomas, Vice President, Finance and Chief Financial Officer and Greg Conner, Vice President Human Resources and Corporate Secretary.

An explanation of BC Transit's executive compensation, along with analysis and compensation philosophy has been uploaded to the LIGER data base as outlined in the Public Sector Executive Compensation Reporting Guidelines.

As the Chair for BC Transit, I confirm that the Board is aware of the executive compensation earned in fiscal year 2017/18 and verify that the compensation provided falls within the approved compensation plans.

If you have any questions regarding this statement, please contact Greg Conner, Vice President Human Resources and Corporate Secretary at (250) 995-5724 for clarification on any of the information provided.

Sincerely,



Catherine Holt, Chair
BC Transit Board of Directors

Attachments: BC Transit Compensation Philosophy
BC Transit Executive Compensation Disclosure

BC Transit Compensation Philosophy

BC Transit has a mandate to maximize the efficient and cost effective use of resources in the provision of safe, innovative and customer-oriented services to meet present and evolving market demands. BC Transit plans and delivers transit services that meet local land use and growth priorities, while furthering the development of safe, healthy communities and a sustainable environment. Compensation is an important tool used by BC Transit to attract, motivate and retain employees with the requisite skills, experience and commitment necessary to achieve the organization's strategic and business goals.

The goal of BC Transit is to provide a competitive, fair, equitable and performance-based total compensation program for its employees with a focus on pay for performance. Compensation programs are designed to attract, retain and motivate employees, while encouraging a results-oriented system where pay is linked to successful performance and the demonstration of leadership behaviors in support of the Corporation's strategic goals and organizational priorities.

The following principles guide compensation at BC Transit:

- **Focus on Business:** All components of compensation programs must be consistent with BC Transit's strategic goals and organizational objectives, while reflecting the financial realities and service delivery requirements of the Corporation.
- **Performance and Differentiation:** Performance will be measured annually through the performance goals and management assessment system, which is directly linked to the three-year business strategy and the annual operating plan through key performance indicators determined by the Board of Directors. Differentiation of salary is supported where there are differences in the scope of the position within the organization, and/or due to superior individual or team contributions.
- **External Market Competitiveness:** Exempt positions will be compensated at a level comparable to other Crown corporations with similar roles and of similar size and complexity, and with consideration given to the broader relevant public sector Canadian market. Maximum compensation will generally be set at the 75th percentile of the market, based on regular survey data. In rare circumstances, where warranted and documented, individuals critical to the organization's success may exceed this up to but not beyond the 100th percentile.
- **Internal Equity and Transparency:** Salary ranges will be consistent with the relative internal value of each BC Transit position. Internal values are determined by an ongoing job evaluation analysis of the responsibilities and accountabilities of positions. Compensation programs are designed, managed and communicated in a manner that ensures the program is clearly understood by employees and the public while protecting individual personal information.

- **Governance and Accountability:** The compensation program and structure is approved by the Board of Directors. Annual remuneration for the Chief Executive Officer (CEO) is governed by the Board and based on the achievement of specified performance objectives and achievements. Compensation decisions are objective and based upon a clear and well documented business rationale that demonstrates the appropriate expenditure of public funds.

Selection of Comparison Organizations

The comparison organizations for benchmarking purposes are selected by the CEO and the Vice President Human Resources and Corporate Secretary, with input from BC Transit's Board Chair. The majority of comparator organizations are as follows:

- Crown corporations of a similar size and complexity
- TransLink
- BC Public Service
- Private sector comparisons as required

These comparison organizations will be used as the primary compensation benchmarking sources for BC Transit.

Summary Compensation Table at 2018

| Name and Position | Salary | Holdback/Bonus/ Incentive Plan Compensation | Benefits | Pension | All Other Compensation (expanded below) | 2017/2018 Total Compensation | Previous Two Years Totals Total Compensation | |
|---|------------|---|-----------|-----------|--|------------------------------------|---|------------|
| | | | | | | | 2016/2017 | 2015/2016 |
| Manuel Achadinha, President & Chief Executive Officer | \$ 219,999 | \$ 66,000 | \$ 13,166 | \$ 40,607 | \$ 15,699 | \$ 355,471 | \$ 350,862 | \$ 354,707 |
| Brian Anderson, VP Operations and COO | \$ 174,993 | - | \$ 12,803 | \$ 18,297 | \$ 12,630 | \$ 218,723 | \$ 214,951 | \$ 205,987 |
| Gregory Conner, Vice President Human Resources & Corporate Secretary | \$ 155,660 | - | \$ 13,150 | \$ 19,300 | \$ 2,464 | \$ 190,574 | \$ 171,941 | \$ 156,041 |
| Aaron Lamb, Vice President Asset Management | \$ 155,779 | - | \$ 12,303 | \$ 16,136 | \$ 4,027 | \$ 188,245 | \$ 172,122 | \$ 169,349 |
| Erinn Pinkerton, Vice President Business Development and Chief Transformation Officer | \$ 155,779 | - | \$ 12,085 | \$ 16,136 | \$ 4,319 | \$ 188,319 | \$ 170,315 | \$ 167,186 |
| Alan Thomas, Vice President Finance and Chief Financial Officer | \$ 161,131 | - | \$ 13,031 | \$ 16,719 | \$ 4,280 | \$ 195,161 | \$ 173,257 | \$ 102,392 |

Summary Other Compensation Table at 2018

| Name And Position | All Other Compensation | Severance | Vacation payout | Leave payout | Vehicle / Transportation Allowance | Perquisites / other Allowances | Other |
|---|------------------------|-----------|-----------------|--------------|------------------------------------|--------------------------------|----------|
| Manuel Achadinha, President & Chief Executive Officer | \$ 15,699 | - | \$ 5,077 | - | \$ 8,650 | - | \$ 1,972 |
| Brian Anderson, VP Operations and COO | \$ 12,630 | - | \$ 3,814 | - | \$ 6,964 | - | \$ 1,852 |
| Gregory Conner, Vice President Human Resources & Corporate Secretary | \$ 2,464 | - | \$ 1,264 | - | - | - | \$ 1,200 |
| Aaron Lamb, Vice President Asset Management | \$ 4,027 | - | \$ 2,827 | - | - | - | \$ 1,200 |
| Erinn Pinkerton, Vice President Business Development and Chief Transformation Officer | \$ 4,319 | - | \$ 3,119 | - | - | - | \$ 1,200 |
| Alan Thomas, Vice President Finance and Chief Financial Officer | \$ 4,280 | - | \$ 2,580 | - | - | - | \$ 1,700 |

Notes

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|---|---|
| Manuel Achadinha, President & Chief Executive Officer | <p>General Note: CEO Bonus reflect bonus pay earned in the previous calendar year and paid in this fiscal year. Manuel Achidinha's last day with BC Transit was April 25, 2018.</p> <p>Other Note: Taxable benefit on dependent bus pass & annual home internet allowance. An Internet allowance was implemented in the last quarter of the previous year to allow for executives to have remote access; therefore, they only had 3 – 4 months of internet allowance in the previous year and this year reflects 12 months of allowance.</p> |
| Brian Anderson, VP Operations and COO | <p>General Note: This position was reclassified in 2016/17 following an internal review and the compensation level for the position has been adjusted accordingly. Adjustments to salary resulting from reclassifications are being phased in over a multi-year period consistent with Government policy</p> <p>Other Note: Taxable benefit on dependent bus pass and annual home internet allowance. An Internet allowance was implemented in the last quarter of the previous year to allow for executives to have remote access; therefore, they only had 3 – 4 months of internet allowance in the previous year and this year reflects 12 months of allowance.</p> |
| Gregory Conner, Vice President Human Resources & Corporate Secretary | <p>General Note: This position was reclassified in 2016/17 following an internal review and the compensation level for the position has been adjusted accordingly. Adjustments to salary resulting from reclassifications are being phased in over a multi-year period consistent with Government policy</p> <p>Other Note: Taxable benefit on dependent bus pass and annual home internet allowance. An Internet allowance was implemented in the last quarter of the previous year to allow for executives to have remote access; therefore, they only had 3 – 4 months of internet allowance in the previous year and this year reflects 12 months of allowance.</p> |
| Aaron Lamb, Vice President Asset Management | <p>General Note: This position was reclassified in 2016/17 following an internal review and the compensation level for the position has been adjusted accordingly. Adjustments to salary resulting from reclassifications are being phased in over a multi-year period consistent with Government policy</p> <p>Other Note: Annual home internet allowance. An Internet allowance was implemented in the last quarter of the previous year to allow for executives to have remote access; therefore, they only had 3 – 4 months of internet allowance in the previous year and this year reflects 12 months of allowance.</p> |
| Erinn Pinkerton, Vice President Business Development and Chief Transformation Officer | <p>General Note: This position was reclassified in 2016/17 following an internal review and the compensation level for the position has been adjusted accordingly. Adjustments to salary resulting from reclassifications are being phased in over a multi-year period consistent with Government policy</p> <p>Other Note: Annual home internet allowance. An Internet allowance was implemented in the last quarter of the previous year to allow for executives to have remote access; therefore, they only had 3 – 4 months of internet allowance in the previous year and this year reflects 12 months of allowance.</p> |
| Alan Thomas, Vice President Finance and Chief Financial Officer | <p>General Note: This position was reclassified in 2016/17 following an internal review and the compensation level for the position has been adjusted accordingly. Adjustments to salary resulting from reclassifications are being phased in over a multi-year period consistent with Government policy</p> <p>Other Note: Taxable benefit on dependent bus pass and annual home internet allowance. An Internet allowance was implemented in the last quarter of the previous year to allow for executives to have remote access; therefore, they only had 3 – 4 months of internet allowance in the previous year and this year reflects 12 months of allowance.</p> |