



May 10, 2017

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
2016/17 Statement of Executive Compensation for BC Transit**

As requested, BC Transit has now completed its 2016/17 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 the 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 2016/17, 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,

A handwritten signature in black ink, appearing to be "Frank Carson", written in a cursive style.

Frank Carson, Chair
BC Transit Board of Directors

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. Some executive positions were reclassified in 2016/17 following an internal review and compensation levels for those positions have been adjusted accordingly. Adjustments to salary resulting from reclassifications are being phased in over a multi-year period consistent with Government policy.

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 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 Chief Executive Officer and 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.

BC Transit

Summary Compensation Table at 2017

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2016/2017 Total Compensation	Previous Two Years Totals Total Compensation	
							2015/2016	2014/2015
Manuel Achadinha, President & Chief Executive Officer	\$ 220,845	\$ 66,000	\$ 13,136	\$ 40,802	\$ 10,079	\$ 350,862	\$ 354,707	\$ 349,891
Brian Anderson, VP Operations and COO	\$ 174,101	-	\$ 13,130	\$ 18,197	\$ 9,523	\$ 214,951	\$ 205,987	\$ 202,106
Gregory Conner, Vice President Human Resources & Corporate Secretary	\$ 144,083	-	\$ 13,084	\$ 14,401	\$ 373	\$ 171,941	\$ 156,041	\$ 11,644
Aaron Lamb, Vice President Asset Management	\$ 144,083	-	\$ 12,663	\$ 14,888	\$ 488	\$ 172,122	\$ 169,349	\$ 166,923
Erinn Pinkerton, Vice President Business Development and Chief Transformation Officer	\$ 144,083	-	\$ 11,007	\$ 14,888	\$ 337	\$ 170,315	\$ 167,186	\$ 112,725
Alan Thomas, Vice President Finance and Chief Financial Officer	\$ 144,910	-	\$ 12,188	\$ 14,930	\$ 1,229	\$ 173,257	\$ 102,392	

Summary Other Compensation Table at 2017

Name And Position	All Other Compensation	Severance	Vacation payout	Leave payout	Vehicle / Transportation Allowance	Perquisites / other Allowances	Other
Manuel Achadinha, President & Chief Executive Officer	\$ 10,079	-	\$ 254	-	\$ 8,650	-	\$ 1,175
Brian Anderson, VP Operations and COO	\$ 9,523	-	\$ 1,384	-	\$ 6,964	-	\$ 1,175
Gregory Conner, Vice President Human Resources & Corporate Secretary	\$ 373	-	-	-	-	-	\$ 373
Aaron Lamb, Vice President Asset Management	\$ 488	-	\$ 189	-	-	-	\$ 299
Erinn Pinkerton, Vice President Business Development and Chief Transformation Officer	\$ 337	-	\$ 38	-	-	-	\$ 299
Alan Thomas, Vice President Finance and Chief Financial Officer	\$ 1,229	-	\$ 390	-	-	-	\$ 839

Notes

Manuel Achadinha, President & Chief Executive Officer	General Note: CEO Bonus history has been updated to reflect bonus pay earned in a calendar year and paid in the following fiscal year. The correct reporting is as follows: 2012/13 (\$55,000), 2013/14 (\$66,000), 2014/15 (\$66,000), 2015/16 (\$66,000) Other Note: Taxable benefit on dependent bus pass & annual home internet allowance.
Brian Anderson, VP Operations and COO	Other Note: Taxable benefit on dependent bus pass and annual home internet allowance
Gregory Conner, Vice President Human Resources & Corporate Secretary	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. Other Note: Taxable benefit on dependent bus pass and annual home internet allowance
Aaron Lamb, Vice President Asset Management	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. Other Note: Annual home internet allowance
Erinn Pinkerton, Vice President Business Development and Chief Transformation Officer	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. Other Note: Annual home internet allowance
Alan Thomas, Vice President Finance and Chief Financial Officer	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. Other Note: Taxable benefit on dependent bus pass and annual home internet allowance