

Columbia Basin Trust

2007/08 Statement of Executive Compensation

Compensation Discussion and Analysis

The Columbia Basin Trust (CBT) uses a Job Evaluation Point Factor Plan with eleven competency experience elements. CBT jobs are placed into twelve salary grades based on the point ratings. Prior to April 1, 2008, CBT's salary ranges for each of the salary grades went from 80% to 100% where 100% was set at market average level. CBT currently does not offer its employees any employer paid benefits; in lieu of this, employees are provided with an additional 20% salary premium.

CBT currently has one position (excluding the CEO) that is ranked above the highest grade of the point ratings. The salary of this position was determined by the CEO and based on the employee's years of experience, previous job performance, and to recognize the breadth of knowledge and skills the employee was bringing to CBT.

In 2007/08, CBT conducted a review of our compensation policies and practices. The goal was to restructure and improve the human resource systems and policies to align them to a performance based culture and to ensure that CBT's salary ranges were comparable to market. In June 2008, the Public Sector Employer's Council (PSEC) approved CBT's new compensation policy which is based on the following principles:

1. All salary increases will be merit based.
2. CBT's job rate (the target level of compensation for each position) should be set at the market average level of compensation for comparable positions.
3. There will be an ability to pay up to 10% above the job rate for special cases (eg. exceptional performance or market conditions)

This compensation plan does not include the Chief Executive Officer. CBT's Chief Executive Officer's salary is set by the CBT Board of Directors considering:

1. The individual's track record in business and community development
2. The difficulty in attracting a quality individual to the Columbia Basin. The CBT Chief Executive Officer has an extremely complex job that covers business development, investment management, community development, funding program design and administration, and political, business and community relationship development. The type of individual that CBT requires is typically someone who has many choices on where they can work. Salary is not the deciding factor but it must be competitive to attract qualified individuals.

3. The CBT Chief Executive Officer's salary must be generally in line with other administrators in the region. Part of the analysis looks at senior administrators for local government, local investment firms and local power companies.

**Columbia Basin Trust
Executive Summary Compensation Table
Fiscal 2007/08**

Name	Position	Salary	Benefits (20% in lieu)	Employer's Statutory Contributions	Other	Total
Neil Muth	CEO	175,000.00	35,000.00	3,044.00		213,044.00
Wally Penner	VP, Community Partnerships	135,200.00	27,040.00	3,044.00	192.00	165,476.00