



Port Mann/Highway 1 Improvement Project

Transportation Investment Corporation

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Public Sector Executive Compensation
For the fiscal year ended March 31, 2013

CONTEXT

Transportation Investment Corporation (TI Corp) is a public Crown corporation established under the *Transportation Investment Act* to implement the Port Mann/Highway 1 Improvement Project, including construction, operations and maintenance of 37 kilometres of improvements to the TransCanada Highway through Metro Vancouver, as well as development, implementation and management of tolling operations to pay for the project and help manage growth in traffic over time.

The Port Mann Bridge and Highway 1 comprise Metro Vancouver's primary goods movement and commuting corridor. The Port Mann/Highway 1 Improvement Project was established in 2003 as part of the Provincial Gateway Program to address the problem of growing regional congestion and to improve the movement of people, goods and transit. Combined with other road, bridge and transit improvements planned or underway, this project will help create an effective transportation network within Metro Vancouver.

TI Corp, an agent of the government, may also engage in or conduct business authorized by the Lieutenant Governor in Council.

COMPENSATION DISCUSSION AND ANALYSIS

In order to achieve business and operational objectives, TI Corp relies on the contribution of its employees. The compensation program plays a key role in TI Corp's ability to attract, motivate and retain quality employees.

TI Corp's compensation plan has been approved by the Minister of Transportation and Infrastructure, Minister Responsible for Public Service Employers' Council (PSEC), and a committee of Deputy Ministers charged with approving all public service compensation plans.

TI Corp has worked closely with PSEC to develop a compensation plan which closely mirrors the public service exempt compensation plan and reflects a total compensation perspective that views compensation as base salary, benefits, pension, vacation and perquisites.

The compensation plan provides for participation in both the Public Service Pension Plan and the Public Service Benefits Plan. To ensure the compensation plan remains current, TI Corp reviews the plan every two years.

1. Classification Framework

The classification system mirrors that of the provincial public service, with all non-executive employees classified in one of three bands – applied leadership, business leadership, and strategic leadership.

Much like the public service management classification framework, the three leadership bands are defined as follows:

<p>Applied Leadership, an employee whose primary role is to manage the delivery of products and/or services; and manage and coordinate assigned work or projects.</p>
<p>Business Leadership, a manager whose primary role is to determine the goals and objectives of an operation or project(s) to achieve the outcomes defined for a business; and direct an operation, or provide authoritative advice, to achieve the strategic outcomes of the business.</p>
<p>Strategic Leadership, a director whose primary role is to determine the long-term strategic direction and define the outcomes for a business; and lead several managers who themselves are accountable to lead others to deliver a component of the business.</p>

2. Compensation Philosophy

A key component of an effective compensation philosophy is the need to maintain a meaningful degree of competitiveness with the relevant external labour market. TI Corp must balance public sector and Crown corporation equity and relativity with industry-specific comparability. TI Corp's external labour market reference point is:

- 80% BC Crown corporation and public sector; and
- 20% comparable private sector.

Cash Compensation

Cash compensation is comprised of base salary only. TI Corp does not pay short term incentives or bonuses. Base salary pay is generally targeted at the 50th percentile of the composite market, with a minimum and maximum limit in each salary range.

Non-Cash Compensation

TI Corp's non-cash compensation is comprised of benefits, pension, vacation and perquisites:

- Benefits: Based on government standard
- Pension: Based on government standard
- Vacation: Based on government standard (4-6 weeks)
- Perquisites: Discretionary car and parking allowance

Base Salary Management

Every position is assigned a base salary range. Placement and movement within the range is typically based on an employee's performance and competence level in the role. Salary range progression should reflect performance and/or competency growth.

The base salary range for each classification is as follows:

Classification	Salary Range
President and Chief Executive Officer (CEO)	\$180,000 - \$195,000
Vice President / Chief Financial Officer	\$140,000 - \$155,000
Strategic Leadership	\$90,000 - \$115,000
Business Leadership	\$70,000 - \$95,000
Applied Leadership	\$45,000 - \$80,000

These salary ranges are similar to salaries in the public service.

3. Appointments

In accordance with the Public Sector Employers Act, the President and CEO will be appointed for up to five years at a time with a provision for renewal. The remainder of employees will be offered either time-limited or permanent positions.

4. Performance Evaluation and Holdbacks

The Board of Directors is responsible for reviewing the President and CEO's performance annually, and for approving annual salary increases. Given the salary freeze, there were no increases to salaries.

The compensation plan incorporates a 10% base salary holdback for the President and CEO and the Vice-President, Technical Services. Releases of the base salary holdbacks will be tied to performance. TI Corp does not provide bonus or incentive programs.

5. Summary Compensation Table For the Fiscal Year Ended March 31, 2013

Summary Compensation Table at FISCAL, 2013								
Name and Position (a)	Salary (b)	Bonus and / or Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2012/13 Total	Previous Two Years Totals	
							2011 / 12	2010 / 11
Mike Proudfoot, President & CEO	\$ 181,492	\$ -	\$ 7,984	\$ -	\$ 10,292	\$ 199,768	\$ 212,992	\$ 90,077
Garry Dawson, VP Technical Services	\$ 153,456	\$ -	\$ 8,057	\$ -	\$ 8,357	\$ 169,870	\$ 161,612	\$ 164,369
Janet Woodruff, CFO (Interim)	\$ -	\$ -	\$ -	\$ -	\$ 329,728	\$ 329,728	\$ 43,456	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes:

1. In 2012/13, Mike Proudfoot received a vacation payout of \$1,192 and \$9,100 transportation allowance (total of \$10,292).
2. In 2012/13, Garry Dawson received a vacation payout of \$8,357.
3. Chief Financial Officer (Interim) is not registered under the Public Service Plan and is not eligible for Incentive Plan or benefits. The CFO role was filled through a management services contract. TI Corp continues recruitment for a permanent replacement.



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As the Chair of the Board of Directors, I have reviewed and verified that the compensation paid in 2012/13 is within the approved compensation plan.

Grant Main

Chair, Board of Directors

May 31, 2013