



transportation
investment
corporation

May 22nd, 2020

Ms. Christina Zacharuk, President and CEO
PSEC Secretariat
Suite 210, 880 Douglas Street
Victoria, B.C.
V8W 2B7

Dear Ms. Zacharuk,

Re: Public Sector 2019-20 Executive Compensation Disclosure for Transportation Investment Corporation

On behalf of the Transportation Investment Corporation Board of Directors, I confirm the following with respect to executive compensation paid in the 2019-20 fiscal year:

1. The Board is aware of the executive compensation paid in the 2019-20 fiscal year.
2. The compensation information being disclosed is accurate and includes all compensation paid by the employer.
3. The compensation provided was within the approved compensation plan and complies with the "Transportation Investment Corporation Compensation Philosophy and Guidelines" dated April 2019.

Sincerely,

A handwritten signature in cursive script that reads "Sabine Feulgen".

Sabine Feulgen
Chair, Board of Directors
Transportation Investment Corporation

Attachments

Transportation Investment Corporation Compensation Philosophy and Guidelines

April 2019

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1 ABOUT TRANSPORTATION INVESTMENT CORPORATION

Transportation Investment Corporation (TI Corp) is governed by a Board of Directors and is a wholly owned subsidiary of the BC Transportation Financing Authority (BCTFA).

Vision

To be a recognized leader in the management and delivery of complex major transportation infrastructure projects.

Mandate

TI Corp supports the Ministry of Transportation and Infrastructure and the BCFTA in meeting its infrastructure delivery needs by providing leadership, expertise and consistency in the delivery of complex infrastructure projects to deliver measurable benefits for taxpayers.

2 COMPENSATION PHILOSOPHY

To achieve its business and operational objectives TI Corp must rely on the contribution of its employees, and the organization's compensation program plays a key role in its ability to attract, motivate and retain quality employees.

The organization is committed to a total compensation perspective that views compensation as including both cash and non-cash compensation.

3 EXECUTIVE COMPENSATION

As per current Provincial mandate, executive compensation is disclosed annually. The report is available at <https://www2.gov.bc.ca/gov/content/governments/organizational-structure/ministries-organizations/crown-corporations/transportation-investment-corporation>

4 CORE PRINCIPLES

TI Corp's compensation philosophy and plan is aligned to a common compensation philosophy with the BC Public Sector and embodies the following four core principles:

Performance	Our compensation program supports and promotes a performance-based organizational culture.
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Differentiation	Differentiation of salary is supported where there are differences in the scope of the position within the organization, and/or due to superior individual team contributions.
Accountability	Compensation decisions are objective and based on a clear and well-documented business rationale that demonstrates the appropriate expenditure of public funds.
Transparency	Our compensation program is designed, managed and communicated in a manner that ensures the program is clearly understood by employees and the public, while protecting individual personal information.

5 BENCHMARKING

TI Corp recognizes that a key component of an effective compensation philosophy is benchmarking to the relevant external labour market. Given the unique mandate of TI Corp, as a professional delivery services firm for major transportation infrastructure, the appropriate comparator market is defined as one that balances public sector equity and industry-specific technical comparability.

5.1 BENCHMARKING METHODOLOGY

TI Corp will conduct external compensation reviews at the discretion of the TI Corp Board of Directors. Such external reviews will include analysis of total compensation (cash and non-cash) paid by appropriate comparison organizations to positions comparable to those at TI Corp.

TI Corp has determined that its appropriate external labour market reference point consists of a balanced composite (50%/50%) of the British Columbia public sector and comparable private sector. This composite allows TI Corp’s compensation structure to reflect the unique knowledge and experience sought through the recruiting process, and to manage the retention challenges inherent in an organization utilizing high demand, specialized talent.

Through a combination of direct survey (conducted by a third-party service provider) and information obtained through the Public Sector Employers’ Council, data is analyzed from the following sources:

“Public Sector” includes relevant comparators within BC (e.g., Ministry, Crown Corporations, health sector, post-secondary education sector).

“Private Sector” includes relevant comparators within BC and across Canada (primarily construction and professional services organizations)

For positions of an administrative nature, where skills are more readily available and easily transferable to other organizations, the BC Public Service will be utilized as the primary benchmarking comparator.

6 CASH AND NON-CASH COMPENSATION

Total compensation includes both cash, and non-cash, compensation.

6.1 CASH COMPENSATION

Cash compensation is targeted to be at the mid-point of the range, with a range minimum of 20% below mid-point, and a range maximum of 20% above the mid-point.

As an example, the range for a targeted base salary of \$100,000 (the mid-point) would be a minimum of \$80,000 and a maximum of \$120,000.

6.1.1 Salary Ranges

Salary ranges have been established for the following employee groups:

- **CEO**
- **Executive Directors**
- **Associate Directors**
- **Senior Managers**
- **Administration**

Please see Appendix A for a table containing the current salary ranges for all positions within the organization. In rare cases, TI Corp believes they may need to retain highly specialized skills for specific positions. In the event this occurs, TI Corp will seek the approval of the Minister responsible for the Public Sector Employers Act for an exception prior to competing such a role.

6.2 NON-CASH COMPENSATION

Non-cash compensation includes the following statutory and non-statutory benefits:

Statutory Holidays	Short-Term Illness and Injury	Canada Pension
Vacation	Long-Term Disability	Employment Insurance
Maternity, Parental and Pre-Adoption Leave Allowances	Medical Services Plan	Workers' Compensation
Group Life Insurance	Extended Health and Dental	Employer Pension
Discretionary car and parking allowances	Employee and Family Assistance	Retiring Allowance
	Health Spending Account	

7 COMPENSATION REVIEWS

On an annual basis, TI Corp conducts an internal compensation review in conjunction with its assessment of employee performance. This review determines individual employee movement within the approved salary ranges (see Section 8).

8 BASE SALARY MANAGEMENT

Every TI Corp position is assigned a salary range based on the composite market mid-point. The market mid-point should be equal to the salary typically paid in the composite market to competent performers in a comparable position.

Generally speaking, new employees developing in the position would be paid between the minimum and the mid-point. Staff will progress through the salary ranges as they develop skills and competence, and are promoted.

Placement and movement within the salary range is based on an employee's performance and competence level in the role. The following illustrations show how progression through a salary range reflects performance and/or competency growth:

Figure 1: Performance-Based

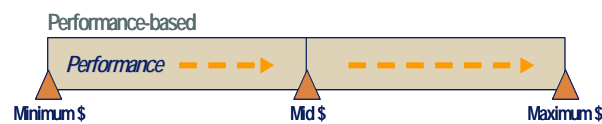


Figure 2: Competency-Based



An employee who consistently performs all aspects of the position in a fully competent manner would be paid at or near the market mid-point.

In order to merit a salary increase which would place his or her salary above the market mid-point, an employee would have to demonstrate performance during the year which clearly surpasses the fully competent level. An employee who reaches this level of excellence does so through unique and exceptional application of knowledge, skills and/or effort over a consistent, sustained period.

8.1 COMPETENCE RATINGS FOR SALARY MOVEMENTS

Employee competence is assessed and assigned one of the following overall ratings for salary movements:

- Developmental
- Fully Competent
- Exceptional

8.2 DETERMINING SALARY INCREASES

An employee's competence rating and current placement within the existing salary range are used in determining annual salary increases. The application of employee competence and position in the salary range to determine salary increases is illustrated in the table below.

Table 1: Salary Increase Grid - Guidelines

Employee's Competence Rating	Employee's Present Salary within Current Salary Range		
	At Range Minimum	At Mid-Point	At Range Maximum
Developmental	2-5%	0-2%	0%
Fully Competent	3-6%	1-3%	0%
Exceptional	4-7%	2-5%	0%

An employee's performance is assessed each year and changes in salary are determined accordingly. In a year in which an employee does not substantially achieve his or her performance plan goals, the company may not increase the employee's salary, or may increase the employee's salary by less than the salary increase grid.

An employee may not remain at the same position (i.e. mid-point) within the respective salary range should the range be amended.

Actual employee base salary increases are assessed by management and awarded within the Board-approved overall compensation budget.

APPENDIX A – SALARY RANGES

Positions	Minimum	Median	Maximum
	Executive Directors	\$138,000	\$172,500
Associate Directors	\$99,000	\$126,500	\$154,000
Senior Managers	\$69,000	\$95,000	\$121,000
Administration	\$42,000	\$49,875	\$57,750

Level	Title
Executive Directors	Executive Project Directors Chief Financial Officer Scheduler Quantity Surveyor Quality Director
Associate Directors	Associate Project Directors Directors, Finance Director, Corporate/Strategic Initiatives
Senior Managers	Senior Project Managers Manager, Communications Manager, Corporate Planning
Administration	Executive Assistants

Transportation Investment Corporation

Summary Compensation Table at 2020

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2019/2020 Total Compensation	Previous Two Years Totals Total Compensation	
							2018/2019	2017/2018
Amanda Farrell, Chief Executive Officer	\$ 273,641	-	\$ 15,435	\$ 26,954	\$ 20,737	\$ 336,767	\$ 94,231	
Lisa Gow, Executive Project Director (BSP)	\$ 36,231	-	\$ 4,739	\$ 3,569	\$ 885	\$ 45,424		
James Harvey, In-House Counsel	\$ 48,670	-	\$ 7,568	\$ 4,626	-	\$ 60,864		
Wendy Itagawa, Executive Project Director (PBR)	\$ 40,671	-	\$ 5,163	\$ 4,006	\$ 334	\$ 50,174		
Mike Lorimer, Executive Project Director (KHC4)	\$ 49,990	-	\$ 6,115	\$ 4,924	-	\$ 61,029		
Johanna Navas, Executive Director Commercial	\$ 49,062	-	\$ 5,944	\$ 4,833	-	\$ 59,839		
Dave Stewart, Chief Financial Officer	\$ 147,318	-	\$ 21,939	\$ 14,511	\$ 885	\$ 184,653		
Donald Trapp, Executive Director	\$ 117,969	-	\$ 11,377	\$ 11,620	-	\$ 140,966		

Notes

Amanda Farrell, Chief Executive Officer	General Note: Ms. Farrell was seconded to TI Corp from December 03, 2018 to May 31, 2019 and employed by TI Corp effective June 01, 2019. Perquisite/Other Allowance Note: Parking Benefit
Lisa Gow, Executive Project Director (BSP)	General Note: Ms. Gow was employed by TI Corp effective January 01, 2020. Perquisite/Other Allowance Note: Parking Allowance
James Harvey, In-House Counsel	General Note: Mr. Harvey was seconded to TI Corp on January 13, 2020.
Wendy Itagawa, Executive Project Director (PBR)	General Note: Ms. Itagawa was employed by TI Corp effective January 13, 2020. Perquisite/Other Allowance Note: Parking Benefit
Mike Lorimer, Executive Project Director (KHC4))	General Note: Mr. Lorimer was employed by TI Corp effective December 02, 2019.
Johanna Navas, Executive Director Commercial	General Note: Ms. Navas was employed by TI Corp effective January 02, 2020.
Dave Stewart, Chief Financial Officer	General Note: Mr. Stewart was seconded to TI Corp from April 01, 2019 to December 31, 2019 and employed by TI Corp effective January 01, 2020. Perquisite/Other Allowance Note: Parking Allowance
Donald Trapp, Executive Director	General Note: Mr. Trapp was employed by TI Corp effective June 27, 2019.