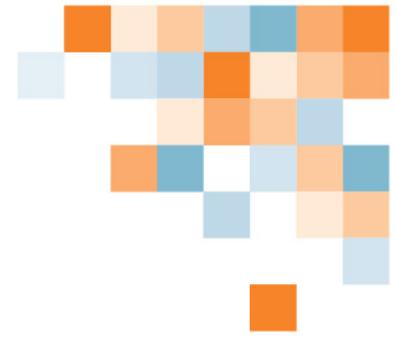


**To: Christina Zacharuk**  
**Interim CEO & President of PSEC Secretariat**  
**2nd Floor, 880 Douglas Street**  
**Victoria, BC V8W 2B7**

**RE: Industry Training Authority (ITA)**  
**FY 2015/16 Executive Compensation Disclosure**



## **Compensation Discussion and Analysis**

for fiscal year 2015/16

### **Industry Training Authority (ITA)**

The Industry Training Authority (ITA) leads and coordinates British Columbia's skilled trades system. ITA works with employers, employees, industry, labour, training providers and government to issue credentials, manage apprenticeships, set program standards, and increase opportunities in the trades.

### **Compensation Philosophy**<sup>1</sup>

ITA Executive compensation for the 2015/16 fiscal year was comprised of a base salary and benefits including vacation and pension. The plan was designed to compensate and reward achievement of the goals as outlined in the organization's Service Plan and as may also be identified by the Human Resources Committee of the Board of Directors in its Corporate Performance Goals

The base salary and benefits are benchmarked at least every three years (when there is no executive compensation freeze) using comparators that include public, private and not-for-profit organizations. The comparators are intended to position the organization to be reflective of the environment in which the organization operates. The Board would approve the comparator organizations for the CEO position. The Human Resources Committee of the Board, and CEO would approve the comparator organizations for all other positions in the organization. ITA salary bands were set at the market median when they were last evaluated. The market compensation survey would be administered by an independent, full service Human Resource organization using best practices identified by the consultant.

### **Leaves**

The organization provides vacation and sick leave to employees as well as other leaves required under Employment Standards (e.g. Family Responsibility Leave).

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<sup>1</sup> Full description of ITA's compensation policy: Addendum 1

Summary Compensation Table at FISCAL, 2016

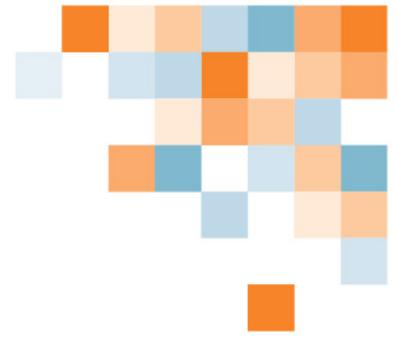
Name and Position (a)	Salary (b)	Holdback / Bonus / Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2015/16 Total	Previous Two Years Totals	
							2014/15	2013/14
Jeff Nugent, COO	\$ 33,411	\$ -	\$ 1,841	\$ 3,438	\$ 6,780	\$ 45,471	\$ 178,115	\$ 220,591
Gary Herman, CEO	\$ 192,741	\$ -	\$ 11,576	\$ 20,263	\$ 200	\$ 224,779	\$ 215,812	\$ 193,058
Farnaz Riahi, CFO	\$ 138,946	\$ -	\$ 8,544	\$ 14,201	\$ 1,081	\$ 162,772	\$ 27,276	\$ -
Jeff Lekstrom, COO	\$ 85,900	\$ -	\$ 9,334	\$ 8,100	\$ 738	\$ 104,072	\$ -	\$ -

Summary Other Compensation Table at FISCAL, 2016

Name and Position (a)	All Other Compensation	Severance (f)	Vacation payout (g)	Leave payout (h)	Vehicle / Transportation Allowance (i)	Perquisites / other Allowances (j)	Other (k)
Jeff Nugent, COO	\$ 6,780	\$ -	\$ 6,794	\$ -	\$ -	-\$ 205	\$ 191
Gary Herman, CEO	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200
Farnaz Riahi, CFO	\$ 1,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,081
Jeff Lekstrom, COO	\$ 738	\$ -	\$ -	\$ -	\$ -	\$ 250	\$ 488

**Notes:**

Jeff Nugent, COO	Last day worked Jun 16/15, vacation payout \$6,794.
Gary Herman, CEO	\$200 Healthy Life Program
Farnaz Riahi, CFO	\$181 Healthy Employee Program, \$75 cell phone stipend taxable, \$825 cell phone stipend non-taxable
Jeff Lekstrom, COO	\$250/3 years cell phone reimbursement, \$488 cell phone stipend (\$75/month starting in mid September 2015) - the COO was reimbursed \$8,000 in relocation/temporary housing expenses.



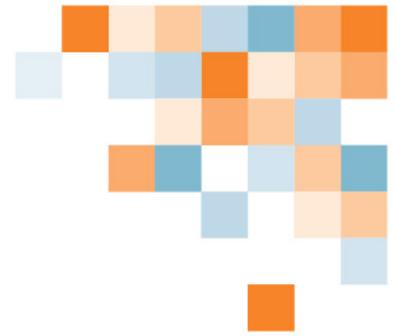
I attest the compensation provided was within approved compensation plans. Reviewed and signed on behalf of the Industry Training Authority Board of Directors.

A handwritten signature in black ink, appearing to read "Gwyn Morgan".

**Gwyn Morgan, C.M.**  
**Board Chair**

May 09, 2016

**Date**



## Addendum 1 – From ITA EE Handbook

### 3.1. SALARY ADMINISTRATION

ITA follows compensation practices that ensure all employees receive fair salaries; accurately reflect positions, duties, responsibilities, education and experience required for optimum job performance, and to enable ITA to recruit and retain qualified employees.

3.1.1 Job Descriptions have been developed to maintain a clear and efficient structure, description and evaluation of job responsibilities within ITA. However, job descriptions are only an outline of major duties and responsibilities; they are not detailed lists of every duty employees may be asked to perform. ITA may add similar or related duties at any time, at our discretion. ITA will review job descriptions:

- during the annual performance review process
- before the commencement of the recruit for a vacant position
- when a change within ITA results in a change in job functions

3.1.2 Job descriptions are the tools with which the market value of each job at ITA is determined. When a job has been evaluated it is assigned to a Salary Band, which specifies the range of compensation for the job. At ITA similarly valued positions are placed within one Salary Band, which is comprised of:

**The Job minimum** represents 80% of the job rate and is typically the amount of salary paid to a new employee who has the basic skills required but little or no job related experience. However, new employees with comparable experience to that required by the position being filled at the ITA may be credited with a specific number of relevant years of experience for purposes of their placement in the salary band.

**The Job Rate** represents 100% of the average salary paid the same or similar jobs, by the comparable external market.

The Compa-ratio is defined as “the percentage of the incumbent’s salary in comparison to the Job Rate of the Salary Band.” For example, if a job has a Job Rate of \$50,000, and an employee’s salary is \$45,000, that employee’s compa-ratio is 90% (90% of \$50,000 is \$45,000).

3.1.3 ITA reviews Salary Bands, job rates and benefits at least every three years using a comparator group that may include public, private and non-profit employers that hire to comparable positions. The market compensation survey is administered by an independent, Human Resource organization using best practices identified by the consultant. The job rates for each salary band are reviewed periodically and approved by the HR Committee of the Board of Directors. In the intervening years, the Committee may approve salary band adjustments based on actual or projected market range adjustments, the organization’s ability to pay and PSEC (Public Service Employer’s Council) guidelines and mandate.

3.1.4. At the end of the annual Performance Management cycle, each employee’s performance over the past year is measured against the job description, goals, and desired behaviours that support the Annual Business Plan, and a final rating is determined. Performance rating is associated with a relevant salary



percentage increase, which may change from year to year, dependant on ITA's ability to pay, and the HR Committee and PSEC guidelines and mandate. .

ITA is limited by its Compensation Guidelines in the amount salaries can be increased by; currently 102% compa-ratio is the cap for salaries and salary increases.

3.1.5 Salaries are paid in equal amounts, on the 15<sup>th</sup> and last day of the month, by direct deposit. If you have a concern or need clarification regarding calculations made on your pay stub, please contact Payroll.