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## 2019 EXECUTIVE COMPENSATION BC LIQUOR DISTRIBUTION BRANCH

The Liquor Distribution Branch follows the BC Public Service Compensation policy and guidelines as outlined below:

### Compensation Philosophy

The executive compensation approach will provide staff with a competitive total compensation package to attract and retain a qualified, diverse and engaged workforce that strives to achieve high levels of performance in delivering government services to the people of B.C. The compensation philosophy outlines the BC Public Service's objectives and guiding principles for compensation for deputy ministers, associate deputy ministers and assistant deputy ministers.

### Objectives

The objectives of the BC Public Service compensation philosophy are to:

1. Support and retain individuals who demonstrate the BC Public Service values and skills needed to achieve the objectives of government.
2. Attract qualified, diverse and high-potential individuals to the BC Public Service.
3. Support the development of a performance-based culture by providing incentives for employees to achieve results and exhibit superior performance.

### Guiding Principles

The following principles guide the design, implementation and administration of BC Public Service compensation programs:

- Differentiation: Differentiation of salary is supported where there are differences in the scope of the position within a ministry or corporate context, and/or due to superior individual or team contributions.
- Performance: Compensation programs support and promote a performance-based organizational culture.
- Transparent: Compensation programs are designed, managed and communicated in a manner that ensures the program is clearly understood by employees and the public, while at the same time protecting individual personal information.
- Accountable: Compensation decisions are objective and based upon a clear and well documented business rationale that demonstrates the appropriate expenditure of public funds.

### Guidelines for Administration

#### **Market Comparators**

The BC Public Service has identified the primary competitors for talent as:

1. BC public sector organizations (including Crown corporations, the health sector, the education sector, community social services, regional governments, municipalities, and various other public bodies);
2. Other provincial jurisdictions and the federal government (excluding northern territory jurisdictions); and
3. The private sector.

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## **Executive Compensation**

The province's target position for executive compensation in the public sector market is to be from 3rd to 5th nationally amongst the provincial and federal governments. A determination is made respecting the appropriate ranking based on demographic and labour market trends, and economic variables.

Under the model introduced in 2008, the maximum attainable salary for BC Public Service deputy ministers and for assistant deputy ministers is to be third among provinces and the federal government. Base pay for executives included a salary holdback that was tied to leading human resources to corporate outcomes.

In October 2018, holdbacks were discontinued and Executive Salary Ranges were updated; however, the maximum of the executive salary range remains \$299,215 for BC Public Service deputy ministers and \$348,600 for the Deputy Minister to the Premier.

The maximum achievable salaries for executives under the framework approved by Cabinet in 2008 was set at 83 per cent of federal equivalent levels, which reflects the recommendation of a 2001 analysis by the consulting firm Watson Wyatt.

## **Internal Relativity and Differentiation**

Base pay will typically be set at levels within scope of comparable positions within the BC Public Service. Differentiation of base pay reflects:

- Differences in the scope and responsibility of the work assignment in a corporate context;
- Recruitment and retention pressures;
- Emphasis on specific talent or unique skills within ministries required to meet service plan priorities; and
- Relative performance in achieving work goals and objectives.

## **Salary Holdbacks**

The assessment of performance of Deputy Ministers in their roles is based on the achievement of goals and targets within ministry service plans and specific performance objectives. The measures for the salary holdback are based on an assessment of executive performance in leading their human resources to corporate outcomes. These outcomes may include goals related to the government's Corporate Plan, Where Ideas Work, financial targets and other corporate initiatives.

Assessment of compensation holdback is conducted following the completion of the fiscal year and paid in May of the following fiscal year.

There were three holdback measures for the 2017/18 fiscal year, the first two holdback measures are weighted 25% each and the third holdback measure is weighted 50%.

There were two holdback measures for the 2018/19 fiscal year. As a result of holdbacks being discontinued, the portion of the holdback for April 1, 2018 to September 30, 2018 was paid out as lump sum in October 2018. This lump sum was paid out if the holdback measures were met by September 30, 2018.

### Performance Based In-Range Movement

Performance based in-range movement provides the opportunity for Deputy Ministers to increase their salary over time based on an annual review of their performance in their position. Performance based in-range increases are not an annual entitlement but are earned by demonstrating good and superior performance during the performance period and in the absence of government expenditure restrictions.

### Leave Provisions

Deputy Ministers and Associate Deputy Ministers receive one additional week of vacation supplementary to the leave entitlements provided to all excluded managers in the BC public service.

Holdbacks based on the 2017/18 measures were paid out in fiscal 2018/19.

<b>2017/18 Holdback Measures</b>	
<b>Measure</b>	<b>Target</b>
1. Achieving government's fiscal targets and performance on forecast.	<p>Achievement of ministry budget targets; AND % margin on forecasting as determined in conjunction with the Ministry of Finance;</p> <p>AND achieving the budget approved by the Minister of Finance consistent with Budget 2017 Update.</p> <p>Targets will be confirmed by the Ministry of Finance.</p>
2. To continue to embed succession management into our leadership practices.	<p>Successful implementation of strategies, coaching and/or mentoring practices, within each organization to develop the bench strength within.</p> <p>Succession plans completed for X% of Succession Priority Positions as determined in conjunction with the PSA and identified by the ministry as being "high business risk".</p>
3. Delivering on the key priorities of government.	<p>Achievement of specific deliverables and outcomes from the tasks in the Minister's mandate letters (5 per ministry to be specific).</p> <p>For those agencies without a mandate letter, specific deliverables and outcomes will be agreed to with the Deputy Minister to the Premier.</p>

Holdbacks based on the 2018/19 measures were paid out as a lump sum for April 1, 2018 to September 30, 2018 in fiscal 2018/19.

<b>2018/19 Holdback Measures</b>
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<b>Measure</b>
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| 1. Completion of development plans for Executive Leads, Assistant Deputy Ministers, and Associate Deputy Ministers.  |
| 2. In accordance with the instructions for the Strategic Reinvestment Review, provide your Ministry's complete submission to Treasury Board staff by September 30, 2018. |

**Liquor Distribution Branch**

**Summary Compensation Table at 2019**

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2018/2019 Total Compensation	Previous Two Years Totals Total Compensation	
							2017/2018	2016/2017
Robert Blain Lawson, General Manager & CEO	\$ 187,200	\$ 29,250	\$ 9,768	\$ 18,331	\$ 22,871	\$ 267,420	\$ 243,774	\$ 243,598
Roger Bissoondatt, Chief Financial Officer (CFO)	\$ 136,950	\$ 21,000	\$ 1,216	\$ 13,506	\$ 2,671	\$ 175,343	\$ 166,267	\$ 169,956
Todd Cooper, Executive Director, Wholesale Operations	\$ 136,950	\$ 21,000	\$ 8,210	\$ 13,520	-	\$ 179,680	\$ 161,369	\$ 162,559
Michael Procopio, Executive Director, Retail Operations	\$ 136,950	\$ 21,000	\$ 8,210	-	\$ 18,571	\$ 184,731	\$ 163,963	\$ 163,954
Michael Tan, Executive Director, Cannabis Operations	\$ 135,500	\$ 7,997	\$ 8,165	\$ 13,360	-	\$ 165,022	\$ 8,883	



**Notes**

Robert Blain Lawson, General Manager & CEO	<b>General Note:</b> Effective October 1, 2018, past practice of retaining a percentage of an executive salary to be paid as an annual lump sum holdback was eliminated for Liquor Distribution Branch executives, as well as other executive of the public sector. Holdback amounts related to fiscal year 2017-18 performance and period April to September 2018 were paid and disclosed above. The annual salary for Robert Blain Lawson effective October 1 2018 is \$198,900. Description for earned/accrued and not yet paid: a) Provision for retiring allowance (payable when qualified); b) accrued 1.5 weeks of vacation.
Roger Bissoondatt, Chief Financial Officer (CFO)	<b>General Note:</b> Effective October 1, 2018 past practice of retaining a percentage of an executive salary to be paid as an annual lump sum holdback was eliminated for the Liquor Distribution Branch executives, as well as other executives in the public sector. Holdbacks amounts related to fiscal year 2017-18 performance and period of April to September 2018 were paid and disclosed above. Description for earned/accrued and not yet paid : a) Provision for retiring allowance (payable when qualified); b) Accrued 10 weeks of vacation; c) Accrued 22.3 weeks of frozen vacation. Frozen vacation relates to vacation earned prior to 2003. The annual salary for Roger Bissoondatt effective October 1, 2018 is \$147,900.
Todd Cooper, Executive Director, Wholesale Operations	<b>General Note:</b> Effective October 1, 2018, past practice of retaining a percentage of an executive salary to be paid as an annual lump sum holdback was eliminated for Liquor Distribution Branch executives, as well as other executive of the public sector. Holdback amounts related to fiscal year 2017-18 performance and period April to September 2018 were paid and disclosed above. The annual salary for Todd Cooper effective October 1 2018 is \$147,900. Description for earned/accrued and not yet paid: a) provision for retiring allowance (payable when qualified); b) Accrued 7.4 weeks of vacation.
Michael Procopio, Executive Director, Retail Operations	<b>General Note:</b> Effective October 1, 2018, past practice of retaining a percentage of an executive salary to be paid as an annual lump sum holdback was eliminated for Liquor Distribution Branch executives, as well as other executive of the public sector. Holdback amounts related to fiscal year 2017-18 performance and period April to September 2018 were paid and disclosed above. The annual salary for Michael Procopio effective October 1 2018 is \$147,900. Michael Procopio is not part of the Public Service Pension Plan as he has reached 35years. Description for earned/accrued and not yet paid: a) provision for retiring allowance (payable when qualified); b) Accrued 15.5 weeks of vacation; c) Accrued 30.5 weeks of frozen vacation. Frozen vacation relates to vacation earned prior to 2003.
Michael Tan, Executive Director, Cannabis Operations	<b>General Note:</b> Effective October 1, 2018, past practice of retaining a percentage of an executive salary to be paid as an annual lump sum holdback was eliminated for Liquor Distribution Branch executives, as well as other executives in the public sector. Holdback amounts related to fiscal year 2017-18 performance and period of April to September 2018 were paid and disclosed above. The annual salary for Michael Tan effective October 1, 2018 is \$145,000. Description for earned/accrued and not yet paid: a) provision for retiring allowance (payable when qualified); b) Accrued 4.3 weeks of vacation.