

To: Board of Management

From: John Tracogna
Chief Executive Officer

Subject: **2010 EXEMPT STAFF COMPENSATION**

Date: 2010-05-22

Reason for Confidential Information:	This report includes information concerning labour relations / employee negotiations and confidential information about an identifiable individual.
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Summary:

The purpose of this report is to recommend adjustments to the Exempt Compensation Plan for 2009.

Recommendations:

It is recommended that the exempt compensation policy be amended as follows:

- 1. The market adjustments for 2010 be set at 1% for both the exempt salary grades and the exempt staff salaries;**
- 2. The re-earnable performance-based lump sum payments be cancelled in 2010 for exempt staff who have reached the maximum salary in their respective wage bands;**
- 3. The 2010 performance-based pay policy for exempt staff progressing through their respective salary ranges (minimum salary to maximum salary - job rate), which is based on exempt staff 2009 goals and performance, be continued; and**
- 4. The recommendation contained in the Confidential Attachment 1 be approved, and that such attachment remain confidential in its entirety in that it contains information about labour relations / employee negotiations and confidential information about an identifiable individual.**

Financial Impact:

The cost of the implementation of the merit adjustments is provided for in the 2010 Operating Budget.

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Background:

Each year the Board has approved salary increases incorporating market adjustments and merit increases for exempt staff based on this performance management process. The pay-for-performance model provides a means of evaluating our exempt staff, improved accountability and a greater incentive to achieve a higher level of performance.

Comments/Discussion:

On 2009-04-30 Toronto City Council amended their non-union compensation policy for 2010 by:

- setting the cost of living adjustments (COLA) for 2010 at 1%; and
- cancelling the re-earnable performance-based lump sum payments for exempt employees who have reached their respective maximum salary (job rate).

City Council has requested that the City's agencies, boards and commissions apply the changes outlined above.

It is also recommended that we adhere to the City's recommendation and cancel the re-earnable bonuses for those of our employees who were at the top of their salary grades in 2009 in recognition of the efforts being made by the City at financial restraint.

John Tracogna
Chief Executive Officer

List of Attachments:

Confidential Attachment 1