



To: Board of Management

From: Susan Gunton
Director, Corporate Planning

Subject: **2012 EXEMPT STAFF COMPENSATION**

Date: 2012-09-10

Reason for Confidential Information:	This report includes information concerning labour relations / employee negotiations.
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Summary:

The purpose of this report is to recommend adjustments to the Exempt Compensation Plan for 2012. Each year the Board has approved salary increases incorporating market adjustments and merit increases for exempt staff based on the Zoo's performance management process. The pay-for-performance model, which has been in place since 2001, provides a means of evaluating our exempt staff, improved accountability, and a greater incentive to achieve a higher level of performance.

Recommendations:

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

- 1. The market adjustments for 2012 be set at 1.9% for both the exempt salary grades and the exempt staff salaries;**
- 2. The 2012 performance-based pay policy for exempt staff progressing through their respective salary ranges (minimum salary to maximum salary), which is based on exempt staff 2011 goals and performance, be continued; and**
- 3. 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.**

Financial Impact:

The cost of the implementation of the merit adjustments is provided for in the 2012 Operating Budget.

Background:

In December 2001, the Board of Management approved the Hay Exempt Staff Compensation Plan. The plan provided for a salary grid and a performance management system that incorporated a “pay for performance” merit incentive component as well as a market rate adjustment to keep the Zoo salaries competitive with other employers. The merit adjustments have been based on a performance rating system which includes the following four rating categories: Exceed, Achieved, Developmental/Needs Improvement, and Unsatisfactory.

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:

As in previous years, the adjustment to the salary ranges is based on market conditions. A survey of comparable municipal and regional GTA public sector employers completed by Hay Group for the City of Toronto indicates annual general increases of 2.0% in 2012. Toronto City Council recently approved a 1.9% market (cost of living) increase for its non-union employees. It is recommended that the Toronto Zoo follow the City market adjustment of 1.9%, which aligns with comparable public sector increases.

The exempt salary ranges are adjusted annually to keep the Zoo exempt compensation structure equitable internally and relatively competitive with exempt salaries of other public sector employers. Individual exempt salaries do not increase along with the range adjustments, but rather based on a combination of market adjustment and merit determined after year end, based on the performance rating over the year. As in past years, the market adjustment will only be granted to staff who have met their objectives.

Continuing the pay-for-performance model provides for the evaluation of performance, improved accountability and a reward component within the compensation system which results in a greater incentive to achieve higher performance. As well, by making periodic adjustments to the plan, market forces will be addressed which will positively affect the recruitment and retention of qualified staff at the Zoo.

Susan Gunton
Director, Corporate Planning

List of Attachments:

Confidential Attachment 1