

Annual Performance Review of the Toronto Atmospheric Fund Chief Executive Officer

Date: April 26, 2021
To: Toronto Atmospheric Board of Directors
From: Board Chair

REASON FOR CONFIDENTIAL INFORMATION

This report deals with personal matters about an identifiable person.

SUMMARY

This report summarizes the performance review of The Atmospheric Fund's (TAF's) Chief Executive Officer (CEO) and provides a compensation recommendation.

RECOMMENDATIONS

The Board Chair recommends that the Board of Directors of the Toronto Atmospheric Fund:

1. Approve the recommendations contained in Confidential Attachment 1 from the Executive Compensation and Performance Review Committee with respect to Chief Executive Officer Compensation.
2. Direct the Executive Compensation and Performance Review Committee to review and update the CEO contract as part of the 2021 Annual Performance Review Process.
3. Direct that the confidential information contained in Confidential Attachments 1 and 2 remain confidential in their entirety, as they deal with personal matters about an identifiable person.

FINANCIAL IMPACT

None to the City.

DECISION HISTORY

At its meeting April 19, 2021, the Executive Compensation and Performance Review Committee reviewed the results of the CEO 360 Performance Review and Self-Assessment.

On May 21, 2020, the Board approved recommendations from the Executive Compensation and Performance Review Committee, with respect to Chief Executive Officer Compensation
(<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.TA6.12>)

On September 27, 2017, the Board approved an Executive Compensation Policy
(<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.TA17.8>)

On April 21, 2017, the Board established an Executive Compensation and Performance Review Committee
(<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.TA15.5>)

COMMENTS

In February 2021, the Chair of the Board of TAF, who is Chair of the Executive Compensation and Performance Review Committee, initiated a performance assessment of the CEO. The Committee determined that, as in the 2020 performance review, the approach would include a 360 review with responses from an agreed list of internal and external reviewers to remain anonymous, and a self-assessment by the CEO. The Committee considered the 360 survey questions used in 2020, and for the sake of year over year comparison, decided to maintain most of the existing survey, amending it slightly to replace the open ended “Please provide any comments on the competencies above, and include additional key competencies or characteristics exhibited by TAF’s CEO which you would like to comment on” question with three more direct questions: What do you consider to be the three main strengths the CEO brings to her work?; What do you consider to be the three main areas for the CEO to develop?; and In what ways could the CEO work better with you, which you have not already mentioned?

The Committee compared the 360 survey results from 2019 to 2020. A summary of results is included in Confidential Attachment 1.

The Committee considered the “Update on the City’s Response to COVID-19 and Financial Impacts” report to City Council dated July 22, 2020 (<https://www.toronto.ca/legdocs/mmis/2020/cc/bgrd/backgroundfile-153514.pdf>). This report included recommendations related to compensation increases during COVID for City employees and agencies. The Chair reached out via email to Omo Akintan, Chief People Officer with the City of Toronto seeking guidance on the application of the Council-approved recommendations in the report, specifically recommendation #9, included below:

- 9. City Council request Boards of the City's Agencies and Corporations as appropriate to approve and apply the changes set out in Recommendations 4 and 5, to their staff.

Recommendation #4 and #5 are included below:

- 4. City Council approve general annual salary range increases, representing cost of living adjustments for Accountability Officers, and Management/Non-union employees in the Toronto Public Service for 2020 as 0% effective January 1, 2020.
- 5. City Council authorize the City Manager to cancel the Pay for Performance program effective immediately, such that there will be no Pay for Performance increases or reearnable performance-based lump-sum payments effective January 1, 2021 (based on 2020 performance).

A subsequent conversation with Mary Kutarna, Director, Business Services, Systems & Insight, People & Equity Division provided some clarity regarding the applicability of the Report to TAF, providing the following advice:

- The Report is not a directive.
- The intent was to attain some consistency across the City.
- If an Agency has city employees than the policy is applicable.
- Considerations can include: source of funding for the agency, contractual obligations, and other agency-specific circumstances (eg the Agency is managing city employees).

Mary Kutarna Suggested that the Board review: Executive Compensation at City Agencies and Corporations, adopted August, 2014. Agencies and Corporations were to follow the Guiding Principles in Attachment 1 to the City Manager's report in developing their executive compensation policies (<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX44.8>). TAF's current Executive Compensation Policy was developed based on these guiding principles and will be reviewed by the Committee in 2021 as per the Terms of Reference requirement to conduct a review every four years. Recommendations for updates will be provided to the Board at a future meeting.

In developing the salary adjustment recommendation, the Committee considered organizational performance and outcomes for 2020, specifically that COVID-19 did not adversely impact TAF's finances and in fact TAF's portfolio has performed well and TAF is not part of tax base. They also considered that the Board approved the 2021 budget on November 6, 2020, which included compensation increases for TAF management and staff. Based on the above, the Committee recommends a compensation adjustment in Confidential Attachment 1. This recommendation is in compliance with the City's report dated July 22, 2020 and is reasonable considering TAF's current situation.

The Committee also recommends that the CEO contract be reviewed and appropriately updated during next year's CEO Performance Review. The current contract is dated 2008.

CONTACT

Jaime Klein, People and Operations Manager, jklein@taf.ca

SIGNATURE

Parminder Sandhu
Board Chair

ATTACHMENTS

Confidential Attachment 1 – Compensation Recommendations and CEO 360 Survey Results Summary, 2019 to 2020

Confidential Attachment 2 – CEO Performance Review Letter