



# TA15.5

## REPORT FOR ACTION

### Executive Compensation and Performance Review Committee - Terms of Reference and Membership

**Date:** April 7, 2017

**To:** The Atmospheric Fund Board of Directors

**From:** Board Chair

#### SUMMARY

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This report proposes:

- Dissolving the Human Resources Committee, and establishing a new *Executive Compensation and Performance Review Committee* (The Committee),
- New Terms of Reference governing the *Executive Compensation and Performance Review Committee*, and
- Committee member appointments.

#### RECOMMENDATIONS

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

1. Dissolve the Human Resources Committee and thank the members for their service.
2. Establish an Executive Compensation and Performance Review Committee with Terms of Reference as set out in Attachment 2 of this report.
3. Appoint the following members to the Executive Compensation and Performance Review Committee:
  - Sandra Odendahl (Board Chair),
  - Rob Roberti (Citizen member), and
  - Mike Layton (City Council member).

#### FINANCIAL IMPACT

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None.

## **DECISION HISTORY**

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At its February 27, 2015 meeting, TAF's Board established a Human Resources Committee with the following membership:

- Councillor Gord Perks
- Gary Ebersberger
- With staff resources to the Committee from the Chief Executive Officer

The Committee has not met, and formal Terms of Reference were never established.

## **COMMENTS**

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TAF has two current priorities for resolution by the Executive Compensation and Performance Review Committee (The Committee):

- to review its Executive Compensation Policy for compliance with City Council's directions set out in EX44.8, Executive Compensation Policy for City Agencies and Corporations, adopted at its meeting of August 2014, and
- to update its policy and process for performance reviews of the agency's CEO and other executive level employees, as applicable.

City Council's policy applies to the Administrative Heads of agencies and corporations and to executives reporting directly to the Administrative Head. In 2016, City Council was updated on Boards' implementation of executive compensation policies; and regarding TAF, that its policy would be reviewed for alignment with the directions in 2017. The policy requirements set out in the City Council directive include the following:

- Boards to develop and approve a comprehensive senior executive compensation policy, independent of management, applying the guiding principles and practices set out in Attachment 1 to the report (August 6, 2014) from the City Manager and the City Solicitor, and provide the policy to the City Manager.
- Boards' approved executive compensation policies be applied to new employment contracts, and to existing contracts, if any, that permit compensation adjustments, either during an existing term or under renewal.
- Boards to review their executive compensation policy every four years after the initial policy is approved, with results to be disclosed on public websites and annual reports, and Council authorized the City Manager to incorporate this requirement and the guiding principles and practices per Attachment 1 to the report (August 6, 2014) from the City Manager and the City Solicitor, into existing and future Relationship Frameworks, Shareholder Declarations and Directions.
- Boards to ensure that future employment contracts for senior executives contain a provision providing employee consent to the disclosure of their individual compensation through an annual public report through the Board, and request that existing senior executives of those bodies provide similar consent.

## **CONTACT**

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Sandra Odendahl, Board Chair, The Atmospheric Fund

## **SIGNATURE**

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Sandra Odendahl  
Board Chair, The Atmospheric Fund

## **ATTACHMENTS**

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- Guiding Principles in the Development of Senior Executive Compensation Policies
- Executive Compensation and Performance Review Committee draft Terms of Reference