



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

CreateTO Human Resources and Compensation - Update

Date: November 20, 2020

To: The Board of Directors of CreateTO

From: Interim Chief Executive Officer

Wards: All

REASON FOR CONFIDENTIAL INFORMATION

This report is about labour relations or employee negotiations, personal matters about an identifiable person or persons, and contains advice or communications that are subject to solicitor-client privilege.

SUMMARY

The purpose of this report is to provide the Board with a confidential update on human resources matters affecting CreateTO staff and to provide information regarding financial compensation previously requested by the Board.

RECOMMENDATIONS

The Interim Chief Executive Officer recommends that the Board of Directors of CreateTO:

1. Adopt the confidential instructions to staff in Confidential Attachment 1.
2. Direct the Interim Chief Executive Officer to comply with the directions of City Council contained in Report EX44.8 adopted on August 25, 2014 by utilizing the Mercer report, attached as Confidential Appendix C, to prepare an executive compensation policy for CreateTO, which is to be submitted for approval to the CreateTO Board in early 2021.

3. Direct that the confidential instructions to staff be made public once adopted by the Board and after the affected employees have been informed and that Confidential Appendix C be made public after an Executive Compensation Policy is adopted by the Board in 2021 and at the discretion of the Chief Executive Officer.

4. Direct that the remainder of the confidential information contained in Confidential Attachment 1 and Confidential Appendices A, B, and D remain confidential in their entirety, as they are about labour relations or employee negotiations, personal matters about an identifiable person or persons and contain advice or communications that are subject to solicitor-client privilege.

FINANCIAL IMPACT

The financial impact of this Report is noted in the Confidential Attachment.

DECISION HISTORY

This report is a follow-up to the report delivered by the Interim CEO to the Board of CreateTO on November 5, 2020.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RA18.1>

This report also responds to the Board's direction at its meeting of October 9, 2020:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RA17.6>

COMMENTS

The Interim Chief Executive Officer will provide a confidential update to the Board on CreateTO Human Resources matters related to the following requests by the Board and City Council:

1. Compensation Matters.

The Board of Directors of CreateTO, at its meeting on October 9, 2020 considered RA17.6 CreateTO Staffing and Compensation Update

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RA17.6>

and requested the Chief Executive Officer, CreateTO to:

- Report to the Board prior to the end of 2020 regarding financial compensation related to the 2020 fiscal year, as set out in Confidential Attachment 1 to the report (September 25, 2020) from the Chief Executive Officer, CreateTO; and
- Request and review the guidelines for pay-for-Performance for the City of Toronto and its agencies Boards and Commissions and report to the December 4, 2020 meeting on CreateTO alignment.
- report to the Board on the results of the compensation review when the report is finalized in the fourth quarter of 2020.

In August 2014 City Council adopted EX44.8 relating to Executive Compensation Policy at City Agencies and Corporations along with Guiding Principles in the Development of Senior Executive Compensation Policies.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX44>.

As a new agency created in 2018, CreateTO became subject to the requirement to adopt an Executive Compensation Policy as required by EX44.8. In July 2020, CreateTO engaged the services of Mercer to assess market competitiveness of its executive compensation and pay practices.

2. City Council request on Cost of Living Adjustments and Pay for Performance programs.

On July 28, 2020 City Council approved report CC23.3 canceling the City's pay for performance program and cost of living adjustments for non-union employees.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.CC23.3>

Section 12 of the Council report requested *"Boards of the City's Agencies and Corporations as appropriate to approve and apply changes as set out in Parts 7 and 8 above [i.e. the suspension of the payment programs] to their staff"*.

3. TCHC Integration.

At its meeting on July 16, 2019, City Council directed staff to complete a due diligence process to ensure an appropriate understanding of the legal, financial and labour implications of the transfer of TCHC's real estate development functions to CreateTO and/or the City and report back with a transfer plan, including governance.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX7.1>

CONTACT

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SIGNATURE

Steven Trumper
Interim Chief Executive Officer

ATTACHMENTS

Confidential Attachment 1 - Human Resources Matters
Confidential Appendix A – Compensation Information
Confidential Appendix B – Legal Commentary
Confidential Appendix C – Mercer – Executive Compensation Review
Confidential Appendix D – Confidential Staffing Information