

REPORT FOR ACTION



Executive Compensation Policy

Date: January 28, 2020

To: Human Resources, Compensation and Labour Relations Committee

From: Chair of the Human Resources, Compensation and Labour Committee

SUMMARY

The purpose of this report is to provide an update on the development of the executive compensation policy pursuant to directions from City Council and to seek Board approval to move forward with next steps in the process.

RECOMMENDATIONS

The Chair of the Human Resources, Compensation and Labour Relations Committee recommends that the Board of Directors of TO Live:

1. Approve the stakeholder list as noted on page 1 in Attachment 1.
2. Approve stakeholder interview guide in Attachment 2.
3. Approve a list of potential peer organizations as noted on page 2 in Attachment 1.

FINANCIAL IMPACT

The financial impact is unknown at this time.

DECISION HISTORY

At its meeting on August 25, 2014, City Council adopted Report EX44.8 entitled "Executive Compensation Policy for Agencies and Corporation" and requested agencies and corporations to implement a similar policy:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX44.8>

City Council on July 11, 2012 in Item EX21.19, adopted the following:

- City Council require all City agencies and corporations, other than the Police Services Board and the Public Library Board to:
 - Report their individual executive compensation and salary ranges to the City Manager in a form and at a time satisfactory to the City Manager as permitted by law; and
 - Take action to ensure that future employment contracts for executives contain a provision providing employee consent to the disclosure of their individual compensation to the City Manager and in a confidential report to City Council in a form and at a time satisfactory to the City Manager.
- City Council direct the City Manager to request the City agencies and corporations, when reviewing any compensation programs that are applicable to their executive employees (i.e. chief executive officer, chief administrative officer, other executive officers or equivalents also known as "C Level" Executives) to consider and base their review on performance measurements that incorporate clear, well-documented individual and organizational objectives and that any incentive variable pay remuneration (one-time lump sums) should not exceed 25% of an Executive employee's base salary.
- City Council request the City Manager to report to City Council on executive compensation of City agencies and corporations once per term of Council commencing in 2015, such report to include:
 - individual salary ranges and aggregate compensation for executives by agency type in a public report; and
 - individual executive compensation, including base salary, bonuses, expenses and the value of benefits, in a confidential attachment.

In this decision, City Council also enacted By-law [953-2012](#) for City Boards to require the disclosure of individual executive compensation in a confidential report to City Council through the City Manager as permitted by law.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX21.19>.

At its meeting on September 26, 2019, the Board of Directors of TO Live requested the Human Resources Committee to develop and report back to the Board in the first quarter of 2020 on an executive compensation policy and approved the resources to provide the report required, including the retaining of any required consultants.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CT6.12>

COMMENTS

Approval of the recommendations noted herein will assist Mercer in taking the next steps to develop TO Live's Executive Compensation policy, as directed by Council.

CONTACT

William Milne
VP of Finance & Administration
T. 416-368-6161, ext. 7121
William.Milne@tolive.com

Christine Kelsey
Director of Human Resources
T. 416-368-6161, ext. 7109
Christine.Kelsey@tolive.com

SIGNATURE

Kevin Garland
Chair
Human Resources, Compensation and Labour Relations Committee

ATTACHMENTS

Attachment 1 - Mercer Project Update
Attachment 2 - Stakeholder Interview Guide
Attachment 3 - Guiding Principles
Attachment 4 - Workback Plan