



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Executive Compensation Review

Date: July 11, 2022

To: Board of Directors, Toronto Parking Authority

From: President, Toronto Parking Authority

Wards: All

REASON FOR CONFIDENTIAL INFORMATION

This report deals with personal matters about identifiable persons.

SUMMARY

Toronto Parking Authority (TPA) is on an accelerated journey towards excellence, with the vision of becoming the world's best provider of sustainable parking, bike share and last mile mobility experiences for our customers, partners and our city. TPA's talent gaps, exacerbated by uncompetitive compensation, remains a barrier in attracting and retaining top leadership talent to support our change agenda. In order to address this issue, a compensation benchmarking review for Vice-Presidents and Directors was conducted by a third party and received by the Board of Directors at its meeting on May 27, 2022. The matter was referred to the next meeting of the Board.

This report recommends revisions to the compensation plan for Vice-Presidents and Directors.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Board of Directors, Toronto Parking Authority, adopt the recommendations and instructions to staff contained in Confidential Attachment 1.
2. The Board of Directors, Toronto Parking Authority, direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety, as it deals with personal matters about identifiable persons.

FINANCIAL IMPACT

There is no financial impact resulting from this report.

DECISION HISTORY

The Board of Directors of the Toronto Parking Authority at its meeting on May 27, 2022 considered item PA30.14 "Executive Compensation Review" and received an update on an executive compensation review conducted by a third party.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.PA30.14>

Toronto City Council at its meeting on August 25, 26, 27 and 28, 2014 considered Item EX44.8, "Executive Compensation Policy at City Agencies and Corporations", requesting City agency and corporation Boards to develop 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.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.ex44.8>

COMMENTS

On May 27, 2022, the Board of Directors of the Toronto Parking Authority received a confidential presentation from Gallagher Canada Limited on their findings: Toronto Parking Authority - Executive Compensation Benchmarking Review. A representative of Gallagher attended the meeting to present the findings and recommendations. The recommendations for Board consideration are consistent with Toronto City Council's direction under Item EX44.8, "Executive Compensation Policy at City Agencies and Corporations". The matter was referred to the July meeting of the Board for consideration and adoption.

Leadership capabilities and skill-sets required to deliver management's new vision are presently deficient; tracing in large part to significant management churn since 2017 and lack of leadership development. Compounding the TPA's Talent Strategy is our uncompetitive compensation envelope versus market comparators. This trend continues in 2022.

As background, since 2009, executive salary ranges at the TPA have been tied to increases with our collective bargaining contracts. Furthermore, the TPA has not completed an executive compensation benchmarking review since 2012. Salary ranges for executives and senior leaders have fallen materially behind market rates and impacted our ability to attract and retain high performing leaders.

In Q4 2021, and in recognition of the significant talent challenges facing the TPA, the President directed that a compensation benchmarking review for Vice-President and Director positions be completed to assess TPA's competitiveness in order to inform fact-based decision making.

CONTACT

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SIGNATURE

W. Scott Collier
President, Toronto Parking Authority

ATTACHMENTS

Confidential Attachment 1 - Executive Compensation