

Executive Compensation Review - Legal Comments

Date: July 4, 2023

To: Executive Committee

From: City Solicitor

Wards: All

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report contains advice or communications that are subject to solicitor-client privilege.

SUMMARY

At its meeting of July 14, 2021, City Council had before it the supplemental report (dated July 13, 2021) from the City Manager and the City Solicitor including a confidential attachment containing solicitor-client advice respecting the issues surrounding the issue of executive compensation policies for City Agencies and Corporations.

As the current report (June 26, 2023) from the City Manager to be considered by Executive Committee at its meeting of July 11, 2023 concerns this same issue, this supplemental report has been prepared in order to ensure that legal advice is again available for the convenience of Committee and Council and may be considered along with the City Manager's recommendations.

RECOMMENDATIONS

The City Solicitor recommends that:

1. City Council direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety, as it contains advice which is subject to solicitor-client privilege.

FINANCIAL IMPACT

There are no financial implications arising from the adoption of the recommendation in this report.

DECISION HISTORY

On July 19, 2022, City Council directed Toronto Hydro to refrain from amending its current compensation policies or amending the base or incentive compensation provisions of its existing employment contracts with Toronto Hydro senior executives or from hiring any new permanent senior executives until such time as City Council has considered the issue of executive compensation for all its agencies and corporations.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.EX34.31>

On July 14, 2021, City Council directed the City Manager to complete an independent external review of executive compensation policies and practices at the City of Toronto's agencies and corporations, including Toronto Hydro Corporation, and to report back to Council. In addition, City Council requested the City Manager to include in the 2021 review of executive compensation at City's agencies and corporations appropriate updates to the City's Guiding Principles adopted by City Council in 2014, in accordance with current leading industry practice.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX25.13>

At its meeting of July 14, 2021, City Council also had before it the supplemental report (dated July 13, 2021) from the City Manager and the City Solicitor including a confidential attachment containing solicitor-client advice respecting the issues surrounding the issue of executive compensation policies for City Agencies and Corporations.

COMMENTS

The Confidential Attachment 1 attached to this report includes the previous legal advice and information provided in 2021 for consideration by Executive Committee and City Council in conjunction with the report of the City Manager (June 26, 2023) respecting "Review of Executive Compensation Policies at City of Toronto Agencies and Corporations".

CONTACT

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SIGNATURE

Wendy Walberg
City Solicitor

ATTACHMENTS

Confidential Attachment 1 - Executive Compensation Policies - Legal Advice