



Memorandum to: Members of the Business Board

From: Richard B. Nunn
Chair of the Governing Council

Date: January 25 for January 28, 2013

Re: **Report of the Senior Appointments and Compensation Committee
for 2011-2012**

A. Background

Policy Context

The following report covers activities of the Senior Appointments and Compensation Committee (SACC) during the academic year 2011-2012 as required by the *Policy on Appointments and Remuneration*. The *Policy* and its *Regulation #1*, which addresses decision-making and reporting on compensation, are attached hereto as Appendix A.

Committee Membership

In 2011-2012, the Committee comprised the following:

Chair, Governing Council	Mr. Richard B. Nunn
Vice-Chair, Governing Council	Ms Judy G. Goldring
Chair, Business Board	Mr. W. David Wilson
Member, Business Board	Ms Melinda Rogers
Alumni Member, Governing Council	Ms Elizabeth Vosburgh
President	Professor David Naylor

The Secretary of the Governing Council serves as secretary of the Committee and maintains its files. When compensation of the President is discussed, Committee members meet without the President.

B. Compensation Frameworks

Last year, the Committee considered four compensation frameworks and recommended their approval to the Business Board:

- *Policy Amendments – Senior Research Associates and Research Associates (Limited Term)*,

- *Compensation and Benefit Improvements for Senior Research Associates and Research Associates (Limited Term),*
- *Compensation, benefit and Policy Revisions: Professional / Managerial and Confidential Staff, and*
- *Job Evaluation and Salary Range Market Adjustments for Confidentials and Professional / Managerial Staff at Levels 1 to 4.*

All decisions were made in the context of and in compliance with the *Broader Public Sector Accountability Act, 2010*, which came into effect at the end of March, 2010. Since then, the University of Toronto, along with the whole of Ontario's broader public sector, has been subject to compensation restraint legislation that is part of the government's efforts to reduce the Province's deficit. Various amendments to the legislation have been made – for example, those relating to executive officers which were included as part of the Budget Bill in June of 2012. The Minister of Finance also issued a directive in July, 2012, that states the expectation that there will be no across-the-board and no net increases to compensation for two years for non-executive groups including Unions. Further constraints were included in the *Protecting Public Services Act, 2012*, which was announced, but never introduced.

C. Executive Appointments and Compensation

(1) Terms and Conditions of Appointment / Reappointment

Under the *Policy*, the President is required to bring to the Committee for consideration his recommendations on the terms and conditions of appointments for Vice-Presidents, Deputy and Vice-Provosts, and other administrative positions above the level of Principal or Dean. Data on the number of initial appointments, renewals and bonuses are summarized in Table 1 below. The relevant positions were: Vice-President, University Operations (initial appointment), and Vice-President, Research and Innovation (reappointment). The Committee also approved the terms and conditions of reappointment and the reappointment of the Associate Vice-Provost, Health Sciences, Policy and Strategy (reappointment).

(2) Performance Assessments and Compensation Adjustments

The Committee considered the President's Annual Activity Report for 2011-2012.

The Committee reviewed the annual performance evaluation for the President prepared by the Chair, assessed performance against key institutional goals and approved the overall evaluation rating.

The Committee considered the President's recommendations for annual adjustments for members of the vice-presidential group. Merit adjustments were recommended for 2011-2012 for the Vice-Presidents. Decisions were made in the context of and in compliance with the relevant legislation.

(3) Succession Planning

In addition to the decisions noted above, the SACC, with the agreement of the Executive Committee, initiated the presidential search process, undertaking preliminary planning and information-gathering, and engaged the search consultants that were to support the Presidential Search Committee once it was established by the Governing Council. Coupled with its role in this critical element of leadership succession, the SACC also asked the President to provide for its review detailed plans within each of the Vice-Presidents' portfolios and the Secretariat to address leadership transitions – both unanticipated and anticipated – in the short-, medium- and long-term. As a matter of good governance practice, the Committee expects to receive annual updates on adjustments to the plans.

D. Faculty

(1) Academic Salary Report

The purpose of the annual *Academic Salary Report (AcSR)* is to present summary data showing current salary ranges for University of Toronto faculty by academic rank. The last UTFA arbitration award was issued in October 2010 and set out an award covering the period 2009-10 and 2010-11 and which was staged over four periods (July 2009, Jan 2010, July 2010 and Jan 2011). As a result of the staged implementation, there was a delay in getting the final data file for analysis. At the time of the submission of last year's SACC Report, the *AcSR* was in preparation and was to have come forward to the May or June 2012 committee meeting. There were unanticipated delays in finalizing the *AcSR*, however, in part because limited staff resources in the Vice-Provost's office had to be dedicated to extensive and time-sensitive work in relation to the Provincial Auditor's audit on university teaching quality. The *AcSR* is now available and will be distributed to the Committee for review at its meeting of February 6, 2013

(2) Principals, Deans, University Librarian, Director, School of Continuing Studies and Director, Transitional Year Program

Under the *Policy*, the President is responsible for approving compensation relative to a set of principles or a framework approved by the Committee from time to time. The President is to make an annual report on decisions made under this authority. As in the case of the Academic Salary Report, the report is now available and will be distributed to the Committee for review at its meeting of February 6, 2013.

Table 1:

	<i>Senior University and Divisional Officers – Initial Appointment</i>	<i>Senior University and Divisional Officers – Renewed Appointment</i>	<i>Market/ Anomaly Adjustment</i>	<i>Special Bonuses</i>
2011-2012				
Academic	1	2		
Non-academic	5	1		
2010-2011				
Academic	0	1	1	
Non-academic	0	2	0	

E. Administrative Staff

(1) Appointments

The Committee has the authority to appoint, on the recommendation of the President, Assistant Vice-Presidents and Assistant Secretaries of the Governing Council. During 2011-2012, three recommendations for appointment were brought forward for approval: Assistant Secretary of the Governing Council; Acting Assistant Vice-President, Space and Facilities Planning; and Assistant Vice-President, Government, Institutional and Community Relations. Under its terms of reference, the Committee also recommended for approval to the Executive Committee the appointment of the Deputy Secretary of the Governing Council.

(2) Compensation Decisions

For professional and managerial positions (normally in the PM 7, 8 and 9 categories) the President is delegated authority to approve compensation, upon initial appointment, within the range established by policy; approve annual adjustments arising out of performance evaluation processes as established from time to time within policy; and approve one-time-only bonus or stipend arrangements for the assumption of extra duties on a time-limited basis. The Committee received the Administrative Salary Report for July 1, 2011 at its meeting of November 29, 2012.

In addition to approving compensation arrangements that are outside of established policy, the Committee retains authority to approve, on initial appointment and for subsequent changes, compensation for members of the administrative staff with a direct reporting relationship to the Governing Council. The Committee considered one recommendation for arrangements outside of established policy for Professional / Managerial staff. The proposed arrangements were intended to address highly competitive market conditions. Ultimately, however, the recruitment was unsuccessful.