



**FOR INFORMATION**

**PUBLIC**

**OPEN SESSION**

**TO:** Business Board

**SPONSOR:** Ms Shirley Hoy, Chair of the Governing Council  
**CONTACT INFO:** (416) 978-2117, [chair.gc@utoronto.ca](mailto:chair.gc@utoronto.ca)

**PRESENTER:** As above.  
**CONTACT INFO:**

**DATE:** January 16, 2017 for January 23, 2017

**AGENDA ITEM:** 1

**ITEM IDENTIFICATION:**

Annual Report of the Senior Appointments and Compensation Committee for 2015-2016

**JURISDICTIONAL INFORMATION:**

Under the *Policy on Appointments and Remuneration*, the Senior Appointments and Compensation Committee is responsible for attesting to the Governing Council, through the Business Board, that compensation policies and programs for particular categories of employees are appropriate, and that decisions about the compensation of individuals have been made in accordance with established policy and practice. The categories include members of the University's senior administration, academic division heads and administrative officers with special reporting arrangements with respect to the Governing Council, the President or the Provost.

In the *Policy on Appointments and Remuneration*, the Governing Council has also provided for delegation of its powers to appoint employees. Appointments under the authority delegated to the SACC are reported to the Governing Council through the Executive Committee.

**GOVERNANCE PATH:**

1. Senior Appointments and Compensation Committee [For review and approval] (January 2017)
2. **Business Board [For information] (January 23, 2017)**

**PREVIOUS ACTION TAKEN:**

The SACC's last report was received for information by the Business Board at its meeting of January 25, 2016.

**HIGHLIGHTS:**

The *Report* provides background on the Senior Appointments and Compensation Committee's mandate and method of operation. It also presents summary information on decisions made by the Committee in the period July 1, 2015 to June 30, 2016.

In the past number of years the SACC Annual Report has been presented to the Business Board at its Cycle 3 meeting. In some cases this has meant that the individual presenting the Report was not the Chair of SACC for the reporting period (as is the case this year). To address this situation as well as to eliminate the gap between the reporting period and the presentation of the Report, on a go forward basis the SACC Annual Report will be brought forward in Cycle 6. To this end, the 2016-17 Report will come forward to the Cycle 6 meeting of the Business Board on June 15, 2017.

**FINANCIAL IMPLICATIONS:**

N/A.

**RECOMMENDATION:**

No action required. The *Report* is for information.

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**DOCUMENTATION PROVIDED:**

*Annual Report of the Senior Appointments and Compensation Committee for 2015-2016*



**Memorandum to:** Members of the Business Board

**From:** Shirley Hoy  
Chair of the Governing Council

**Date:** January 9, 2017 for January 23, 2017

**Re:** **Report of the Senior Appointments and Compensation Committee for 2015-2016**

**A. Background**

**Policy Context**

The following report covers activities of the Senior Appointments and Compensation Committee (SACC) during the academic year 2015-2016 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 as Appendix A.

Under section 13. (c.) of the *Policy* ‘...the Senior Appointments and Compensation Committee is responsible for attesting to the Governing Council, through the Business Board, that compensation policies and programs for employees appointed under clauses 1 through 6 (...) are appropriate, and that decisions about the compensation of individuals have been made in accordance with established policy and practice.’

**Committee Membership**

Section 13 (a.) of the *Policy* prescribes the membership of the Senior Appointments and Compensation Committee.

In 2015-2016, the Committee comprised the following:

- |                                  |                         |
|----------------------------------|-------------------------|
| Chair, Governing Council         | Ms Judy G. Goldring     |
| Vice-Chair, Governing Council    | Ms Shirley Hoy          |
| Chair, Business Board            | Ms Jane Pepino          |
| Member, Business Board           | Ms Zabeen Hirji         |
| Alumni Member, Governing Council | Mr. Keith Thomas        |
| President                        | Professor Meric Gertler |

The Secretary of the Governing Council serves as secretary of the Committee and maintains its files. The Vice-President and Provost and the Vice-President, Human Resources and Equity serve as non-voting assessors and are excluded from the Committee’s deliberations as appropriate.

When compensation of the President is discussed, Committee members meet without the President.

## **B. Compensation Frameworks**

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

- Increases to the Pensionable Earnings Salary Cap for Professional and Managerial Staff, and Advancement Professionals
- Compensation increases for Professional, Managerial and Confidential Staff; Advancement Professionals; Senior Research Associates and Research Associates

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 and subsequent amendments and directives.

## **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 appointment for Vice-Presidents, Deputy and Vice-Provosts, and other administrative positions above the level of Principal or Dean. For 2014-15 the relevant positions were:

- Associate Vice-President, Research Oversight and Compliance (extension of appointment)
- Acting Secretary of the Governing Council (new appointment)
- Secretary of the Governing Council (new appointment)
- Associate Vice-Provost, Relations with Health Care Institutions (new appointment)
- Vice-President, Human Resources and Equity (new appointment)
- Interim Vice-President and Principal, University of Toronto Mississauga (new appointment)
- Vice-President, International (new appointment)

## **(2) Performance Assessments and Compensation Adjustments**

The Committee considered the President's Annual Activity Report for 2014-15. It also reviewed the annual performance evaluation for the President prepared by the Chair, assessed performance against key institutional goals and approved the overall evaluation rating.

### **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 Committee reviewed the 2013-14 *Report* at its meeting of January 20, 2016.

The *Report* indicated that "... the most recent academic salary data demonstrate that our salaries are competitive both in Canada and with peer public universities in the US."

#### **(2) Principals and Deans Salary Report**

The Committee received the Report on *Principals & Deans (P&D) Compensation Arrangements: July 2, 2012 to June 30, 2015* at its meeting of January 20, 2016.

The *Report* noted that "... since 2012, executives at universities have been subject to Ontario public sector salary restraint legislation. As a result, sitting Principals and Deans have not received any salary increases – merit or otherwise – since 2011, and newly appointed Principals and Deans may not be compensated at an amount higher than their predecessors in the same role."

### **E. Administrative Staff**

#### **(1) Appointments**

Under Section 4 of the *Policy* the Committee has the authority to appoint, on the recommendation of the President, Assistant Vice-Presidents and Assistant Secretaries of the Governing Council. During 2014-2015, two recommendations for appointment were brought forward for approval:

- Assistant Vice-President, Innovations, Partnerships and Entrepreneurship (appointment to redefined role)
- Assistant Vice-President, Strategic Initiatives (appointment to redefined role)

## **(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, 2014 to June 30, 2015* at its meeting of January 20, 2016.

The *Report* noted that "... in accordance with the *Broader Public Sector Accountability Act, 2010*, a compensation freeze remains in effect for those members of the Professional and Managerial group who are included within the "designated executives" category specified in the legislation."

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 no recommendations for arrangements outside of established policy for Professional / Managerial staff.

### **F. Other**

Pursuant to section 13(e.) of the *Policy*<sup>1</sup> the Committee provided advice and recommendation, through the President to the University of Toronto Asset Management (UTAM) Board, for the terms and conditions of the appointment of the President and Chief Investment Officer of the University of Toronto Asset Management Corporation.

### **G. Conclusion**

In the past number of years the SACC Annual Report has been presented to the Business Board at its Cycle 3 meeting. In some cases this has meant that the individual presenting the Report was not the Chair of SACC for the reporting period (as is the case this year). To address this situation as well as to eliminate the gap between the reporting period and the presentation of the Report, on a go forward basis the SACC Annual Report will be brought forward in Cycle 6. To this end, the 2016-17 Report will come forward to the Cycle 6 meeting of the Business Board on June 15, 2017.

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<sup>1</sup> "Where the University of Toronto has established corporations and where a majority of the members of the boards of such corporations are appointed by the Governing Council and/or the President, such corporations shall seek, through the President, guidance from the Senior Appointments and Compensation Committee on establishment of and changes to their senior executive compensation policies and practices prior to approval by the corporation's board."