



**FOR INFORMATION**

**PUBLIC**

**OPEN SESSION**

**TO:** Business Board

**SPONSOR:** Ms Claire Kennedy, 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:** June 4, 2019 for June 18, 2019

**AGENDA ITEM:** 2

**ITEM IDENTIFICATION:**

Annual Report of the Senior Appointments and Compensation Committee for 2018-2019

**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] (June 4, 2019)
2. **Business Board [For information] (June 18, 2019)**

**PREVIOUS ACTION TAKEN:**

The 2017-18 *Annual Report* of the Committee was received for information by the Business Board at its meeting of June 19, 2018.

**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 May 1, 2018 to April 30, 2019.

**FINANCIAL IMPLICATIONS:**

N/A.

**RECOMMENDATION:**

For information.

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**DOCUMENTATION PROVIDED:**

- *Annual Report of the Senior Appointments and Compensation Committee for 2018-2019*



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

**From:** Claire Kennedy  
Chair of the Governing Council

**Date:** June 4, 2019

**Re:** Report of the Senior Appointments and Compensation Committee  
for 2018-19

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## **A. Background**

### **Policy Context**

The following report covers activities of the Senior Appointments and Compensation Committee (SACC) during the academic year 2018-2019 as required by the *Policy on Appointments and Remuneration*.

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 2018-2019, the Committee comprised the following:

|                                  |                         |
|----------------------------------|-------------------------|
| Chair, Governing Council         | Ms Claire Kennedy       |
| Vice-Chair, Governing Council    | Ms Jane Pepino          |
| Chair, Business Board            | Mr. Keith Thomas        |
| Member, Business Board           | Mr. Brian Lawson        |
| Alumni Member, Governing Council | Mr. Andrew Szende       |
| 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 the Committee discusses the performance assessment and compensation of the President it meets without the President.

## **B. Compensation Frameworks**

### **(1) Executive Compensation**

In August 2018, the Ontario government issued a new *Compensation Framework Regulation (O. Reg. 406/18)* (the "New Regulation") under the *Broader Public Sector Executive Compensation Act*. The New Regulation froze executive compensation for universities (among other designated employers). We await further information from the Ontario government with regard to a new compensation framework for executives.

Compensation decisions in 2018-19 related to the affected senior executives were in compliance of legislative requirements.

## **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 2018-19 the relevant positions were:

- Vice-President, University Operations and Real Estate Partnerships
- Vice-President, University Advancement
- Acting Vice-President and Principal, University of Toronto Mississauga
- University Ombudsperson
- Associate Vice-President, International Partnerships

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

The Committee considered the President's Annual Activity Report for 2017-18. 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.

A reminder that last year the Committee changed the annual performance assessment period for President Gertler to July 1 to June 30 (thus aligning it with the start of his second term). As a result, the transition to the new assessment period resulted in a shorter period for assessment for 2017-18 (November 1, 2017 to June 30, 2018). The

change also resulted in two annual bonus payments within the 2018 tax year – in February 2018 for the 2016-17 assessment and in October 2018 for the 2017-18 assessment.

The Committee also considered the President's annual performance assessments of the Vice-Presidents and the President and Chair's annual assessment of the Secretary of the Governing Council (including a revision to the Secretary of the Governing Council's compensation).

#### **D. Faculty**

The Committee reviewed the 2017-18 *Academic Salary Report* in March 2018. The *Report* noted that the most recent academic salary data demonstrated that U of T academic salaries are competitive both in Canada and with peer public universities in the US and that the University remains committed to a compensation scheme that recognizes meritorious performance.

The Committee also received a briefing on the *The Report of the Provostial Advisory Group on Faculty Gender Pay Equity at the University of Toronto (April 15, 2019)* and the *Provost's Administrative Response (April 15, 2019)*

#### **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. For 2018-19 the relevant positions were:

- Assistant Vice-President, Brand Strategy and Integrated Marketing
- Appointment of an Assistant Secretary to the Governing Council (2)
- Assistant Vice-President, Divisional Relations

##### **(2) Compensation Decisions**

The Committee received the *Administrative Salary Report for July 1, 2017 to June 30, 2018* at its meeting of January 21, 2019. The *Report* included information about the July 1, 2018 merit increases for PM6-11 staff and for Senior Advancement Professionals. The *Report* also provided an overview of the merit pay model for this group including the distribution of performance ratings for 2018 in comparison to 2017. The Committee asked questions about the distribution of the performance assessments and recommended that consideration be given to achieving a more normal distribution. The Vice-President, Human Resources & Equity accepted the Committee's advice and confirmed that strategies to address it were being actively pursued in the context of a larger undertaking,

initiated by the Vice- President's office, to implement a new talent management strategy with enhanced technology.

The *Report* also indicated that a market comparison to identify the University's position relative to the external market for its most senior administrative jobs within the PM6-11 salary level found that the majority of the University's benchmark positions compare favourably against market, when comparing to job rate as well as on individual salary basis.