



FOR INFORMATION

PUBLIC

OPEN SESSION

TO: Business Board

SPONSOR: Claire Kennedy, Chair of the Governing Council
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PRESENTER: As above.
CONTACT INFO:

DATE: June 1, 2020

AGENDA ITEM: 2

ITEM IDENTIFICATION:

Annual Report of the Senior Appointments and Compensation Committee for 2019-2020

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 1, 2020)
2. **Business Board [For information] (June 18, 2020)**

PREVIOUS ACTION TAKEN:

The 2018-19 *Annual Report* of the Committee was received for information by the Business Board at its meeting of June 18, 2019.

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, 2019 to May 4, 2020.

FINANCIAL IMPLICATIONS:

N/A.

RECOMMENDATION:

For information

DOCUMENTATION PROVIDED:

- *Annual Report of the Senior Appointments and Compensation Committee for 2019-2020*



Memorandum to: Members of the Business Board

From: Claire Kennedy
Chair of the Governing Council

Date: May 28, 2020

Re: **Report of the Senior Appointments and Compensation Committee
for 2019-20**

A. Background

Policy Context

The following report covers activities of the Senior Appointments and Compensation Committee (SACC) during the academic year 2019-20 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 2019-2020, the Committee comprised the following:

Chair, Governing Council	Ms Claire Kennedy
Vice-Chair, Governing Council	Ms Jane Pepino
Chair, Business Board	Mr. Brian Lawson
Member, Business Board	Mr. Preet Banerjee
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 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 continue to await further information from the Ontario government with regard to a new compensation framework for executives.

Compensation decisions in 2019-20 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 2019-20 the relevant positions were:

- Vice-President, Research and Innovation, and Strategic Initiatives
- Associate Vice-President and Vice-Provost, Strategic Initiatives
- Acting Vice-President and Principal, University of Toronto Mississauga
- Vice-President and Provost
- Acting Vice-President and Provost
- Vice-President and Principal, University of Toronto Mississauga

(2) Performance Assessments and Compensation Adjustments

The Committee considered the President's Annual Activity Report for 2018-19. 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.

The Committee also considered the President's annual performance assessments of the Vice-Presidents.

D. Librarians

The Committee received a briefing on the *Report on Librarians and Gender-Based Salary Equity, November 28, 2019* and *Response to the Report on Librarians and Gender-Based Salary Equity: University of Toronto, December 6, 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 2019-20 the Committee approved:

- Re-naming of Assistant Vice-President, Strategic Initiatives to Chief Strategy Officer;
- Re-naming of the Director, Campus Facilities and Planning to Assistant Vice-President, University Planning. This included an adjustment to the PM level for the position and the compensation.

(2) Compensation Decisions

The Committee received the *Administrative Salary Report July 1, 2019* at its meeting of January 20, 2020. The *Report* included information about the July 1, 2019 merit increases for PM6-11 staff and for Senior Advancement Professionals. The *Report* provided an overview of the merit pay model for this group including the distribution of performance ratings for 2019 in comparison to 2018.

The *Report* also indicated that a market comparison was conducted to identify the University's position relative to the external market for its most senior administrative jobs within the PM 6-11 salary levels. The Committee was advised that overall, the majority of the University's benchmark positions compared favorably against market when comparing to job rating as well as on an individual salary basis. The Vice-President, Human Resources and Equity indicated that this was a direct result of the updated compensation framework and adjusted PM salary ranges.