

MINUTES of the Chairs Committee Meeting of Toronto Waterfront Revitalization Corporation held at the offices of Toronto Waterfront Revitalization Corporation, 20 Bay Street, Suite 1310, Toronto, Ontario on Thursday, June 8, 2017 at 9:00 a.m., local time.

PRESENT: Helen Burstyn, Chair
Susie Henderson
Julie Di Lorenzo
Ross McGregor (via telephone)
Janet Rieksts-Alderman

ABSENT:

The following additional persons were in attendance, unless otherwise noted, throughout the meeting or only for particular business items as noted in these minutes: Will Fleissig, President and Chief Executive Officer, Marisa Piattelli, Chief Strategy Officer; Rose Desrochers, Director, Human Resources and Administration; Andrew Hilton, Director Communications and Public Engagement; Ian Beverley, General Counsel; and Sonia Pead, Associate Legal Counsel.

Also in attendance was Mark Wilson, former Chair of the Board of Directors.

The Chair, Helen Burstyn, took the chair and with the consent of the Committee Members, appointed Ann Landry to act as Secretary of the meeting.

The Chair declared that a quorum of the Committee Members was present and that notice of the meeting having been duly sent to all Committee Members in accordance with the Corporation's By-laws, the meeting was duly called and regularly constituted for the transaction of business.

The Chair provided a brief overview of the dual mandate of the Committee which is composed of the Chairs of all the Board Committees and the Board Chair. This dual mandate includes:

- 1) Organizing the Agenda for Board meetings by convening a conference call in advance of each Board meeting to identify matters that have been reviewed by Board Committees and are ready for presentation to the Board. In performing this administrative function, it is understood that the Chairs Committee is not holding a "meeting" within the meaning of the Open Meeting law requirements; and
- 2) Performing the oversight responsibilities in respect of human resources management matters that were previously performed by the Human Resources Committee of the Board. When it performs this function, it is understood that the Chairs Committee will be convening a "meeting" within the meaning of

the Open Meeting Law requirements. The Chair noted that the Chairs Committee, whose members interact with all areas of the Corporation, will be able to provide a complete and comprehensive view of human resources matters across the Corporation.

She further noted that a Committee of Chairs provides for a complete and comprehensive view of the organization from the perspective of each of the Committees.

Ms. Burstyn advised that the Committee would only be discussing human resources matters and not the agenda for the upcoming Board meeting.

1. Motion to Approve Agenda

ON MOTION duly made by Susie Henderson, seconded by Julie Di Lorenzo and carried, it was **RESOLVED** that the Meeting Agenda was approved.

2. Declaration of Conflicts of Interest

There were no conflicts declared.

3. Human Resources & Compensation Committee Meeting Notes–November 23, 2016

The November 23, 2016 Human Resources & Compensation Committee Meeting Notes were tabled for information purposes only. The Chair noted that a quorum of the Committee Members was not present on November 23, 2016 and therefore the meeting was not regularly constituted for the transaction of business. She further noted that a discussion of specific matters such as the 2017/18 Human Resources Budget, would be helpful when the 2017/18 Annual Corporate Plan was tabled for review and approval by the Board so it was agreed that the three members of the Board [Helen Burstyn, Mark Wilson and Ross McGregor – the “Discussion Group”] who participated in the 2016/17 budget discussion in November, 2015, would be the appropriate Board members to review the 2017/18 budget in the absence of a Committee.

4. Human Resources Update

Rose Desrochers tabled a report and highlighted the following human resources elements:

1. Recruitment update including employee count and distribution, number of exits and new hires, as well as vacant positions;
2. Core Elements update including: organizational development/effectiveness; performance evaluation and compensation, rewards and recognition; safety and wellness; human resources framework; benefits; talent, succession management/learning and development; and
3. Update of the Human Resources Guidelines.

She advised that Waterfront Toronto qualifies for the Workplace Safety and Insurance Board (“WSIB”) CAD – 7 Experience Rating Plan through which the WSIB tracks employers’ health and safety performance. Under this WSIB CAD – 7 Experience Rating Plan, Waterfront Toronto has been recognized as an employer “achieving and maintaining zero injury, illness and fatalities,” which has resulted in a reduction of the Corporation’s premiums as well as validating our internal health and safety practices by receiving a refund of our WSIB employer premiums paid for the past seven years.

Discussion ensued and Management responded to questions from the Committee noting comments regarding the Corporation’s strong historical retention rate and whether or not compensation was an issue associated with the recent turnover rate of 9.7%. Ms. Desrochers advised that compensation was only an issue when the individual was going into the private sector or Real Estate Investment Trust.

5. Staff Salary Recommendations

Marisa Piattelli tabled reports and set the context for the recommendations including the following:

- From a human resources perspective, it had been a very busy and productive year as we continue to embed the results of the visioning and organizational review exercise deeper into the organization, with integrated decision-making.
- There is an enhanced focus on internal communications, including regular town halls following Board meetings which provide an opportunity to inform staff and also to recognize specific efforts. Management will be updating the 2013 Employee Survey which is planned for the fall.
- The Corporation went through a staff streamlining process last year to bring the staff complement in line with Waterfront Toronto’s strategic priorities which resulted in the identification of a core staff complement being reduced by 3.5 positions, from 67 to 63.5 and a reduction of approximately 3.4% of the payroll budget for 2016/17 (\$9.7 million)
- With more certainty around the Quayside Project and Port Lands flood protection, Management is working to ensure the right organizational structure is in place to deliver on the Quayside Project, Port Lands Flood Protection Project and the remainder of the Corporation’s project work. Concurrently, Management is working on a risk mitigation strategy and structure, all of which, will lead to an updated 2017/18 Corporate Plan, budget, and staffing plan.
- The Corporation’s Planning for Success (“PFS”) process is a year-long process including three check points with individual staff members throughout the year. The review process involves four days with a 360 review done with the individual’s peer group and broader senior management group.

- Variable compensation is possible for Senior Managers, Directors and above, for stretch objectives that are beyond the normal day-to-day responsibilities, and are clearly discussed with individuals and articulated in individual PFSs. Eligibility for variable compensation is capped at 15% of base salary for Senior Managers, 20% for Directors and 25% for the Executive team, and the distribution is the responsibility of senior management. This year, the overall recommendations for variable compensation for Directors and Senior Managers is 87% of the cap limit and 95% for Executives (excluding CEO). Recommendations for variable compensation for individual employees will be discussed in closed session.
- Ms. Piattelli advised that the salary adjustment recommendations are in line with the comparator analysis completed with relevant public and private agencies, and include the following:
 - Mid-level salary merit adjustment of 2.5% for the manager, professional and support staff; and
 - Mid-level salary merit adjustment of 2% for the Executive and Director level.
- Ms. Piattelli advised that the recommendations result in a total salary payroll increase of \$141,849 which is 2.5% of the total payroll base of \$5,613,192 for 52 staff members as of March 31, 2017. She further advised that the projected 2017/18 staff salaries and variable compensation are within the Board-approved corporate budget.

Ms. Piattelli tabled reports on salary comparatives for 2016/17, a summary of base compensation adjustments, and a discretionary pool of funds to reward non-executive staff for extraordinary performance, according to a consensus evaluation by executives and directors.

The Committee suggested that Management look at allocating a certain percentage of the WSIB premium refund to the discretionary pool next year.

The Committee noted a change in the Corporation's culture in terms of the pace and volume of work. Where decisions were previously made solely by the CEO, the Corporation is moving to a more integrated approach.

The CEO praised staff for stepping up and getting the work done even with the reduction of 3.5 employees. The Committee expressed some concern in terms of sustaining this pace and volume of work and stressed the importance of a very clear strategy in delivering Waterfront Toronto's projects. Management was asked if a capacity assessment has been done. The CEO advised that Management is in the process of developing an organizational risk mitigation strategy, at the request of the governments, and will be tabling the strategy with the Inter-governmental Steering Committee upon completion of a first draft. The Committee noted the government's confidence in the Corporation given the request for the Corporation to undertake this critical piece of work.

Further discussion was not required and **ON MOTION** duly made by Susie Henderson, seconded by Ross McGregor and carried, it was **RESOLVED** that the Chairs Committee hereby approve the following recommendations of the CEO for recommendation to the Board of Directors:

- 1) For the Director and Executive Management level, the salary matrix as tabled with a mid-level salary merit adjustment of 2.0%;
- 2) For the Manager, Professional and Support Staff, the salary matrix as tabled with a mid-level salary merit adjustment of 2.5%; and
- 2) A discretionary pool of \$20,000.00 provided to the CEO to reward non-executive staff for extraordinary performance and look at allocating a certain percentage of the WSIB refund to the discretionary pool next year.

6. Motion to go into Closed Session

There being no further business other than those matters to be discussed in a closed session, **ON MOTION** duly made by Helen Burstyn, seconded by Julie Di Lorenzo and carried, it was **RESOLVED** that in accordance with Section 190 of the City of Toronto Act, confidential matters were now to be considered. The Chair indicated to the members of the public present that it was now in order for them to depart from the meeting. Members of the public then left the meeting along with Management and staff (with the exception of the CEO and Rose Desrochers).

The meeting was then adjourned to be reconvened immediately in a closed session with Rose Desrochers acting as the Secretary of the meeting.

Closed Session 10:15 a.m.

7. Recommendations for Performance Assessment and Compensation of Individual Executives and Directors for the Period April 1, 2016 – March 31, 2017 *(By Law No. 2, 6.1.1(b) - "Personal matters about an identifiable individual, including employees of the Corporation")*

Confidential reports were provided including compensation recommendations for executives and directors, and performance assessments for executives.

The CEO and Rose Desrochers left the meeting.

A motion will be tabled and passed during the Open Session of the meeting.

8. CEO Results (*By Law No. 2, 6.1.1(b) - "Personal matters about an identifiable individual, including employees of the Corporation"*)

A confidential report was provided by the Chair of the Board regarding the current CEO's performance assessment and recommended compensation.

A motion will be tabled and passed during the Open Session of the meeting.

9. Motion to Resume Open Session

There being no further business other than those matters to be discussed in a public session, **ON MOTION** duly made by Helen Burstyn, seconded by Susie Henderson and carried, it was **RESOLVED** that in accordance with Section 190 of the City of Toronto Act, the Chair indicated that it was now in order for members of the public to rejoin the meeting. Members of the public were then invited to rejoin the meeting. The meeting was adjourned to be immediately reconvened in a public session.

Public Session

10:50 a.m.

10. Resolutions Arising during the Closed Session

During the closed session discussions, the following resolutions were proposed and voted on:

ON MOTION duly made by Helen Burstyn, seconded by Ross McGregor and carried, it was **RESOLVED** that the compensation recommendations for Executives and Directors for the period April 1, 2016 to March 31, 2017 be approved for recommendation to the Board of Directors.

ON MOTION duly made by Janet Rieksts-Alderman, seconded by Ross McGregor and carried, it was **RESOLVED** that the performance assessment and compensation recommendation for the CEO for the period April 1, 2016 to March 31, 2017 be approved for recommendation to the Board of Directors.

11. Termination of the Meeting

There being no further business, **ON MOTION**, duly made, seconded and carried, it was **RESOLVED** that the meeting be terminated at 11:00 a.m. local time.

Committee Chair

Secretary